THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 1997

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Office of the Finance Director

Richard K. Smith, C.P.A.
Finance Director

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INTRODUCTORY SECTION

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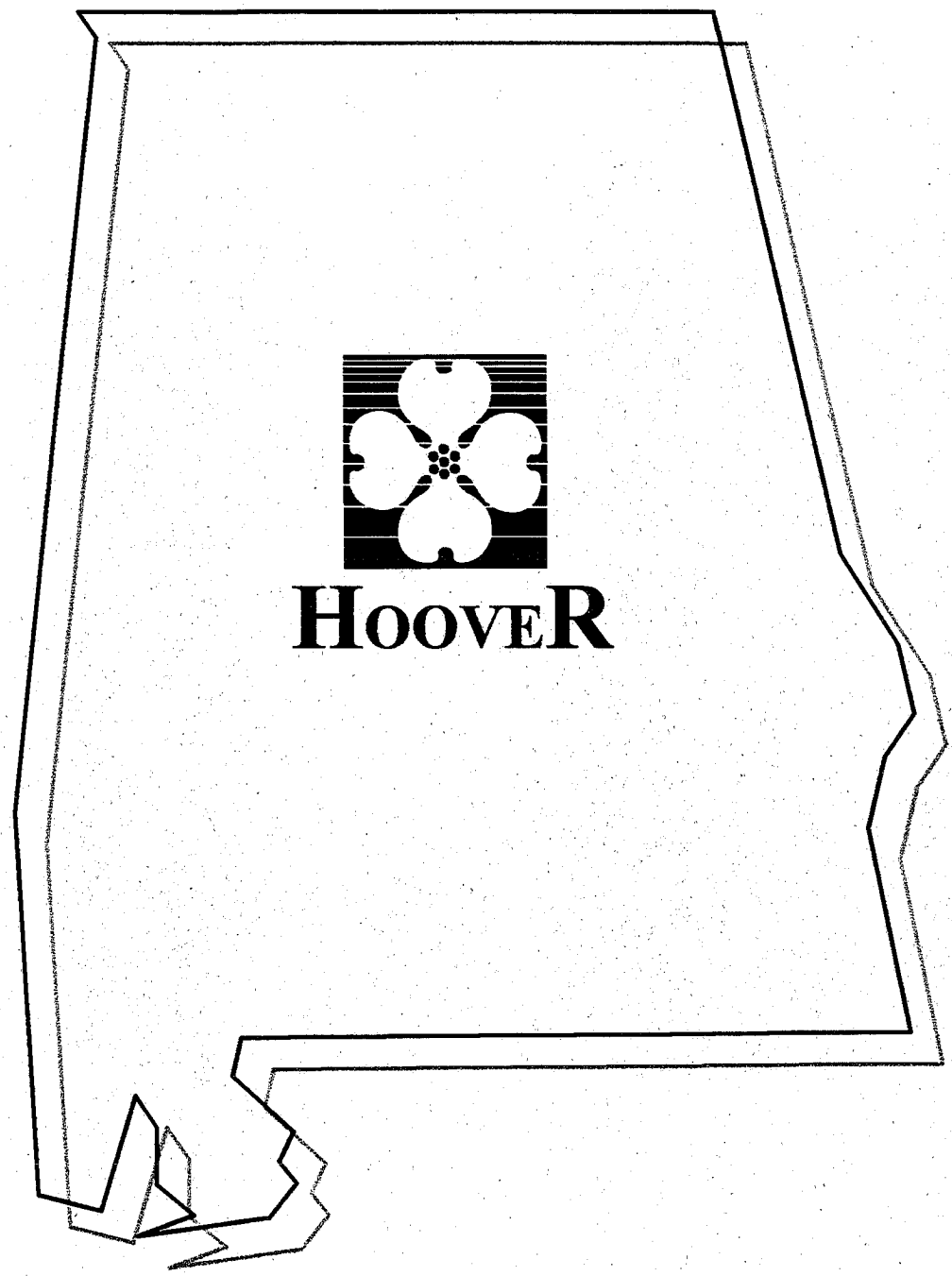
The City of Hoover, Alabama



The City of Hoover has a population of approximately 58,500 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

March 12, 1998

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, 1997, 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, 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 and 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 58,500 in 1997, a 46% 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 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 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 65.2% of total revenue in Fiscal 1997. 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.

The Government should continue to experience strong economic growth for many years into the future and continue to be the leader in retail growth among the larger cities in the state.

Major Initiatives for 1997

During Fiscal 1997, the Director of Development, through the Metropolitan Planning Organization, obtained firm commitments for grants from the Department of Transportation of approximately twelve million dollars for highway improvements in the City. Further, the Development Office completed, submitted and received HUD approval of a consolidated Plan required for the receipt of Community Development Block Grant funds totalling $247,000 for 1997 and $253,000 for 1998.

The office of the Director of Development (Development Office) completed a strategic plan for the Development Office and began work on a strategic development analysis for the entire City during Fiscal 1997.

The Development Office also completed a digital base map of the City and conducted a business retention survey, which showed a high level of satisfaction among recipients of City services.

The City completed work on two new state-of-the-art fire facilities--Station No. 8, which serves the Greystone area of Hoover, and Station No. 5, which replaced the old Bluff Park fire station building. Also completed was a project that transformed the upper level of Fire Station No. 7, in Inverness, to a community meeting hall. In addition, the Building Services Department directed the development of a folklore center, including several relocated mid-nineteenth century structures, to the Bluff Park Elementary School grounds.

The Risk Management Department completed the sixth year of the City's self-insurance program. Since the inception of the program, the City has doubled in almost every measurable way yet the City's risk-related expenditures have remained relatively level. The Risk Management Department continues to focus on preventive measures as a primary combatant against work-related accidents and injuries. Two Fiscal 1997 examples of the efforts of the Risk Management Department were the development of a new "Work

Zone Traffic Control Handbook" to enhance safe work habits on public roadways and a new fire safety and prevention program for all public buildings and city-owned vehicles.

During Fiscal 1997, the Solid Waste Management Department received and awarded bids for garbage and trash services under a new curbside (instead of backdoor) pickup program approved by the City's Mayor and City Council. Under the new program, curbside garbage and trash pickup services and leaf collection services are offered to Hoover residents free-of-charge. Qualifying residents such as those who are handicapped can receive backdoor garbage pickup service free-of-charge. Further, any Hoover resident can purchase backdoor garbage pickup services at the same cost that the City pays for such service. These changes in service will save Hoover taxpayers millions of dollars over the course of a few years.

Among the many technological improvements implemented by the City's Management Information Systems (MIS) Department during Fiscal 1997 were upgrades that add more memory and data storage capabilities to the City's main computer systems. The MIS and Fire Departments have a number of cooperative pilot projects underway that will culminate with enterprise-wide implementation of efficient leading-edge processes, such as e-mail, file-sharing and remote data capture. The development of a new Geographic Information System (GIS) was begun during Fiscal 1997 in cooperation with the Birmingham Regional Planning Commission and Jefferson and Shelby Counties. A GIS will provide electronic maps and geographically positioned data, initially to all City departments and eventually to the public through the internet and through electronic terminals at kiosks located within the City.

In cooperation with an outside consultant, the Mayor and City Council adopted a telecommunications policy that defines the City's role as a user, provider, facilitator, advocate and regulator of telecommunications services. A tower and antenna siting ordinance was subsequently adopted by city officials in an effort to ensure that the rapid growth of wireless communication facilities enhances, not diminishes the high standard of living that the City's citizens have come to enjoy. The Auxiliary Services Department continues to work with officials from nearby local government agencies to develop policies and regulations pertaining to the management of public right-of-ways in reaction to sweeping telecommunication regulation reform and the advent of competition between telecommunication service providers.

The City's Fleet Services Department has shown significant improvement in its service efforts over the prior year. A high customer satisfaction level and a high percentage of work performed in-house are only two of the many hard-to-reach goals attained by the Fleet Services Department. In cooperation with the City's Internal Auditor and MIS Department, a new fleet management system was implemented and refined during Fiscal 1997. Despite past concerns about under-staffing and under-training, the Fleet Services Department stood out as the City's most improved operating department even as the number of city-owned and maintained vehicles continued to grow to meet public service demands. The City's Internal Auditor continues to work on the development and implementation of

vehicle use policies and practices that should further enhance the City's management of fleet operations.

Additional projects and programs to which the Operations Division significantly contributed during Fiscal 1997 were the completion of Rocky Ridge Sports Park, the early phases of library expansion and municipal center construction projects, and the development of the Jefferson County Economic Industrial Development Authority.

Inspection Services streamlined its operations during Fiscal 1997 and distributed its workload in a manner more conducive to achieving its departmental mission. This was made possible by the hiring of new personnel which allowed restructuring and a more balanced approach to inspections procedures.

A new Zoning Inspector made a considerable difference in Inspection Services' ability to properly enforce zoning ordinance regulations. In a very short period of time there has been significant reductions in the number of sign and banner violations, which is an area of primary responsibility for the Zoning Inspector.

Overall, the number of single family home permits issued has remained generally constant for the last few years. Single family homes constructed during Fiscal 1997 had a total value of $124,954,214. The value of new apartments totalled $11,016,670. The total value of commercial construction in Fiscal 1997 was $62,487,614, a moderate increase over Fiscal 1996.

The Engineering Department completed the corridor design phase of a major highway improvement project which, when completed, will relieve traffic congestion on Highways I-459 and US 31 and provide easier access to the Riverchase Galleria and other commercial areas. The Engineering Department was also involved in the completion of various highway intersection improvements and widening projects, as well as several sanitary sewer projects.

During Fiscal 1997, the Fire Department became the first department in the State of Alabama to win approval for an electronic patient care reporting system developed by the Department "in-house" to report information to the State Department of Public Health. This replaced a cumbersome manual system used statewide. The Department saved the City about $50,000 by developing this reporting system internally and significantly improved the efficiency of the reporting process.

The Hoover Fire Department continued to maintain its Class 2 rating by the Insurance Services Office (ISO). No other department in the State has a higher ISO rating.

As mentioned above, Fire Station No. 8 was completed during the year. It is fully staffed with eleven firefighter-paramedics.

The fire prevention bus, built by the Fire Department in Fiscal 1996 was used in Fiscal 1997 to expose about 2,300 school children to realistic fire situations that should prepare them if they are faced with a fire in the home.

The Fire Department has overseen the upgrading of all fuel tanks in the City to meet EPA standards.

The Hoover Police Department DARE (Drug Abuse Resistance Education) program was taught by a police sergeant and three police officers in each of the eight elementary schools and two middle schools; grades K-8. During 1997 in excess of 6,000 students received DARE instructions, bringing the total number taught since 1989 to approximately 40,000 students.

The Hoover Police Department Special Response Team (SRT) currently has a strength of 26 officers and four paramedics. The paramedic program was implemented in 1997 to insure a higher level of medical response to the team due to increased violence in SRT call outs. SRT was utilized in a 14 hour standoff in a barricaded murder suspect incident. A SRT entry team made entry into the house and arrested the suspect with no injuries.

The Hoover Bomb Disposal Unit is comprised of a sergeant, a corporal and three officers. Of these, three are certified Bomb Disposal Technicians and two are designated as Robot Operators. During Fiscal 1997, this unit has responded to approximately 50 calls for service and provides training and assistance to other local, state and federal law enforcement agencies.

For the Future

The City of Hoover continues to strive for excellence internally and externally. To increase its attractiveness to future and sustained development, Hoover continues to enhance its services and amenities for the public. Internally, the administration of Hoover must develop policies that address not only future needs, but also the effect of becoming a larger city. Externally, citizens of Hoover expect not only continued services, but also services in addition to those already existing. All of these services and amenities broaden 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. Overall, the City is in the planning stages for improvements to the existing municipal complex. Separately, the following summarizes what some of the individual City departments see as their goals for the near future.

