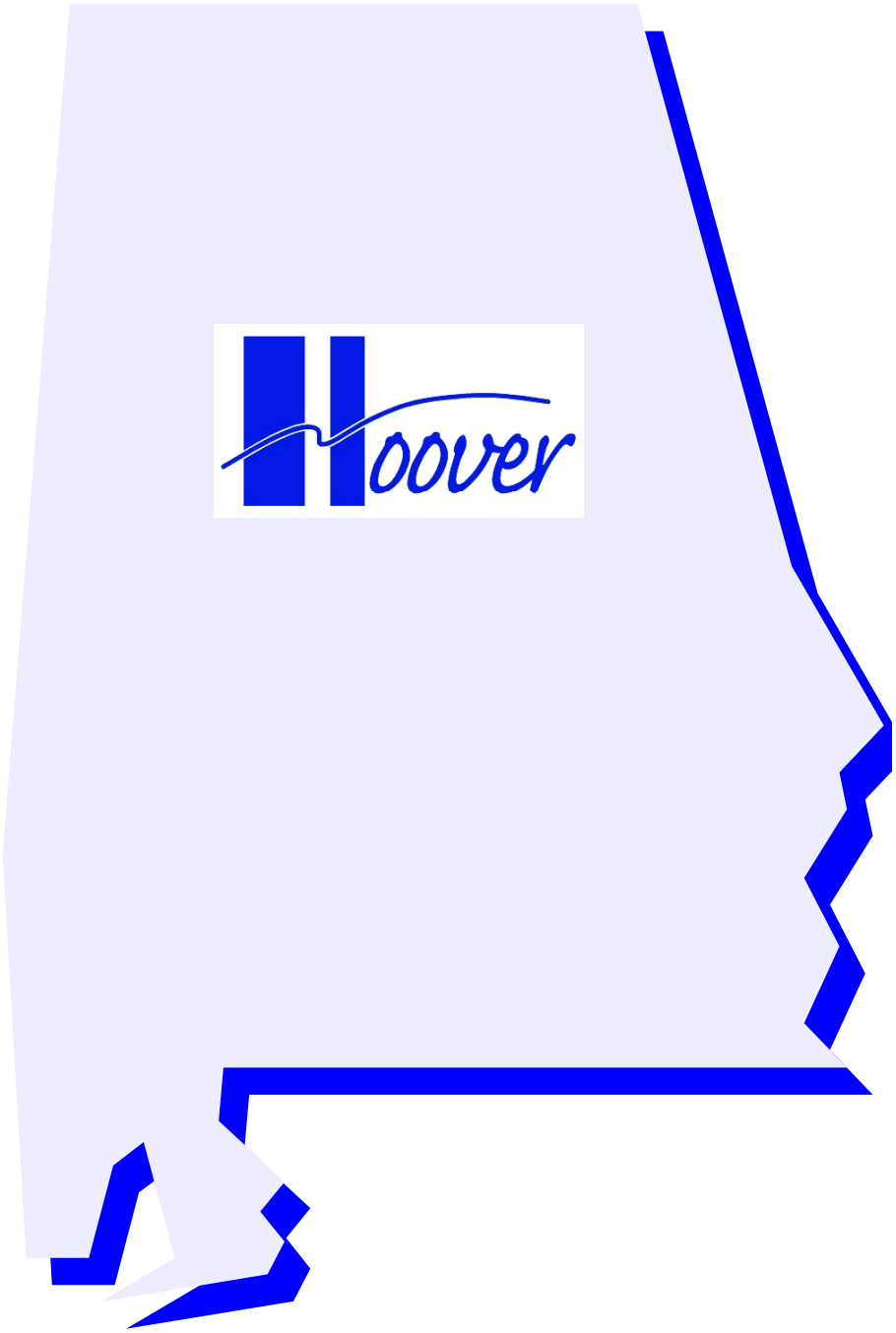
THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2002

Office of the Finance Director

Robert Yeager, CPA
Finance Director and Treasurer



The City of Hoover has a population of 65,885 and is located in north-central Alabama within the Birmingham-Hoover metropolitan area. Hoover occupies approximately 38.95 square miles within Jefferson and Shelby counties.

Mayor's Office
City of Hoover

Barbara B. McCollum
Mayor

March 28, 2003

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

The comprehensive annual financial report for the City of Hoover, Alabama (the City) for the fiscal year ended September 30, 2002, is hereby submitted as mandated by state statutes. These statutes require that the City issues an annual report on its financial position and activity, and that this report be audited by either an independent firm of certified public accountants or the State Department of Examiners of Public Accounts. The accounting firm of Mackle, Splawn, Tindall & McDonald, LLP performed the audit. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and are reported in a manner that presents fairly the financial position and result of operations for 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 Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical.

> The INTRODUCTORY section includes this letter of transmittal, an organizational chart and a list of the elected officials.
>
> The FINANCIAL section includes the independent auditor's report, the general-purpose financial statements, and the combining and individual fund and account group statements and schedules.
>
> The STATISTICAL section includes selected financial and demographic information generally presented on a multi-year basis.

The city is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to the single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

The financial reporting entity (the Government) includes all the funds and account groups of the primary government (the City), 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 including general administration, planning and zoning, public improvements, public safety (police, fire, and inspections), municipal court, streets and sanitation, recreation, library and cultural events, and primary and secondary education.

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.

LOCAL ECONOMIC CONDITION AND OUTLOOK

The Government, incorporated in 1967, is located in Jefferson and Shelby Counties in north central Alabama. From 1990 to 2000, Shelby County was the fastest growing county in Alabama with an increase in population of 44.2%. During the same time period, the City's population increased by 58%, making the City the sixth largest in the state based on population. One reason for this is that the City's excellent school system continues to draw new residents to the area. In addition to natural growth within the City limits, the Government also has the power by state statute to extend its corporate limits by annexation, which is done periodically when considered appropriate by the City Council.