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 the planning process for Aldridge Gardens (Hoover's future Botanical Garden), and the completion of a greenway project for Rocky Ridge Park. Further, the City

has become eligible to receive another Community Development Block Grant (CDBG) for the approximate amount of $253,000. Some of this money will be appropriated for continuing the multi-year Lorna Road Sidewalk and Improvement Project. Finally, the Recreation Center plans to expand its fitness area with additional space in order to meet the needs of its members by providing room for new and existing equipment.

Though the City has a low maintenance, reasonable return under its present policy for investing excess funds (see "Cash Management" described herein), the Finance Department is exploring the possible benefits of a more aggressive investment policy yielding higher returns. A formal investment policy will be drafted for approval by the elected officials during Fiscal 1998.

The Finance Department also plans to move forward with its efforts to prepare a budget suitable for submission to the Government Finance Officers Association to qualify for the Distinguished Budget Presentation Award for Fiscal 1999. The budget award recognizes exemplary budget documentation by various public entities. The award substantiates credibility, clarity and the importance of the budget process for the City.

The Operations Department continues its efforts to ensure that the City operates as smoothly and efficiently as possible. Specifically, The Engineering Department has proposed and planned the following major projects for Fiscal 1998: (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) Implementation of 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.

In summary, the City of Hoover realizes that many needs continue to exist for its citizens and businesses. However, these needs must be balanced with the reality of finite resources. Therefore, objective decision making is required in order to determine the best use of funds. The aforementioned projects are some of the results of the decision making process. These projects are among those being implemented to enhance the City.

Departmental Focus - Purchasing

The Purchasing Department is currently comprised of the City's Purchasing Director and a coordinating clerk as the City has not implemented centralized purchasing. This is a newly established department which has created a greater awareness of compliance with bid laws and encouraged bidding for goods or services not available under existing contracts. The Purchasing Department has made departments aware of items available under existing contracts and has provided copies of State and local purchasing co-op bids to departments to purchase these items. On an as-needed basis, the Purchasing Department provides assistance to various departments regarding their purchasing.

The Purchasing Director was instrumental in organizing Central Alabama Public Purchasing Association (CAPPA) and now serves as its President. This group, which is

recognized as an official chapter of the National Institute of Governmental Purchasing, consists of approximately thirty individuals involved in public purchasing in cities, boards of education and libraries, meets quarterly in the City of Hoover. As President of CAPPA, the Purchasing Director is an active participant in the Purchasing Association of Central Alabama (PACA).

Among its many accomplishments since inception, through PACA, the Purchasing Department secured a bid on office supplies with a local supplier, saving the City up to 80% on some office supplies. Further, the Department also initiated the use of highly secured gasoline credit cards which allow the City to purchase gasoline without tax at local service stations. The Purchasing Department's efforts are paying immediate returns to the City in terms of compliance and monetary savings.

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, 1997, and the amount and percentages of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 1996	Percent of Increase (Decrease)
Taxes	$ 42,061,228	75.17 %	$ 2,459,342	6.21 %
Licenses and permits	7,833,276	14.00	882,266	12.69
Intergovernmental	2,260,279	4.04	(95,602)	(4.06)
Fines and forfeits	939,012	1.68	86,854	10.19
Interest earned	866,320	1.55	371,657	75.13
Other	1,989,843	3.56	917,394	85.54
Total	$ 55,949,958	100.00 %	$ 4,621,911	9.00 %

A significant decrease in the amount received from intergovernmental "Financial Institution Excise Tax" revenue, caused by reasons beyond the City's control, substantially accounted for the overall decrease in intergovernmental revenue.

Interest earned increased in Fiscal 1997 over Fiscal 1996 primarily because of growth in cash available for investment.

During Fiscal 1997, the City sold a large parcel of land which it was unable to annex into the City. The selling price was about one million dollars and is included in "Other" above. This accounts for the large percentage increase in that category.

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

Revenues	Amount	Percent of Total	Increase (Decrease) from 1996	Percent of Increase (Decrease)
Sales and use taxes	$ 36,490,195 (A)	65.21 %	$ 2,209,979	6.45 %
Business licenses	4,876,540 (B)	8.72	271,691	5.90
Property taxes	4,328,109 (A)	7.74	229,305	5.59
Building permits	2,278,697 (B)	4.07	440,238	23.95
Intergovernmental	2,260,279	4.04	(95,602)	(4.06)
Fines and forfeits	939,012	1.68	86,854	10.19
Interest earned	866,320	1.55	371,657	75.13
E-911	713,907 (C)	1.28	38,512	5.39
All other revenue	3,196,899 (D)	5.71	1,069,277	50.26
Total revenues	$ 55,949,958	100.00 %	$ 4,621,911	9.00 %

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

Taxes	$ 1,242,924
Licenses and permits	678,039
Other	1,275,936
	$ 3,196,899

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
1988	$ 11,607,404	64.1 %	11.4 %
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

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
1988	$ 2,260,556	12.5 %	12.4 %
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

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
1988	$ 1,518,902	8.4 %	19.6 %
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

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, 1997, and the percentage of increases and decreases in relation to prior year amounts:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 1996	Percent of Increase (Decrease)
Current				
General Government	$ 5,913,759	17.01 %	$ 339,848	6.10 %
Public Safety	17,078,833	49.12	417,782	2.51
Municipal Court	371,570	1.07	14,395	4.03
Streets and Sanitation	5,248,576	15.09	(56,732)	(1.07)
Health	347,843	1.00	584	(0.17)
Capital Outlays	998,681	2.87	(1,763,081)	(63.84)
Debt Service				
Principal	1,547,076	4.45	(364,269)	(19.06)
Interest	3,266,680	9.39	(109,358)	(3.24)
Total Expenditures	$ 34,773,018	100.00 %	$(1,520,831)	(4.19)%

In addition to the above expenditures, operating transfers totalling $3,967,900 and $11,103,834. were made to the One-Half Cent Capital Projects Fund and the component units respectively.

Expenditures for personal services including salaries, retirement contributions and other employee benefits totalled $20,074,845 in Fiscal 1997, compared to $18,986,706 in Fiscal 1996. This was an increase of $1,088,139. The increase resulted from the hiring of additional employees, a 3% across the board pay increase and merit raises.

Personal services expenditures comprised 69.2% of operating expenditures and 57.7% of total expenditures in Fiscal 1997 as compared to 67.2% of operating expenditures and 52.3% of total expenditures in Fiscal 1996.

Capital outlays from general and special revenue funds totalled $998,681 in Fiscal 1997, a decrease of $1,763,081. Capital outlays were as follows:

	Land	Construction	Vehicles	Equipment	Total
General Government					
Administration	$ -	$ -	$ 72,648	$ 141,464	$ 214,112
Municipal Garage	-	-	25,564	2,459	28,023
Total General Government	-	-	98,212	143,923	242,135
Public Safety					
Police	-	8,159	156,896	104,497	269,552
Fire	-	3,203	32,053	89,477	124,733
Inspection	-	-	57,998	1,121	59,119
Total Public Safety	-	11,362	246,947	195,095	453,404
Municipal Court	-	-	-	3,014	3,014
Streets and Sanitation	-	-	131,188	168,940	300,128
Health	-	-	-	-	-
Total	$ -	$ 11,362	$ 476,347	$ 510,972	$ 998,681

General Fund Balance

The unreserved, undesignated fund balance of the General Fund increased from $7,332,021 at September 30, 1996 to $12,824,684 at September 30, 1997, an increase of $5,492,663 or 75%. This was the result of strong revenue growth and the reduction of expenditures through conservative budgeting and budgetary control.

Enterprise Operations

The City's only enterprise fund is a Sewer Enterprise Fund which accounts for the operations of the Riverchase and Inverness sewage treatment plants. The Riverchase sewage 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 sewage 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 $228,153 and $72,020 for Fiscal 1997 and Fiscal 1996 respectively. Net cash provided (used) by operating activities totalled $(54,859) for Fiscal 1997 and $209,022 for Fiscal 1996.

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 continues to reflect a positive trend in the City's and employee's 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 $65,673,278 including short term warrants totalling $4,800,000. 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 three month 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 1997 was 5.35%.

The City's investment policy at present is to keep all idle funds invested at the best short-term rates available 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, 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 annual retention on all claims is $325,000. 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 annual claims over $587,150.

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, CPA's 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, 1996. This was the fifteenth 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, CPA's. 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,

Frank S. Skinner, Jr.
Mayor

Richard K. Smith
Finance Director

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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, 1996

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.

President

Executive Director

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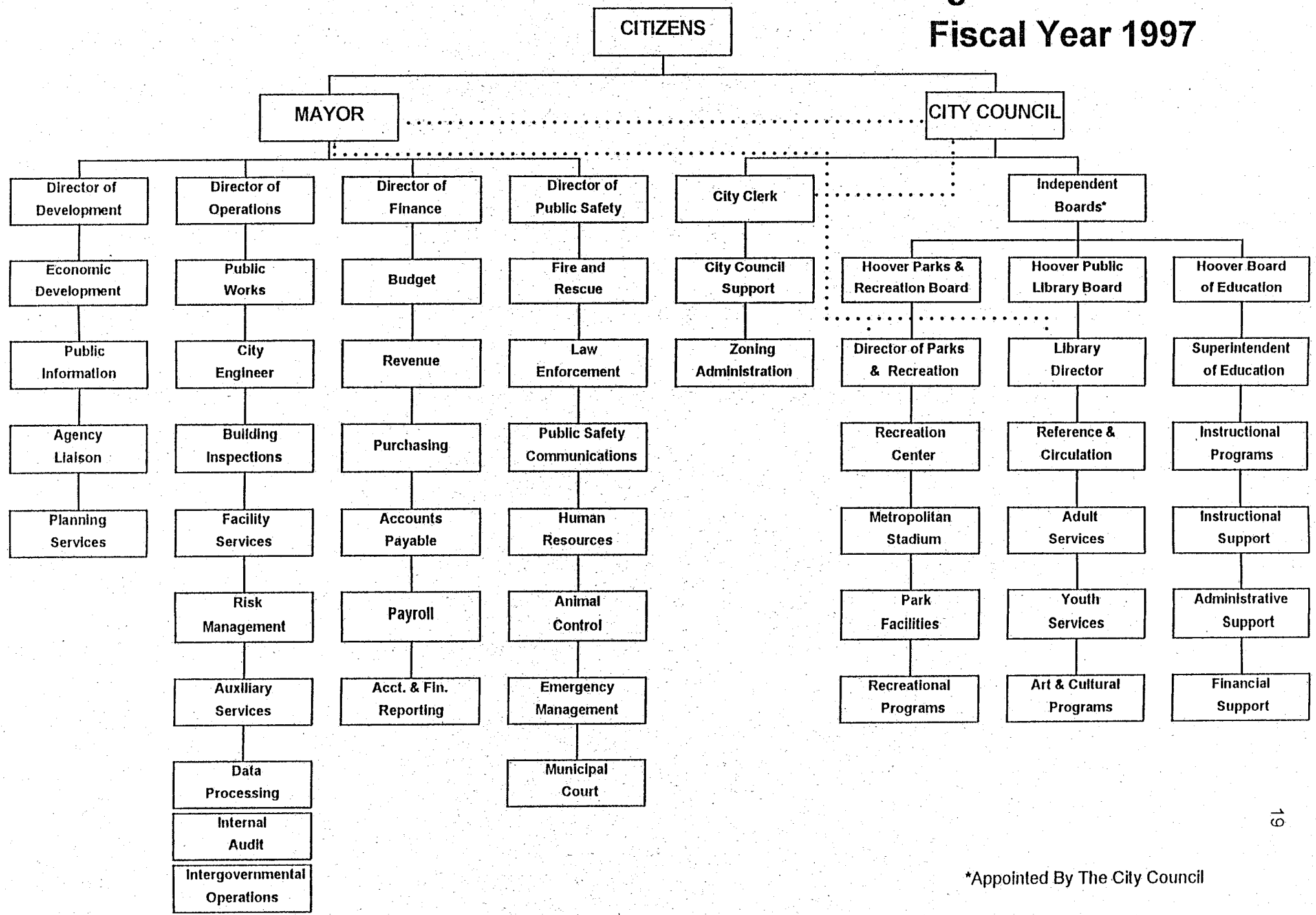
The City of Hoover, Alabama
Organization Chart
Fiscal Year 1997



*Appointed By The City Council

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Officials of The City of Hoover, Alabama
September 30, 1997

Mayor

Frank S. Skinner, Jr.

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
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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 year ended September 30, 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. The general purpose financial statements of the City of Hoover, Alabama and the combining, individual fund and account group financial statements of the City of Hoover, Alabama as of and for the year ended September 30, 1996 were audited by other auditors whose report, dated January 31, 1997, expressed an unqualified opinion on those statements, prior to the restatement disclosed in Note 5.

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.

In our opinion, 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, 1997, and the results of its operations and the cash flows of its proprietary fund for the years then ended, in conformity with generally accepted accounting principles. Also in our opinion, the combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Hoover, Alabama, at September 30, 1997, and the results of operations of such funds and the cash flows of the proprietary fund for the years then ended, in conformity with generally accepted accounting principles.

Continued on next page.

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 27, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combined Balance Sheet
All Fund Types, Account Groups and Discretely Presented Component Units
September 30, 1997

	Governmental Fund Types			Proprietary Fund Type
	General	Special Revenue	Capital Projects	Sewer Enterprise
Assets and other debits				
Assets				
Pooled cash and investments	$10,558,341	$1,133,963	$237,097	$5,366,233
Receivables				
Taxes	3,346,806	-	-	-
Accounts	35,715	-	-	114,414
Non-current receivable	3,491,097	-	-	-
Due from other governments				
County	432,695	-	-	-
State	-	63,127	-	-
Federal	-	-	-	-
Due from other funds	-	-	-	-
Inventory	22,961	-	-	3,100
Prepaid items	40,502	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	3,770,736
Deposits	25,000	-	-	-
Deferred compensation plan assets	-	-	-	-
Other debits				
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets	$17,953,117	$1,197,090	$237,097	$9,254,483
Liabilities, equity and other credits				
Liabilities				
Accounts payable and accrued liabilities	$1,495,196	$28,166	$217,097	$120,307
Claims and judgments payable	-	-	-	-
Due to other funds	-	-	-	-
Notes and capital leases payable	-	-	-	-
General obligation warrants payable	-	-	4,800,000	-
Refundable deposits	142,140	-	-	5,000
Accrued compensated leave	-	-	-	-
Deferred compensation benefits payable	-	-	-	-
Total liabilities	1,637,336	28,166	5,017,097	125,307
Equity and other credits				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	8,259,446
Retained earnings	-	-	-	869,730
Fund balances				
Reserved for inventories	-	-	-	-
Reserved for building commitments	-	-	-	-
Reserved for encumbrances	-	-	-	-
Reserved for non-current receivables	3,491,097	-	-	-
Unreserved, designated for acquisition, construction and improvements (deficit)	-	-	(4,780,000)	-
Unreserved, undesignated	12,824,684	1,168,924	-	-
Total equity and other credits	16,315,781	1,168,924	(4,780,000)	9,129,176
Total liabilities, equity and other credits	$17,953,117	$1,197,090	$237,097	$9,254,483

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)		Totals (Memorandum Only)
Agency	General Fixed Assets	General Long-term Debt	Primary Government	Component Units	Reporting Entity
-	-	-	$17,295,634	$13,492,526	$30,788,160
-	-	-	3,346,806	-	3,346,806
-	-	-	150,129	-	150,129
-	-	-	3,491,097	-	3,491,097
-	-	-	432,695	1,124,280	1,556,975
-	-	-	63,127	-	63,127
-	-	-	-	131,473	131,473
-	-	-	-	8,995,923	8,995,923
-	-	-	26,061	28,946	55,007
-	-	-	40,502	9,233	49,735
	$34,978,180	-	38,748,916	173,501,340	212,250,256
-	-	-	25,000	-	25,000
$1,133,334	-	-	1,133,334	1,599,394	2,732,728
-	-	$64,551,673	64,551,673	82,641,834	147,193,507
$1,133,334	$34,978,180	$64,551,673	$129,304,974	$281,524,949	$410,829,923
-	-	-	$1,860,766	$3,938,562	$5,799,328
-	-	$658,922	658,922	-	658,922
-	-	-	-	8,995,923	8,995,923
-	-	-	-	1,381,578	1,381,578
-	-	60,873,278	65,673,278	79,370,000	145,043,278
-	-	-	147,140	-	147,140
-	-	3,019,473	3,019,473	-	3,019,473
$1,133,334	-	-	1,133,334	1,599,394	2,732,728
1,133,334	-	64,551,673	72,492,913	95,285,457	167,778,370
-	$34,978,180	-	34,978,180	173,501,340	208,479,520
-	-	-	8,259,446	-	8,259,446
-	-	-	869,730	-	869,730
-	-	-	-	28,946	28,946
-	-	-	-	702,113	702,113
-	-	-	-	191,319	191,319
-	-	-	3,491,097	-	3,491,097
-	-	-	(4,780,000)	-	(4,780,000)
-	-	-	13,993,608	11,815,774	25,809,382
-	34,978,180	-	56,812,061	186,239,492	243,051,553
$1,133,334	$34,978,180	$64,551,673	$129,304,974	$281,524,949	$410,829,923

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

THE CITY OF HOOVER, ALABAMA
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types and Discretely Presented Component Units
For the fiscal year ended September 30, 1997

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Primary Government
Revenues				
Taxes	$42,061,228	-	-	$42,061,228
Licenses and permits	7,833,276	-	-	7,833,276
Intergovernmental	1,566,564	$693,715	-	2,260,279
Fines & forfeits	732,618	206,394	-	939,012
Interest on pooled cash and investments	824,471	41,849	$58,691	925,011
Stadium lease	-	-	-	-
Other	1,275,937	713,906	-	1,989,843
Total revenues	54,294,094	1,655,864	58,691	56,008,649
Expenditures				
Current operations				
General government	5,913,759	-	-	5,913,759
Public safety	16,349,961	728,872	-	17,078,833
Municipal court	371,570	-	-	371,570
Streets and sanitation	4,823,521	425,055	-	5,248,576
Recreation	-	-	-	-
Library	-	-	-	-
Health	347,843	-	-	347,843
Instructional services	-	-	-	-
Instructional support services	-	-	-	-
Operation and maintenance	-	-	-	-
Auxiliary services	-	-	-	-
Other	-	-	-	-
Total	27,806,654	1,153,927	-	28,960,581
Capital outlays	998,681	-	8,835,972	9,834,653
Debt service				
Principal	1,547,076	-	-	1,547,076
Interest and fiscal charges	3,266,680	-	-	3,266,680
Total expenditures	33,619,091	1,153,927	8,835,972	43,608,990
Excess (deficiency) of revenues over (under) expenditures	20,675,003	501,937	(8,777,281)	12,399,659
Other financing sources (uses)				
Operating transfers in	5,731	-	3,967,900	3,973,631
Operating transfers out	(3,967,900)	-	-	(3,967,900)
Operating transfers in - primary government	-	-	-	-
Operating transfers out - component units	(11,103,834)	-	-	(11,103,834)
Total other financing sources (uses)	(15,066,003)	-	3,967,900	(11,098,103)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,609,000	501,937	(4,809,381)	1,301,556
Fund balances at beginning of year	7,398,975	666,987	29,381	8,095,343
Prior period adjustment - Note 5	3,307,806	-	-	3,307,806
Fund balances as restated	10,706,781	-	-	11,403,149
Fund balances at end of year	$16,315,781	$1,168,924	($4,780,000)	$12,704,705

Component Units	Totals (Memorandum Only) Reporting Entity
-	$42,061,228
$493,487	8,326,763
56,993,004	59,253,283
73,997	1,013,009
3,463	928,474
200,000	200,000
1,419,732	3,409,575
59,183,683	115,192,332
1,646,692	7,560,451
-	17,078,833
-	371,570
-	5,248,576
2,939,800	2,939,800
2,606,583	2,606,583
-	347,843
30,372,542	30,372,542
6,036,566	6,036,566
5,138,175	5,138,175
5,908,911	5,908,911
2,802,299	2,802,299
57,451,568	86,412,149
6,480,669	16,315,322
2,686,998	4,234,074
4,595,476	7,862,156
71,214,711	114,823,701
(12,031,028)	368,631
-	3,973,631
-	(3,967,900)
11,103,834	11,103,834
-	(11,103,834)
11,103,834	5,731
(927,194)	374,362
13,602,278	21,697,621
63,068	3,370,874
13,665,346	25,068,495
$12,738,152	$25,442,857

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, 1997

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	$37,915,600	$42,061,228	$4,145,628
Licenses and permits	7,230,000	7,833,276	603,276
Intergovernmental	5,786,205	1,566,564	(4,219,641)
Fines & forfeits	800,000	732,618	(67,382)
Interest on pooled cash and investments	434,000	824,471	390,471
Other	1,595,983	1,275,937	(320,046)
Total revenues	53,761,788	54,294,094	532,306
Expenditures			
Current operations			
General government	6,375,370	5,913,759	461,611
Public safety	16,727,923	16,349,961	377,962
Municipal court	378,076	371,570	6,506
Streets and sanitation	4,918,289	4,823,521	94,768
Health	352,918	347,843	5,075
Total	28,752,576	27,806,654	945,922
Capital outlays	1,641,050	998,681	642,369
Debt service			
Principal	1,547,075	1,547,076	(1)
Interest and fiscal chargess	3,266,440	3,266,680	(240)
Total expenditures	35,207,141	33,619,091	1,588,050
Excess of revenues over expenditures	18,554,647	20,675,003	2,120,356
Other financing sources (uses)			
Operating transfer in	-	5,731	5,731
Operating transfers out	(6,623,700)	(3,967,900)	2,655,800
Operating transfers out - component units	(11,355,827)	(11,103,834)	251,993
Total other financing sources (uses)	(17,979,527)	(15,066,003)	2,913,524
Excess of revenues and other financing sources over expenditures and other financing uses	$575,120	5,609,000	$5,033,880
Fund balances at beginning of year		7,398,975	
Prior period adjustment - Note 5		3,307,806	
Fund balances restated		10,706,781	
Fund balances at end of year		$16,315,781	

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
-	-	-
-	-	-
$750,000	$693,715	($56,285)
180,000	206,394	26,394
52,500	41,849	(10,651)
750,000	713,906	(36,094)
1,732,500	1,655,864	(76,636)
-	-	-
841,919	728,872	113,047
-	-	-
514,800	425,055	89,745
-	-	-
1,356,719	1,153,927	202,792
-	-	-
-	-	-
-	-	-
1,356,719	1,153,927	202,792
375,781	501,937	126,156
-	-	-
-	-	-
-	-	-
-	-	-
$375,781	501,937	$126,156
	666,987	
	-	
	-	
	$1,168,924	

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

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type
Sewer Enterprise Fund
For the fiscal year ended September 30, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997	1996
Operating revenues		
Charges for services	$987,579	$1,070,282
Operating expenses		
Depreciation	492,175	494,870
Management fees	514,387	437,833
Repairs and maintenance	130,877	109,431
Utilities	185,670	192,106
Personal services	53,424	44,082
Collection fees	54,407	40,035
Supplies	52,651	88,659
Telephone	3,708	4,990
Engineering fees	26,163	67,041
Total operating expenditures	1,513,462	1,479,047
Operating loss	(525,883)	(408,765)
Non-operating revenue - interest	297,730	336,563
Loss before operating transfers	(228,153)	(72,202)
Operating transfers out	(5,731)	-
Net income (loss)	(233,884)	(72,202)
Retained earnings at beginning of year	1,103,614	1,175,816
Retained earnings at end of year	$869,730	$1,103,614

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997	1996
Cash flows from operating activities:		
Cash received from customers	$969,795	$1,082,710
Cash payments to suppliers	(456,885)	(394,127)
Cash payments to management companies	(514,387)	(437,833)
Cash payments to employees	(53,382)	(41,728)
Net cash provided (used) by operating activities	(54,859)	209,022
Cash flows from noncapital financing activities:		
Operating transfers (out)	(5,731)	-
Net cash (used) by noncapital financing activities	(5,731)	-
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(830,713)	(772,340)
Capital contributed by consumers	107,750	113,850
Net cash used by capital and related financing activities	(722,963)	(658,490)
Cash flows from investing activities:		
Interest earned on pooled cash and investments	297,730	336,563
Net cash provided by investing activities	297,730	336,563
Net decrease in pooled cash and investments	(485,823)	(112,905)
Pooled cash and investments, beginning of year	5,852,056	5,964,961
Pooled cash and investments, end of year	$5,366,233	$5,852,056

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

Operating loss	($525,883)	($408,765)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	492,175	494,870
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(17,784)	12,428
Increase in accrued expenses	42	2,354
Increase (decrease) in accounts payable	(3,409)	108,135
Net cash provided (used) by operating activities	($54,859)	$209,022

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, 1997

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 an elected 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.

Complete financial statements are not prepared by the Park and Recreation Board and the Library Board. Complete financial Statements for the Board of Education may by 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, 1997

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	$ 25,113,681	$ 183,893	$ 84,201	$ 25,381,775
Fixed assets	124,598,990	42,775,092	6,127,258	173,501,340
Amount to be provided for retirement of general long-term debt	82,641,834	-	-	82,641,834
Total assets and other debits	$232,354,505	$42,958,985	$6,211,459	$281,524,949
Liabilities:				
Current liabilities	$ 12,487,142	$ 85,480	$ 71,001	$ 12,643,623
Long-Term liabilities	82,641,834	-	-	82,641,834
Total liabilities	95,128,976	85,480	71,001	95,285,457
Equity:				
Investment in general fixed assets	124,598,990	42,775,092	6,127,258	173,501,340
Fund balances	12,626,539	98,413	13,200	12,738,152
Total equity	137,225,529	42,873,505	6,140,458	186,239,492
Total liabilities and equity	$232,354,505	$42,958,985	$6,211,459	$281,524,949

Statement of Revenues, Expenditures and Changes in Fund Balances

Revenues	$ 57,899,744	$ 968,369	$ 315,570	$ 59,183,683
Expenditures				
Current operations	51,905,185	2,939,800	2,606,583	57,451,568
Capital outlays	6,298,402	169,498	12,769	6,480,669
Debt service	7,282,474	-	-	7,282,474
Total expenditures	65,486,061	3,109,298	2,619,352	71,214,711
Other financing sources				
Operating transfers in - primary government	6,650,377	2,176,274	2,277,183	11,103,834
Total other financing sources	6,650,377	2,176,274	2,277,183	11,103,834
Financing sources over (under) expenditures	(935,940)	35,345	(26,599)	(927,194)
Fund balances - beginning of year	13,562,479	-	39,799	13,602,278
Prior period adjustment - Note 5	-	63,068	-	63,068
Fund balances as restated	13,562,479	63,068	39,799	13,665,346
Fund balances - end of year	$ 12,626,539	$ 98,413	$ 13,200	$ 12,738,152

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

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 the proprietary fund.

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, 1997

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 fund is of the following fund type:

Enterprise Fund - The enterprise fund is used to account for those operation 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.

Fiduciary Fund:

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others.

Agency Fund-The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity.

Account Groups:

General Fixed Asset Account Group - The general fixed assets account group is used to account for fixed assets not accounted for in the proprietary fund.

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 approximate proportionate 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Assets, Liabilities and Equity - Continued

It is the City's policy to invest only in obligations of the U.S. Treasury, 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.

Investments are stated at cost, except for investments held by the deferred compensation agency fund, which are reported at market value.

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/payables" (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. 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 fund is 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.

During the fiscal year, the City changed the way it accounts for prepaid items. The City no longer records a reserve for prepaid items in the fund balance section of the balance sheet. The amount is accounted for in the unreserved fund balance.

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. Interest incurred during construction is not capitalized on general fixed assets.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Assets, Liabilities and Equity - Continued

Property, plant and equipment in the proprietary fund 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 fund as projects are constructed. Interest incurred during the construction phase of the proprietary fund 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 proprietary fund of the City using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives of the sewer 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 fund 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 liability for accrued compensated leave 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 .

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.

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 fund 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 fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Assets, Liabilities and Equity - Continued

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, except for the Drug Enforcement Special Revenue Fund, 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.

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 monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of the formal budgetary process for the primary government.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

B. Excess of Expenditures Over Appropriations

The total amounts of expenditures (over) under appropriations for the year ended September 30, 1997, 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	$450,831	$ -	$ -	$ -	$ -	$ -	$450,831
Municipal garage	10,780	-	-	-	-	-	10,780
Police	(201,698)	113,798	-	-	(750)	-	(88,650)
Fire	238,098	-	-	-	-	-	238,098
Inspection	341,562	-	-	-	-	-	341,562
Municipal court	6,506	-	-	-	-	-	6,506
Streets and sanitation	94,768	-	(1,468)	91,213	-	-	184,513
Health	5,075	-	-	-	-	-	5,075

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

Police - Overtime related to special events including the Bruno's Memorial Seniors Golf Classic as well as other unavoidable overtime.

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

C. Capital Projects Fund

The Capital Projects Fund is the only fund with a deficit fund balance at September 30, 1997. This deficit represents expenditures for the purchase of Spain Park which was funded by a short-term general obligation warrant. The City plans to repay the short-term warrant with long-term debt to be issued in 1998.

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. All investments of the City are considered time deposits for reporting purposes.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

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

A. Deposits and Investments - Continued

Also, the bank balances of deposits for each of the discretely presented component units were entirely covered by federal depository insurance or by collateral held by the component unit's agent in the component unit's name.

Investments are categorized into three categories of credit risk:

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

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

(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.

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

	Category			Carrying	Market
	1	2	3	Amount	Value
U.S. Treasury Bills and Notes	$ -	$ 6,166,115	$ -	$ 6,166,115	$ 6,166,115
U.S. Government Agencies	-	3,981,950	-	3,981,950	3,981,950
Total	$ -	$10,148,065	$ -	$10,148,065	$10,148,065

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	$ 3,076,367
Carrying Amount of Investments	10,148,065
Total Cash and Investments	$13,224,432

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	$13,224,432
Park & Recreation Board	183,893
Library Board	84,201
Total Cash Investments	$13,492,526

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

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

B. Receivables

Taxes receivable-

A summary of the items included in taxes receivable at September 30, 1997, are set forth below:

	1997
Gasoline tax	$ 39,923
Sales and use tax	3,219,523
Beer tax	36,350
Motor vehicle registration fees	13,427
Property tax	33,723
Tobacco tax	3,860
Total	$3,346,806

A summary of the items included in accounts receivable at September 30, 1997, is set forth below:

General Fund:	1997
Intergovernmental receivables	$ 12,525
Other	23,190
Total General Fund Accounts receivables	$ 35,715
Sewer Enterprise Fund:	
Sewer service charges	114,414
Total accounts receivable	$ 150,129

No significant uncollectible amounts are anticipated on these receivables.

C. Loan Receivable-Board of Education

In fiscal 1989, the City issued general obligation school warrants in the amount of $9 million and loaned the net proceeds to the Board of Education to be used for capital outlays. The outstanding balance of the loan of $7,845,000 was forgiven by the City Council during the fiscal year ended September 30, 1996.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

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

D. Fixed Assets

The following is a summary of changes in the General Fixed Asset Account Group during the year ended September 30, 1997:

	Balance October 1, 1996	Additions	Deductions	Balance September 30, 1997
Land	$ 7,225,622	$1,174,273	$ 866,013	$ 7,533,882
Buildings	9,755,162	4,275,087	536	14,029,713
Improvements other than buildings	3,136,402	55,786	1,904,534	1,287,654
Equipment and vehicles	11,016,245	1,409,333	298,647	12,126,931
Construction in progress	14,458	-	14,458	-
Total	$31,147,889	$6,914,479	$3,084,188	$34,978,180

The following is a summary of proprietary fund type fixed assets for the City at September 30, 1997:

	Sewer Enterprise Fund	
	1997	1996
Equipment	$ 230,750	$ 228,218
Land	654,500	643,000
Sewage treatment plants	7,412,124	6,591,715
Total	8,297,374	7,462,933
Less - Accumulated depreciation	(4,526,638)	(4,034,463)
Net	$3,770,736	$3,428,470

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 and the general fixed asset account group are as follows:

General fixed asset account group	$34,978,180
Sewer fund	3,770,736
Total	$38,748,916

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

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

D. 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, 1996	Additions	Transfers and Retirements	Balance September 30, 1997
Land and improvements	$ 6,448,167	$ 691,936	-	$ 7,140,103
Building and improvements	96,671,722	726,910	$ (853,600)	96,545,032
Equipment and Vehicles	14,939,984	1,829,715	(822,541)	15,947,158
Construction in progress	86,421	4,966,698	(86,422)	4,966,697
Total	$118,146,294	$8,215,259	$(1,762,563)	$124,598,990

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, 1996	Additions	Deductions	Balance September 30, 1997
Land	$ 9,115,305	$ 4,655,281	-	$13,770,586
Buildings	6,213,347	17,646,177	-	23,859,524
Improvements other than buildings	22,587,378	3,871	$18,676,302	3,914,947
Equipment and vehicles	1,075,147	159,959	5,071	1,230,035
Total	$38,991,177	$22,465,288	$18,681,373	$42,775,092

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, 1996	Additions	Deductions	Balance September 30, 1997
Buildings	$5,498,255	$106,139	-	$5,604,394
Improvements other than buildings	99,049	-	$ 84,166	14,883
Equipment and Vehicles	547,198	13,294	52,511	507,981
Total	$6,144,502	$119,433	$136,677	$6,127,258

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

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

D. 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	$124,598,990
Park & Recreation Board	42,775,092
Library Board	6,127,258
Total	$173,501,340

E. Interfund Loan Receivables and Payables

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

Payable from	Payable to	Amount
General	Title II	$ 3,434
General	Innovative Education	1,572
Title I/Chapter I	General	13,485
IDEA Part B	General	16,805
General	Vocational Education	461
Drug-Free Schools	General	7,851
Preschool	General	9,119
Child Nutrition	General	27,231
Capital Projects	General	4,450,073
General	14 Mill Tax	4,100,003
General	Local Schools	359,999
Learn and Serve	General	3,302
Technology Challenge	General	1,332
SOS Grant	General	1,256
Total		$8,995,923

F. 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 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, 1997

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

F. Leases - Continued

The following is a schedule of the future minimum lease payments and the present value of the net minimum lease payments at September 30, 1997, for the discretely presented component unit Board of Education.

Fiscal Year Ending September 30,	General Long-Term Debt
1998	$296,276
1999	114,420
2000	114,420
Total minimum lease payments	525,116
Less: Amount representing interest	47,705
Present Value of Future Minimum Lease Payments	$477,411

Park and Recreation Board as lessor-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. Total revenue under the lease and management agreement for the fiscal year ended September 30, 1997, was $200,000.

G. Long-Term Debt

General Obligation Warrants-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, 1997

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

G. 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.	$ 7,140,000
(B)	$450,000 general obligation warrant, dated May 1, 1989; due $50,000 annually beginning May 1, 1990, plus interest at 7.25%.	50,000
(C)	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.	1,245,000
(D)	$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 in imputed at a rate of 6.8%.	863,278
(E)	$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.	6,720,000
(F)	$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.	43,155,000
(G)	$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	60,873,278
	Claims and judgements payable	658,922
	Accrued compensated leave	3,019,473
	Total Long-Term Debt	$64,551,673

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

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

G. Long-Term Debt - Continued

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 1997, are as follows:

Year Ending September 30	Principal	Interest	Total
1998	$ 2,482,737	$ 3,165,341	$ 5,648,078
1999	3,030,271	3,044,314	6,074,585
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	5,712,235
2006	3,970,000	1,715,247	5,721,247
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	2,253,864
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	-	106,614	106,614
2022	-	106,614	106,614
2023	-	106,614	106,614
2024	-	106,614	106,614
2025	1,700,000	106,614	1,806,614
	$60,873,278	$32,845,131	$93,718,409

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, 1997, is $22,710,000.

On September 30, 1997, the City bought a large parcel of land for $4,800,000. This acquisition is currently funded through a short-term general obligation warrant. The intent of the City is to have a warrant issue during 1998 that will serve to fund this acquisition.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

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

G. Long-Term Debt - Continued

Changes in General Long-Term Liabilities - During the year ended September 30, 1997, the following changes occurred in liabilities reported in the general long-term debt account group:

General long-term debt at October 1, 1996	$65,503,756
Increase in accrued compensated leave	327,907
Lease purchase principal payments	(9,338)
Increase in claims and judgements payable	267,085
Warrants retired	(1,537,737)
General long-term debt at September 30, 1997	$64,551,673

As of September 30, 1997, 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%	$ 7,415,000
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%	2,785,000
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%.	5,565,000
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%.	43,945,000
Series 1995 Capital Outlay Tax Anticipation Warrants due annually through 2019, interest payable semi-annually at rates ranging from 5.9% to 6.2%	19,660,000
Total warrants	79,370,000
Installment contract for the purchase of computer equipment, due in monthly installments of $11,248, including interest at 5.91%, maturing in August, 2000.	351,330
Installment contract for the purchase of computer equipment, due in monthly installments of $17,657, including interest at 3.75%, maturing in August, 2000.	552,837
Total warrants and notes payable	80,274,167
Capital lease obligations	477,411
Accrued salaries	1,890,256
Total long-term debt	$82,641,834

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

G. Long-Term Debt - Continued

Annual debt service requirements to maturity for the discretely presented component unit Board of Education's long-term debt, including interest, at September 30, 1997, is as follows:

Year Ending September 30,	Principal	Interest	Total
1998	$ 2,784,765	$ 4,460,537	$ 7,245,302
1999	2,743,020	4,327,852	7,070,872
2000	2,808,793	4,185,485	6,994,278
2001	2,560,000	4,063,123	6,623,123
2002	2,695,000	3,932,833	6,627,833
2003 and Thereafter	67,160,000	35,056,709	102,216,709
	$80,751,578	$56,026,539	$136,778,117

Changes In General Long-Term Liabilities for the Discretely Presented Component Unit Board of Education - During the year ended September 30, 1997, 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, 1996	$83,461,322
Issuance of Installment Contracts	-
Issuance of Capitalized Leased Obligations	-
Warrants Retired	-
Installment Contracts Principal Payments	(2,095,000)
Lease Purchase Principal Payments	(361,528)
	(253,216)
General Long-Term Debt at September 30, 1997	$80,751,578*

* This amount does not include accrued salaries.

H. Sewer Enterprise Fund

The Sewer Enterprise Fund, which accounts for the operations of the sewage treatment plants, is the only proprietary fund maintained by the City. Segment information required to be disclosed by GAAP is effectively provided by the Sewer Enterprise Fund financial statements presented in the general purpose financial statements.

The Riverchase sewage 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 sewage 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 CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

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

H. Sewer Enterprise Fund - Continued

The Sewer Enterprise Fund had net losses of $233,884 and $72,202 for the fiscal years ended September 30, 1997 and 1996, respectively. The Sewer Enterprise Fund has retained earnings of $869,730 at September 1997. The City acquired the sewage 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, 1997, totaled $2,189,561.

Contributed Capital

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

	1997	1996
Customer tap fees	$ 107,749	$ 113,850
Net increase in contributed capital	107,749	113,850
Contributed capital at beginning of year	8,151,697	8,037,847
Contributed capital at end of year	$8,259,446	$8,151,697

I. Reserved Retained Earnings and Restricted Asset Accounts

The sewer enterprise fund does not have any reservations of its retained earnings, and it has no restricted assets as of September 30, 1997.

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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

NOTE 4: OTHER INFORMATION - CONTINUED

A. Risk Management - Continued

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 judgements 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 1997 and 1996 are as follows:

	1997	1996
Unpaid claims, beginning	$391,837	$415,311
Incurred claims (including IBNRs)	683,363	407,421
Claim payments	(416,278)	(430,895)
Unpaid claims, ending	$658,922	$391,837

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 lawsuit filed July 7, 1995 citing violations at the Inverness Wastewater Treatment Facility, the City entered into a Consent Decree dated January 2, 1997 as settlement of that lawsuit. In the Consent Decree, the City committed to undertake a three-phased remedial action plan to correct problems with the Inverness Wastewater Treatment Facility. 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 plans to apply for loans from the State Revolving Loan Fund to finance the improvements implemented in Phase III. 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, 1997, 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.

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 lawsuit alleging violations at the Riverchase Wastewater Treatment Facility and violations subsequent to the lawsuit referred to in Note 4(B) above at the Inverness Wastewater Treatment Facility. It is the opinion of the City's counsel that the corrections made at the Inverness Wastewater Treatment Facility pursuant to the Consent Decree described above will satisfy the complaints relative to that facility. The complaints relative to the Riverchase Wastewater Treatment Facility have not been fully evaluated, but it is the opinion of the City's counsel that the City has no serious financial exposure in this matter. The legal fees to defend this matter could range from $75,000 to $125,000.

NOTE 4: OTHER INFORMATION - CONTINUED

D. Contingent Liabilities - Continued

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 until future years. The deferred compensation is not available to employees or their beneficiaries until termination, retirement, death or unforeseen emergency. The plan is accounted for in the deferred compensation agency fund.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, 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.

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. The City believes that it is unlikely that it will use the plan assets to satisfy the claims of general creditors in the future.

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 1997, the City's annual pension cost of $1,058,892 for the System was equal to the city's required and actual contributions. The required contribution was determined as part of the September 30, 1996 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%.

NOTE 4: OTHER INFORMATION - CONTINUED

E. Employee Retirement System - Continued

Annual Pension Cost - Continued

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, 1996 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
9/30/94	$ 793,439	100%	$0
9/30/95	973,230	100%	$0
9/30/96	1,058,892	100%	$0

The City does not provide any postretirement benefits.

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 $852 in assets in the Fund at September 30, 1997.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1997

NOTE 5: PRIOR PERIOD ADJUSTMENT

A. General Fund

The financial statements of the prior 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 prior 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 prior 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

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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%

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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
Assets		
Pooled cash and investments	$10,558,341	$4,917,355
Receivables		
Taxes	3,346,806	3,210,667
Accounts	35,715	25,740
Non-current receivable	3,491,097	-
Inventory	22,961	-
Due from other governments	432,695	422,895
Prepaid items	40,502	66,954
Deposits	25,000	10,000
Total assets	$17,953,117	$8,653,611
Liabilities and fund balances		
Accounts payable and accrued liabilities	$1,495,196	$925,537
Refundable deposits	142,140	136,518
Accrued compensated leave	-	192,581
Total liabilities	1,637,336	1,254,636
Fund balances		
Reserved for prepaid items	-	66,954
Reserved for non-current receivable	3,491,097	-
Unreserved, undesignated	12,824,684	7,332,021
Total fund balances	16,315,781	7,398,975
Total liabilities and fund balances	$17,953,117	$8,653,611

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997	1996
Revenues		
Taxes	$42,061,228	$39,601,885
Licenses and permits	7,833,276	6,951,010
Intergovernmental	1,566,564	1,666,699
Fines & forfeits	732,618	681,679
Interest on pooled cash and investments	824,471	446,270
Other	1,275,937	417,171
Total revenues	54,294,094	49,764,714
Expenditures		
Current operations		
General government	5,913,759	5,573,911
Public safety	16,349,961	15,798,580
Municipal court	371,570	357,175
Streets and sanitation	4,823,521	4,499,810
Health	347,843	347,259
Total	27,806,654	26,576,735
Capital outlays	998,681	2,753,298
Debt service		
Principal	1,547,076	1,911,345
Interest	3,266,680	3,376,038
Total expenditures	33,619,091	34,617,416
Excess of revenues over expenditures	20,675,003	15,147,298
Other financing sources (uses)		
Operating transfers in	5,731	
Operating transfers out	(3,967,900)	(4,612,245)
Operating transfers out - component units	(11,103,834)	(10,223,748)
Forgiveness of debt - component unit	-	(7,845,000)
Total other financing sources (uses)	(15,066,003)	(22,680,993)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,609,000	(7,533,695)
Fund balances at beginning of year	7,398,975	14,932,670
Prior period adjustment - Note 5	3,307,806	-
Fund balances as restated	10,706,781	-
Fund balances at end of year	$16,315,781	$7,398,975

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	$37,915,600	$42,061,228	$4,145,628
Licenses and permits	7,230,000	7,833,276	603,276
Intergovernmental	5,786,205	1,566,564	(4,219,641)
Fines & forfeits	800,000	732,618	(67,382)
Interest on pooled cash and investments	434,000	824,471	390,471
Other	1,595,983	1,275,937	(320,046)
Total revenues	53,761,788	54,294,094	532,306
Expenditures			
Current operations			
General government	6,375,370	5,913,759	461,611
Public safety	16,727,923	16,349,961	377,962
Municipal court	378,076	371,570	6,506
Streets and sanitation	4,918,289	4,823,521	94,768
Health	352,918	347,843	5,075
Total	28,752,576	27,806,654	945,922
Capital outlays	1,641,050	998,681	642,369
Debt service			
Principal	1,547,075	1,547,076	(1)
Interest and fiscal charges	3,266,440	3,266,680	(240)
Total expenditures	35,207,141	33,619,091	1,588,050
Excess of revenues over expenditures	18,554,647	20,675,003	2,120,356
Other financing sources (uses)			
Operating transfers in	-	5,731	5,731
Operating transfers out	(6,623,700)	(3,967,900)	2,655,800
Operating transfers out - component units	(11,355,827)	(11,103,834)	251,993
Forgiveness of debt - component unit	-	-	-
Total other financing sources (uses)	(17,979,527)	(15,066,003)	2,913,524
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$575,120	5,609,000	$5,033,880
Fund balances at beginning of year		7,398,975	
Prior period adjustment - Note 5		3,307,806	
Fund balances as restated		10,706,781	
Fund balances at end of year		$16,315,781	

1996		
Budget	Actual	Variance Favorable (Unfavorable)
$41,758,000	$39,601,885	($2,156,115)
6,915,000	6,951,010	36,010
1,827,550	1,666,699	(160,851)
455,000	681,679	226,679
320,000	446,270	126,270
324,100	417,171	93,071
51,599,650	49,764,714	(1,834,936)
5,492,600	5,573,911	(81,311)
14,963,034	15,798,580	(835,546)
359,254	357,175	2,079
4,602,088	4,499,810	102,278
349,877	347,259	2,618
25,766,853	26,576,735	(809,882)
3,204,552	2,753,298	451,254
1,976,594	1,911,345	65,249
3,290,613	3,376,038	(85,425)
34,238,612	34,617,416	(378,804)
17,361,038	15,147,298	(2,213,740)
-	-	-
(6,065,000)	(4,612,245)	1,452,755
(11,129,164)	(10,223,748)	905,416
(7,845,000)	(7,845,000)	-
(25,039,164)	(22,680,993)	2,358,171
($7,678,126)	(7,533,695)	$144,431
	14,932,670	
	-	
	-	
	$7,398,975	

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, 1997
(with comparative actual amounts for the fiscal year ended September 30, 1996)

Expenditures - Current Operations	Budget	Actual	Variance Favorable (Unfavorable)	1996 Actual
General government				
Administrative				
Personal services	$2,919,761	$2,779,540	$140,221	$2,256,546
Other	3,219,010	2,908,400	310,610	3,147,650
Total	6,138,771	5,687,940	450,831	5,404,196
Municipal garage				
Personal services	174,949	171,701	3,248	146,886
Other	61,650	54,118	7,532	22,829
Total	236,599	225,819	10,780	169,715
Total general government	6,375,370	5,913,759	461,611	5,573,911
Public safety				
Police				
Personal services	7,085,785	7,200,928	(115,143)	6,740,137
Other	855,100	941,655	(86,555)	933,856
Total	7,940,885	8,142,583	(201,698)	7,673,993
Fire				
Personal services	6,996,702	6,784,765	211,937	6,484,178
Other	639,119	612,958	26,161	586,158
Total	7,635,821	7,397,723	238,098	7,070,336
Inspection services				
Personal services	1,071,117	772,670	298,447	976,277
Other	80,100	36,985	43,115	77,974
Total	1,151,217	809,655	341,562	1,054,251
Total public safety	16,727,923	16,349,961	377,962	15,798,580
Municipal Court				
Personal services	280,026	316,818	(36,792)	295,475
Other	98,050	54,752	43,298	61,700
Total municipal court	378,076	371,570	6,506	357,175
Streets and sanitation				
Personal services	1,072,989	891,402	181,587	865,384
Other	3,845,300	3,932,119	(86,819)	3,634,426
Total streets and sanitation	4,918,289	4,823,521	94,768	4,499,810
Health				
Personal services	82,818	80,631	2,187	80,984
Other	270,100	267,212	2,888	266,275
Total health	352,918	347,843	5,075	347,259
Total expenditures - current operations	$28,752,576	$27,806,654	$945,922	$26,576,735

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, 1997
(with comparative totals for September 30, 1996)

	E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax
Assets			
Pooled cash and investments	$26,765	$245,066	$489,594
Due from other governments			
State	-	33,776	29,351
Total assets	$26,765	$278,842	$518,945
Liabilities and fund balances			
Liabilities			
Accounts payable	-	-	-
Accrued liabilities	$19,159	$8,575	-
Total liabilities	19,159	8,575	-
Fund balances			
Unreserved, undesignated	7,606	270,267	$518,945
Total liabilities and fund balances	$26,765	$278,842	$518,945

Drug Enforce-ment	Court and Corrections	Totals 1997	Totals 1996
$2,177	$370,361	$1,133,963	$732,007
-	-	63,127	65,366
$2,177	$370,361	$1,197,090	$797,373
$432	-	$432	$96,833
-	-	27,734	33,553
432	-	28,166	130,386
1,745	$370,361	1,168,924	666,987
$2,177	$370,361	$1,197,090	$797,373

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax
Revenues			
Intergovernmental	-	$360,591	$333,124
Interest on pooled cash and investments	$495	13,229	15,036
Telephone surcharge	713,906	-	-
Court costs	-	-	-
Confiscated drug funds	-	-	-
Total revenues	714,401	373,820	348,160
Expenditures			
Current Operations			
Public safety			
Police			
Personal services	728,122	-	-
Other	-	-	-
Streets and sanitation			
Personal services	-	348,268	-
Other	-	-	76,787
Total	728,122	348,268	76,787
Capital outlays	-	-	-
Total expenditures	728,122	348,268	76,787
Excess (deficiency) of revenues over (under) expenditures	(13,721)	25,552	271,373
Other Financing Sources			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(13,721)	25,552	271,373
Fund balances at beginning of year	21,327	244,715	247,572
Fund balances at end of year	$7,606	$270,267	$518,945

Drug Enforce-ment	Court and Corrections	Totals 1997	Totals 1996
-	-	$693,715	$689,182
$76	$13,013	41,849	48,394
-	-	713,906	655,278
-	203,975	203,975	150,362
2,419	-	2,419	20,117
2,495	216,988	1,655,864	1,563,333
-	-	728,122	800,252
750	-	750	62,219
-	-	348,268	340,587
-	-	76,787	464,911
750	-	1,153,927	1,667,969
-	-	-	8,464
750	-	1,153,927	1,676,433
1,745	216,988	501,937	(113,100)
-	-	-	2,146
-	-	-	2,146
1,745	216,988	501,937	(110,954)
-	153,373	666,987	777,941
$1,745	$370,361	$1,168,924	$666,987

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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
Assets		
Pooled cash and investments	$26,765	$47,773
Total assets	$26,765	$47,773
Liabilities and fund balances		
Liabilities		
Accrued liabilities	$19,159	$26,446
Total liabilities	19,159	26,446
Fund balances		
Unreserved, undesignated	7,606	21,327
Total liabilities and fund balances	$26,765	$47,773

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997	1996
Revenues		
Telephone surcharge	$713,906	$655,278
Interest on pooled cash and investments	495	5,911
Total revenues	714,401	661,189
Expenditures		
Current operations		
Public safety		
Police		
Personal services	728,122	800,252
Total expenditures	728,122	800,252
Deficiency of revenues under expenditures	(13,721)	(139,063)
Fund balances at beginning of year	21,327	160,390
Fund balances at end of year	$7,606	$21,327

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997			1996		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Telephone surcharge	$750,000	$713,906	($36,094)	$650,000	$655,278	$5,278
Interest on pooled cash and investments	8,500	495	(8,005)	7,500	5,911	(1,589)
Total revenues	758,500	714,401	(44,099)	657,500	661,189	3,689
Expenditures						
Current operations						
Public safety						
Police						
Personal services	841,919	728,122	113,797	653,211	800,252	(147,041)
Total expenditures	841,919	728,122	113,797	653,211	800,252	(147,041)
Excess (deficiency) of revenues over (under) expenditures	($83,419)	(13,721)	$69,698	$4,289	(139,063)	($143,352)
Fund balances at beginning of year		21,327			160,390	
Fund balances at end of year		$7,606			$21,327	

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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
Assets		
Pooled cash and investments	$245,066	$216,880
Due from state government	33,776	34,942
Total assets	$278,842	$251,822
Liabilities and fund balances		
Liabilities		
Accrued liabilities	$8,575	$7,107
Total liabilities	8,575	7,107
Fund balances		
Unreserved, undesignated	270,267	244,715
Total liabilities and fund balances	$278,842	$251,822

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997	1996
Revenues		
Intergovernmental	$360,591	$359,000
Interest on pooled cash and investments	13,229	12,518
Total revenues	373,820	371,518
Expenditures		
Current operations		
Streets and sanitation		
Personal services	348,268	340,587
Total expenditures	348,268	340,587
Excess of revenues over expenditures	25,552	30,931
Fund balances at beginning of year	244,715	213,784
Fund balances at end of year	$270,267	$244,715

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997			1996		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	$400,000	$360,591	($39,409)	$375,000	$359,000	($16,000)
Interest on pooled cash and investments	13,000	13,229	229	12,000	12,518	518
Total revenues	413,000	373,820	(39,180)	387,000	371,518	(15,482)
Expenditures						
Current operations						
Streets and sanitation						
Personal services	346,800	348,268	(1,468)	326,047	340,587	(14,540)
Total expenditures	346,800	348,268	(1,468)	326,047	340,587	(14,540)
Excess of revenues over expenditures	$66,200	25,552	($40,648)	$60,953	30,931	($30,022)
Fund balances at beginning of year		244,715			213,784	
Fund balances at end of year		$270,267			$244,715	

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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
Assets		
Pooled cash and investments	$489,594	$309,794
Due from state government	29,351	30,424
Total assets	$518,945	$340,218
Liabilities and fund balances		
Liabilities		
Accounts payable	-	$92,646
Total liabilities	-	92,646
Fund balances		
Unreserved, undesignated	$518,945	247,572
Total liabilities and fund balances	$518,945	$340,218

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997	1996
Revenues		
Intergovernmental	$333,124	$330,182
Interest on pooled cash and investments	15,036	25,095
Total revenues	348,160	355,277
Expenditures		
Current operations		
Streets and sanitation		
Other	76,787	464,911
Total expenditures	76,787	464,911
Excess (deficiency) of revenues over (under) expenditures	271,373	(109,634)
Fund balances at beginning of year	247,572	357,206
Fund balances at end of year	$518,945	$247,572

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997			1996		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	$350,000	$333,124	($16,876)	$325,000	$330,182	$5,182
Interest on pooled cash and investments	22,000	15,036	(6,964)	20,000	25,095	5,095
Total revenues	372,000	348,160	(23,840)	345,000	355,277	10,277
Expenditures						
Current operations						
Streets and sanitation						
Other	168,000	76,787	91,213	375,000	464,911	(89,911)
Total expenditures	168,000	76,787	91,213	375,000	464,911	(89,911)
Excess (deficiency) of revenues over (under) expenditures	$204,000	271,373	$67,373	($30,000)	(109,634)	($79,634)
Fund balances at beginning of year		247,572			357,206	
Fund balances at end of year		$518,945			$247,572	

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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
Assets		
Pooled cash and investments	$2,177	$4,187
Total assets	$2,177	$4,187
Liabilities and fund balances		
Liabilities		
Accounts payable	$432	$4,187
Total liabilities	432	4,187
Fund balances		
Unreserved, undesignated	1,745	-
Total liabilities and fund balances	$2,177	$4,187

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997	1996
Revenues		
Interest on pooled cash and investments	$76	$1,859
Confiscated drug funds	2,419	20,117
Total revenues	2,495	21,976
Expenditures		
Current operations		
Public safety		
Police		
Other	750	62,219
Total	750	62,219
Capital outlays	-	8,464
Total expenditures	750	70,683
Excess (deficiency) of revenues over (under) expenditures	1,745	(48,707)
Other Financing Sources		
Operating transfers in	-	2,146
Total other financing sources	-	2,146
Excess (deficiency) of revenues and other financing sources over (under) expenditures	1,745	(46,561)
Fund balances at beginning of year	-	$46,561
Fund balances at end of year	$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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997			1996		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Interest on pooled cash and investments	$0	$76	$76	$5,000	$1,859	($3,141)
Confiscated drug funds	0	2,419	2,419	100,000	20,117	(79,883)
Total revenues	0	2,495	2,495	105,000	21,976	(83,024)
Expenditures						
Current operations						
Public safety						
Police						
Other	0	750	(750)	65,883	62,219	3,664
Total	0	750	(750)	65,883	62,219	3,664
Capital outlays	0	-	-	31,750	8,464	23,286
Total expenditures	0	750	(750)	97,633	70,683	26,950
Excess (deficiency) of revenues over (under) expenditures	0	1,745	1,745	7,367	(48,707)	(56,074)
Other Financing Sources						
Operating transfers in	0	-	-	-	2,146	2,146
Total other financing sources	0	-	-	-	2,146	2,146
Excess (deficiency) of revenues and other financing sources over (under) expenditures	$0	1,745	$1,745	$7,367	(46,561)	($53,928)
Fund balances at beginning of year		-			$46,561	
Fund balances at end of year		$1,745			-	

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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
Assets		
Pooled cash and investments	$370,361	$153,373
Total assets	$370,361	$153,373
Liabilities and fund balances		
Fund balances		
Unreserved, undesignated	$370,361	$153,373
Total liabilities and fund balances	$370,361	$153,373

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997	1996
Revenues		
Interest on pooled cash and investments	$13,013	$3,011
Court costs	203,975	150,362
Total revenues	216,988	153,373
Expenditures		
Current operations		
Municipal court		
Other	-	-
Total expenditures	-	-
Excess of revenues over expenditures	216,988	153,373
Fund balances at beginning of year	153,373	-
Fund balances at end of year	$370,361	$153,373

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997			1996		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Interest on pooled cash and investments	$9,000	$13,013	$4,013	-	$3,011	$3,011
Court costs	180,000	203,975	23,975	$120,000	150,362	30,362
Total revenues	189,000	216,988	27,988	120,000	153,373	33,373
Expenditures						
Current operations						
Municipal Court						
Other	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess of revenues over expenditures	$189,000	216,988	$27,988	$120,000	153,373	$33,373
Fund balances at beginning of year		153,373			-	
Fund balances at end of year		$370,361			$153,373	

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 accounted for the proceeds of a short term note which was made in anticipation of a general obligation warrant issue within the next fiscal year.

THE CITY OF HOOVER, ALABAMA
Capital Projects Funds
Combining Balance Sheet
September 30, 1997
(with comparative totals for September 30, 1996)

	One-half Cent Capital Projects	Capital Projects	Totals 1997	Totals 1996
Assets				
Pooled cash and investments	$237,097	-	$237,097	$353,462
Total assets	$237,097	-	$237,097	$353,462
Liabilities and fund balances				
Liabilities				
Accounts payable	$217,097	-	$217,097	$324,081
General obligation warrants payable	-	$4,800,000	4,800,000	-
Total liabilities	217,097	4,800,000	5,017,097	324,081
Fund balances				
Unreserved, designated for acquisition, construction and improvements (deficit)	20,000	(4,800,000)	(4,780,000)	29,381
Total liabilities and fund balances	$237,097	-	$237,097	$353,462

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, 1997
(with comparative totals for the fiscal year ended September 30,1996)

	One-half Cent Capital Projects	Capital Projects	Totals 1997	Totals 1996
Revenues				
Interest on pooled cash and investments	$58,691	-	$58,691	$63,776
Total revenues	58,691	-	58,691	63,776
Expenditures				
Capital outlays	4,035,972	$4,800,000	8,835,972	5,130,917
Total	4,035,972	4,800,000	8,835,972	5,130,917
Debt service				
Interest	-	-	-	39,623
Total expenditures	4,035,972	4,800,000	8,835,972	5,170,540
Deficiency of revenues under expenditures	(3,977,281)	(4,800,000)	(8,777,281)	(5,106,764)
Other financing sources				
Operating transfers in	3,967,900	-	3,967,900	4,610,099
Total other financing sources	3,967,900	-	3,967,900	4,610,099
Deficiency of revenues and other financing sources under expenditures	(9,381)	(4,800,000)	(4,809,381)	(496,665)
Fund balances at beginning of year	29,381	-	29,381	526,046
Fund balances at end of year	$20,000	($4,800,000)	($4,780,000)	$29,381

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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
Assets		
Pooled cash and investments	$237,097	$353,462
Total assets	$237,097	$353,462
Liabilities and fund balances		
Liabilities		
Accounts payable	$217,097	$324,081
Total liabilities	217,097	324,081
Fund balances		
Unreserved, designated for acquisition, construction and improvements	20,000	29,381
Total liabilities and fund balances	$237,097	$353,462

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997	1996
Revenues		
Interest on pooled cash and investments	$58,691	$63,776
Total revenues	58,691	63,776
Expenditures		
Capital outlays		
Administrative	4,035,972	5,130,917
Total	4,035,972	5,130,917
Debt service		
Interest	-	39,623
Total expenditures	4,035,972	5,170,540
Deficiency of revenues under expenditures	(3,977,281)	(5,106,764)
Other Financing Sources		
Operating transfers in	3,967,900	4,610,099
Total other financing sources	3,967,900	4,610,099
Deficiency of revenues and other financing sources under expenditures	(9,381)	(496,665)
Fund balances at beginning of year	29,381	526,046
Fund balances at end of year	$20,000	$29,381

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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
Assets		
Pooled cash and investments	-	-
Total assets	-	-
Liabilities and fund balances		
Liabilities		
General obligation warrants payable	$4,800,000	-
Total liabilities	4,800,000	-
Fund balances		
Unreserved, designated for acquisition, construction and improvements (deficit)	($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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	1997	1996
Revenues		
Interest on pooled cash and investments	-	-
Total revenues	-	-
Expenditures		
Capital outlays	$4,800,000	-
Administrative	-	-
Total expenditures	4,800,000	-
Deficiency of revenues under expenditures	(4,800,000)	-
Fund balances at beginning of year	-	-
Fund balances at end of year	($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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
Assets		
Current assets		
Pooled cash and investments	$5,366,233	$5,852,056
Accounts receivable	114,414	96,631
Inventory	3,100	3,100
Total current assets	5,483,747	5,951,787
Property, plant and equipment		
Equipment	230,750	228,218
Land	654,500	643,000
Sewage treatment plants	7,412,124	6,591,715
Total property, plant and equipment	8,297,374	7,462,933
Less accumulated depreciation	(4,526,638)	(4,034,463)
Net property, plant and equipment	3,770,736	3,428,470
Total assets	$9,254,483	$9,380,257
Liabilities and equity		
Current liabilities		
Accounts payable	$109,117	$112,527
Refundable deposits	5,000	5,000
Accrued expenses	11,190	7,419
Total current liabilities	125,307	124,946
Equity		
Contributed capital		
Government	4,250,000	4,250,000
Customers	2,189,561	2,081,812
Developers	1,819,885	1,819,885
Total contributed capital	8,259,446	8,151,697
Retained earnings	869,730	1,103,614
Total equity	9,129,176	9,255,311
Total liabilities and equity	$9,254,483	$9,380,257

* 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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AGENCY FUND

Agency funds are used to account for assets by the government as an agent for individuals, private organizations, other governments and/or other funds.

Deferred Compensation Agency Fund accounts for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

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THE CITY OF HOOVER, ALABAMA
Deferred Compensation Agency Fund
Statement of Changes in Assets and Liabilities
For the fiscal year ended September 30, 1997

	Balance October 1, 1996	Additions	Deletions	Balance September 30, 1997
Assets				
Deferred compensation plan assets	$804,694	$328,640	-	$1,133,334
Liabilities				
Deferred compensation benefits payable	$804,694	$328,640	-	$1,133,334

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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
General Fixed Assets		
Land	$7,533,882	$7,225,622
Buildings	14,029,713	9,755,162
Improvements other than buildings	1,287,654	3,136,402
Equipment and vehicles	12,126,931	11,016,245
Construction in progress	-	14,458
Total general fixed assets	$34,978,180	$31,147,889
Investment in General Fixed Assets		
General obligation warrants	$15,025,591	$10,255,591
Long-term notes payable	399,334	399,334
Federal grants	1,256,344	1,256,344
General revenues	14,367,013	15,306,722
Donations and annexations	3,929,898	3,929,898
Total investments in general fixed assets	$34,978,180	$31,147,889

THE CITY OF HOOVER, ALABAMA
Schedule of General Fixed Assets by Function and Activity
September 30, 1997

Function and Activity	Land	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Total
General government					
Administration	$7,533,882	$6,882,812	$1,167,755	$1,948,647	$17,533,096
Municipal garage	-	254,492	-	67,452	321,944
Total general government	7,533,882	7,137,304	1,167,755	2,016,099	17,855,040
Public safety					
Police	-	170,825	10,475	3,212,592	3,393,892
Fire	-	6,164,420	51,223	4,478,426	10,694,069
Inspection	-	48,179	-	314,155	362,334
Total public safety	-	6,383,424	61,698	8,005,173	14,450,295
Municipal Court	-	-	-	90,150	90,150
Streets & sanitation	-	508,985	58,201	1,967,433	2,534,619
Health	-	-	-	48,076	48,076
Total general fixed assets allocated to functions and activities	$7,533,882	$14,029,713	$1,287,654	$12,126,931	$34,978,180

THE CITY OF HOOVER, ALABAMA
Schedule of Changes in General Fixed Assets by Function and Activity
For the fiscal year ended September 30, 1997

Function and Activity	General Fixed Assets October 1, 1996	Additions	Deletions	General Fixed Assets September 30, 1997
General government				
Administration	$16,084,079	$4,286,526	$2,837,509	$17,533,096
Municipal Garage	340,185	28,023	46,264	321,944
Total general government	16,424,264	4,314,549	2,883,773	17,855,040
Public safety				
Police	3,042,189	476,021	124,318	3,393,892
Fire	8,998,738	1,709,564	14,233	10,694,069
Inspection	329,121	60,620	27,407	362,334
Total public safety	12,370,048	2,246,205	165,958	14,450,295
Municipal Court	68,653	23,642	2,145	90,150
Streets & sanitation	2,222,390	330,083	17,854	2,534,619
Health	48,076	-	-	48,076
Construction in progress	14,458	-	14,458	-
Total general fixed assets	$31,147,889	$6,914,479	$3,084,188	$34,978,180

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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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
Amounts available and to be provided for the payment of general long-term debt		
Amount to be provided from General Fund revenues	$64,551,673	$65,503,756
Total available and to be provided	$64,551,673	$65,503,756
General Long-term debt		
General obligation warrants payable	$60,873,278	$62,411,015
Capital lease payable	-	9,338
Claims and judgements payable	658,922	391,837
Accrued compensated leave	3,019,473	2,691,566
Total general long-term debt	$64,551,673	$65,503,756

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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, 1997
(with comparative totals for September 30, 1996)

	Board of Education	Park & Recreation Board	Library Board
Assets and other debits			
Assets			
Pooled cash and investments	$13,224,432	$183,893	$84,201
Due from other governments			
County	1,124,280	-	-
State	-	-	-
Federal	131,473	-	-
Due from other funds	8,995,923	-	-
Due from contractor	-	-	-
Prepaid items	9,233	-	-
Inventory	28,946	-	-
Fixed assets	124,598,990	42,775,092	6,127,258
Deferred compensation plan assets	1,599,394	-	-
Other debits			
Amount to be provided for retirement of general long-term debt	82,641,834	-	-
Total assets	$232,354,505	$42,958,985	$6,211,459
Liabilities, equity and other credits			
Liabilities			
Accounts payable and accrued liabilities	$3,782,081	$85,480	$71,001
Due to other funds	8,995,923	-	-
Notes and capital leases payable	1,381,578	-	-
General obligation warrants payable	79,370,000	-	-
Deferred compensation benefits payable	1,599,394	-	-
Total liabilities	95,128,976	85,480	71,001
Equity and other credits			
Investment in general fixed assets	124,598,990	42,775,092	6,127,258
Fund balances			
Reserved for inventories	28,946	-	-
Reserved for building commitments	702,113	-	-
Reserved for encumbrances	191,319	-	-
Unreserved, undesignated	11,704,161	98,413	13,200
Total equity and other credits	137,225,529	42,873,505	6,140,458
Total liabilities, equity and other credits	$232,354,505	$42,958,985	$6,211,459

Totals	
1997	1996
$13,492,526	$14,884,441
1,124,280	363,561
-	-
131,473	64,755
8,995,923	9,629,232
-	195,317
9,233	2,052
28,946	41,352
173,501,340	162,981,973
1,599,394	1,225,148
82,641,834	85,073,893
$281,524,949	$274,461,724

$3,938,562	$3,561,771
8,995,923	9,629,232
1,381,578	730,627
79,370,000	82,730,695
1,599,394	1,225,148
95,285,457	97,877,473
173,501,340	162,981,973
28,946	41,352
702,113	25,579
191,319	140,231
11,815,774	13,395,116
186,239,492	176,584,251
$281,524,949	$274,461,724

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	Board of Education	Park & Recreation Board	Library Board
Revenues			
Licenses and permits	-	$493,487	-
Intergovernmental	$56,852,016	-	$140,988
Fines & forfeits	-	-	73,997
Interest on pooled cash and investments	-	-	3,463
Stadium lease	-	200,000	-
Other	1,047,728	274,882	97,122
Total revenues	57,899,744	968,369	315,570
Expenditures			
Current operations			
General government	1,646,692	-	-
Recreation	-	2,939,800	-
Library	-	-	2,606,583
Instructional services	30,372,542	-	-
Instructional support services	6,036,566	-	-
Operation and maintenance	5,138,175	-	-
Auxiliary services	5,908,911	-	-
Fixed charges	-	-	-
Other	2,802,299	-	-
Total	51,905,185	2,939,800	2,606,583
Capital outlays	6,298,402	169,498	12,769
Debt service			
Principal	2,686,998	-	-
Interest and fiscal charges	4,595,476	-	-
Total expenditures	65,486,061	3,109,298	2,619,352
Deficiency of revenues under expenditures	(7,586,317)	(2,140,929)	(2,303,782)
Other financing sources			
Operating transfers in - primary government	6,650,377	2,176,274	2,277,183
Proceeds of general obligation warrants, notes payable and capital leases	-	-	-
Total other financing sources	6,650,377	2,176,274	2,277,183
Excess (deficiency) of revenues and other financing sources under expenditures	(935,940)	35,345	(26,599)
Fund balances at beginning of year	13,562,479	-	39,799
Prior period adjustment - Note 5	-	63,068	-
Fund balances as restated	13,562,479	63,068	39,799
Fund balances at end of year	$12,626,539	$98,413	$13,200

Totals	
1997	1996
$493,487	$526,735
56,993,004	47,364,614
73,997	60,155
3,463	3,174
200,000	168,800
1,419,732	7,988,613
59,183,683	56,112,091
1,646,692	1,423,723
2,939,800	2,581,299
2,606,583	2,512,764
30,372,542	25,096,744
6,036,566	5,099,619
5,138,175	4,579,212
5,908,911	4,063,403
-	8,505,241
2,802,299	792,061
57,451,568	54,654,066
6,480,669	7,886,153
2,686,998	2,273,856
4,595,476	4,566,907
71,214,711	69,380,982
(12,031,028)	(13,268,891)
11,103,834	10,223,748
-	1,775,686
11,103,834	11,999,434
(927,194)	(1,269,457)
13,602,278	14,871,735
63,068	-
13,665,346	14,871,735
$12,738,152	$13,602,278

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, 1997
(with comparative totals for September 30, 1996)

	Governmental Fund Types	Account Groups	Totals (Memorandum Only)	
	General	General Fixed Assets	1997	1996
Assets				
Pooled cash and investments	$183,893	-	$183,893	$81,569
Fixed assets	-	$42,775,092	42,775,092	38,691,177
Total assets	$183,893	$42,775,092	$42,958,985	$38,772,746
Liabilities, equity and other credits				
Liabilities				
Accounts payable	$44,764	-	$44,764	$30,562
Accrued libilities	40,716	-	40,716	51,007
Total liabilities	85,480	-	85,480	81,569
Equity and other credits				
Investment in general fixed assets	-	$42,775,092	42,775,092	38,691,177
Fund balances				
Unreserved, undesignated	98,413	-	98,413	-
Total equity and other credit	98,413	42,775,092	42,873,505	38,691,177
Total liabilities, equity and other credits	$183,893	$42,775,092	$42,958,985	$38,772,746

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	Governmental Fund Types	
	General	
	1997	1996
Revenues		
Licenses and permits	$493,487	$526,735
Stadium lease	200,000	168,800
Other	274,882	25,350
Total revenues	968,369	720,885
Expenditures		
Current operations		
Recreation		
Personal services	1,633,534	1,737,799
Other	1,306,266	843,500
Total	2,939,800	2,581,299
Capital outlays	169,498	183,141
Total expenditures	3,109,298	2,764,440
Deficiency of revenues under expenditures	(2,140,929)	(2,043,555)
Other financing sources		
Operating transfers in - primary government	2,176,274	$2,043,555
Excess of revenues and other financing sources over expenditures	35,345	-
Fund balances at beginning of year	-	-
Prior period adjustment - Note 5	63,068	-
Fund balances as restated	63,068	-
Fund balances at end of year	$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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
General Fixed Assets		
Land	$13,770,586	$9,115,305
Buildings	23,859,524	6,213,347
Improvements other than buildings	3,914,947	22,587,378
Equipment and vehicles	1,230,035	1,075,147
Total general fixed assets	$42,775,092	$38,991,177
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	13,546,830	9,762,915
Donations and annexations	825,665	825,665
Donations from primary government	3,553,395	3,553,395
Total investment in general fixed assets	$42,775,092	$38,991,177

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Park and Recreation Board
Schedule of General Fixed Assets by Function & Activity
September 30, 1997

Function and Activity	Land	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Total
Recreation	$13,770,586	$23,859,524	$3,914,947	$1,230,035	$42,775,092
Total general fixed assets allocated to functions and activities	$13,770,586	$23,859,524	$3,914,947	$1,230,035	$42,775,092

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, 1997

Function and Activity	General Fixed Assets October 1, 1996	Additions	Deletions	General Fixed Assets September 30, 1997
Recreation	$38,991,177	$22,465,288	$18,681,373	$42,775,092
Total general fixed assets	$38,991,177	$22,465,288	$18,681,373	$42,775,092

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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, 1997
(with comparative totals for September 30, 1996)

	Governmental Fund Types	Account Groups	Totals (Memorandum Only)	
	General	General Fixed Assets	1997	1996
Assets				
Pooled cash and investments	$84,201	-	$84,201	$91,692
Fixed assets	-	$6,127,258	6,127,258	6,144,502
Total assets	$84,201	$6,127,258	$6,211,459	$6,236,194
Liabilities, equity and other credits				
Liabilities				
Accounts payable	$35,288	-	$35,288	$16,565
Accrued liabilities	35,713	-	35,713	35,328
Total liabilities	71,001	-	71,001	51,893
Equity and other credits				
Investment in general fixed assets	-	$6,127,258	6,127,258	6,144,502
Fund balances				
Unreserved, undesignated	13,200	-	13,200	39,799
Total equity and other credits	13,200	6,127,258	6,140,458	6,184,301
Total liabilities, equity and other credits	$84,201	$6,127,258	$6,211,459	$6,236,194

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, 1997
(with comparative totals for the fiscal year ended September 30, 1996)

	Governmental Fund Types	
	General	
	1997	1996
Revenues		
Intergovernmental	$140,988	$136,184
Fines & forfeits	73,997	60,155
Interest on pooled cash and investments	3,463	3,174
Other	97,122	102,289
Total revenues	315,570	301,802
Expenditures		
Current operations		
Library		
Personal services	1,416,023	1,529,924
Other	1,190,560	982,840
Total	2,606,583	2,512,764
Capital outlays	12,769	81,779
Total expenditures	2,619,352	2,594,543
Deficiency of revenues under expenditures	(2,303,782)	(2,292,741)
Other financing sources		
Operating transfers in - primary government	2,277,183	2,265,097
Deficiency of revenues and other financing sources under expenditures	(26,599)	(27,644)
Fund balances at beginning of year	39,799	67,443
Fund balances at end of year	$13,200	$39,799

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, 1997
(with comparative totals for September 30, 1996)

	1997	1996
General Fixed Assets		
Buildings	$5,604,394	$5,498,255
Improvements other than buildings	14,883	99,049
Equipment and vehicles	507,981	547,198
Total general fixed assets	$6,127,258	$6,144,502
Investment in General Fixed Assets		
General obligation warrants	$5,902,919	$5,902,919
General revenues	148,880	166,124
Donations from primary government	75,459	75,459
Total investment in general fixed assets	$6,127,258	$6,144,502

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Library Board
Schedule of General Fixed Assets by Function & Activity
September 30, 1997

Function and Activity	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Total
Library	$5,604,394	$14,883	$507,981	$6,127,258
Total general fixed assets allocated to functions and activities	$5,604,394	$14,883	$507,981	$6,127,258

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, 1997

Function and Activity	General Fixed Assets October 1, 1996	Additions	Deletions	General Fixed Assets September 30, 1997
Recreation	$6,144,502	$119,433	$136,677	$6,127,258
Total general fixed assets	$6,144,502	$119,433	$136,677	$6,127,258

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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
1988	$11,607,404	$1,380,883	$28,146	$138,019	$47,719	$13,202,171
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

(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
1988	$2,504,863	$6,999,518	$2,288,101	$105,317	$16,204,594
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

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
$3,881,644	$31,984,037
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

Continued from previous page

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

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Fines and Forfeits
1988	$13,202,171	$2,719,683	$1,021,781	$295,758
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

Continued on next page

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

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

Source: City annual financial reports

Interest		Other	Total
$480,062		$233,438	$17,952,893
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

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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
1987	$1,186,046	$1,179,185	99.4%	$6,186	$1,185,371	99.9%
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%

Shelby County:

Beginning October 1	Total Tax Levy	Total Tax Collections	Percent of Tax Collections to Tax Levy
1987	$210,662	$195,512	92.8%
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%

(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

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
Located in Jefferson County:				
1987	$197,510,028	$1,329,041,058	$26,457,290	$132,286,450
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
Located in Shelby County:				
1987	$45,294,040	$226,470,200	$2,225,340	$11,126,700
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

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	
$44,875,440	$149,435,215	$268,842,758	$1,610,762,723	16.7%
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%
$3,002,720	$15,013,600	$50,522,100	$252,610,500	20.0%
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%

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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
1988	$0.65	-	$1.35	$0.82	$1.39	$3.56	$0.65	$4.86
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

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
1988	$0.65	-	$0.75	$0.90	$0.60	$0.40	$2.65	$0.65	$3.95
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

(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, 1997

	City Ad Valorem Taxes	Percentage of Total Property Taxes Collected (A)
Metropolitan Life Insurance Co.	$419,600	10.54%
Hoover Mall Limited	381,994	9.59%
Amsouth Riverchase	334,900	8.41%
Bell South	289,957	7.28%
Wilmington Trust Co.	157,600	3.96%
Daniel Properties	108,100	2.72%
Harbert Companies	64,800	1.63%
Marray Concourse	47,000	1.18%
Southern Co. Services	38,700	0.97%
Summerchase Shelby Inc.	37,700	0.95%
Total	$1,880,351	47.23%

(A) Excludes motor vehicles.

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Computation of Legal Debt Margin
September 30, 1997

Assessed Value of property	$735,197,343	(A)
Debt Limit - 20 percent of total assessed value	147,039,469	
Amount of debt applicable to debt limit	48,983,278	(B)
Legal debt margin	$98,056,191	

(A) Includes assessed value of motor vehicles totaling $55,073,875.

(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
1988		31,319	$235,696,242	(B)	$33,475,000	14.20	$1,068.84
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

(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
1988	$3,881,644	$31,984,037	12.14
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

(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, 1997

	Total Debt Outstanding	Percentage Applicable to City of Hoover	Amount Applicable to City of Hoover
Direct Debt			
City of Hoover - general obligation warrants	$60,873,278	100.00	$60,873,278
Overlapping Debt			
Hoover City Board of Education	80,751,578	100.00	80,751,578
Jefferson County	773,821,287	9.96	77,072,600
Jefferson County Board of Education	9,124,075	9.96	908,758
Shelby County	46,690,693	20.28	9,468,873
Shelby County Board of Education	54,541,986	20.28	11,061,115
Total overlapping debt	964,929,619		179,262,924
Total direct and overlapping debt	$1,025,802,897		$240,136,202

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 Age Individuals	Unemployment Rate %
1988	34,000 (E)	* *	5,300 (F)	5.8 (B) (C)
1989	40,000 (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)

* * Information not available

(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)
1988	$38,061,643	$37,592,249	$272,976,000	$729,000,000
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

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 1997

Date of Incorporation: May 18, 1967

Form of Government: Mayor-Council (5 members)

Area: 44 Square miles (A)

Miles of Street:

Paved	509	(A)
Unpaved	0	(A)

Miles of Sewers:

Sanitary	176	(A)
Storm	164	(A)

Number of City Employees:

Administration	39	
Finance	11	
Garage	4	
Police	143	
Fire	130	
Communications	20	
Inspection services	19	
Municipal court	6	
Street and sanitation	29	
Sewer	1	
Recreation	70	
Library	76	
Health	2	
Total	550	(B)

Public Schools:

Established - August 29, 1988
Enrollment - 9,017 (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 stations	2

Population:

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

Number of housing units:

Owner occupied	16,171	
Renter occupied	9,970	
Total	24,929	(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.