The Government's financial condition continues to be strong. Overall, the City's revenue for the General and Special Revenue funds increased by 5.69%.

The City is the retail hub for the State of Alabama. The Riverchase Galleria is one of the finest mixed-use shopping centers in the Southeast. It is home to more than 200 specialty stores and is anchored by Rich's, McRae's, Parisian, JC Penney, and Sears. The Galleria includes restaurants, a branch of the U.S. Post Office, a five-star hotel, and a 17-story office tower. The City receives about 30% of its sales and use tax revenue from the Galleria.

In addition, the Galleria has spurred other retail and commercial growth along adjoining corridors of the City, including US Highway 31, Lorna Road, and Alabama Highway 150. The Inverness portion of the City also contains many shopping options for people who live and work in that area and beyond.

GOVERNMENTAL STRUCTURE

The Government has operated under the Mayor-Council form of government since incorporation. Policy making and legislative authority is vested in the City Council, which consists of five "at large" council members. The City Council is responsible, among other things, for passing resolutions and ordinances, adopting the budget and appointing certain boards and committees. The Mayor is responsible for carrying out the policies and ordinances of the Government, and also appointing certain boards and committees. The Mayor and City Council are elected on a nonpartisan basis to concurrent four-year terms that begin October 1 in the election year. An election was conducted in the summer of 2000.

MAJOR INITIATIVES

FOR THE FISCAL YEAR 2002

The following summarizes some of the accomplishments by various departments for the fiscal year ended 2002.

POLICE. The take-home police car program has proven to be a major benefit. This program provides increased police visibility in our neighborhoods, while simultaneously reducing maintenance costs and vehicle usage, which thereby prolongs the life of the vehicles. Another benefit of this program occurs when officers are beginning or ending their shift. They maintain the capability to respond immediately to calls for service without the need to first obtain police equipment from their personal vehicles. This equates to faster response times and increased officer safety when responding for backup purposes. In addition to the take-home car program, the planning and design work for the new jail facility was completed this past year. Furthermore, the police department continues to be well trained. All School Resource Officers now hold a basic and advanced certification from the National Association of School Resource Officers (NASRO). Also, all Hoover police officers met the mandatory Alabama Peace Officers Standards and Training Commission (APOSTC) minimum training requirements, and met the APOSTC firearm qualification standards with handguns and shotguns.

SUPPORT SERVICES. The support services department is responsible for a multitude of services including maintaining desktop computers, supporting the network, administering computer applications, providing telecommunications support, and the implementation of other project management issues, such as cable television franchise administration. The department replaced the AS400 computer system used by Hoover's E911 Communications Center to improve the reliability and the speed of dispatch operations. Improvements were also made to the Geographic Information System (GIS) to enable city employees to create maps of local features to include real-time data.

DEVELOPMENT. The development office was a key to developing partnerships for various economic development projects during the year. The Hoover Hop shuttle service accommodated mid-day trips for area employees. This was due to a partnership created between the City, Bellsouth, and the Riverchase Galleria. In addition, the City initiated the Highway 31 Express service that connects Hoover with downtown Birmingham. This also involved a critical partnership between the City, Vestavia Hills, Jefferson County, Birmingham, United Way, and the Birmingham-Jefferson County Transit Association (BJCTA). Other accomplishments for the department included the completion of the 5-Year Consolidated Plan that is required for Community Development Block Grant funding from the U.S. Department of Housing & Urban Development. Some of these funds were used to develop a Multilingual Public Safety Toolbox for use by the Hoover Police and Fire Departments in community education programs.

REVENUE. The Revenue department is responsible for processing, documenting, and enforcing all revenue due to the City. During the year, the revenue department processed over 48,000 documents, which represented over $67,500,000 in revenue. Several major goals were undertaken to enhance service to the City's taxpayers. The planning and development processes for these goals were initiated in fiscal year 2002. They include accepting credit card filing, providing on-line application and business license processing, supplying a mechanism for internet filing of taxes, and using the creation of taxpayer territories to assign a contact person to each taxpaying entity.

OPERATIONS. The operations department works closely with internal departments and external entities in order to facilitate progress for the City on many projects and events. FY 2002 resulted in another successful Southeastern Conference (SEC) Baseball Tournament at the Hoover Metropolitan Stadium with record breaking attendance. In addition, the RV Park construction was completed at the Hoover Metropolitan Stadium, which included a roadway extension to and from the Metropolitan Stadium and additional parking. In addition, the department continues to work with other departments on several on-going projects that include the Hoover Public Safety Center, the relocation of fire station #2, and various roadway projects.

RISK MANAGEMENT. Risk management continues to take a progressive approach to evaluate risk and reduce liability to the City, while protecting assets. Claim payments for fiscal year 2002 were down by 13%, compared to fiscal 2001. In addition, the department collected restitution in excess of $130,000, which resulted in a 9% increase from fiscal year 2001.

FLEET MANAGEMENT. Fleet management continued to provide reliable maintenance to all city vehicles and equipment. Most repairs are made in house, which results in monetary savings to the City. The department now has three technicians that are certified as Emergency Vehicle Technicians (EVT), four technicians that are certified as master automobile technicians by the National Institute of Automotive Service Excellence (ASE), and two employees certified as Harley Davidson motorcycle technicians.

PUBLIC WORKS. The public works department includes the streets, sewers, and drainage division, the solid waste division, the building services division, and the park maintenance division. Accomplishments include paving over 16 lane miles of roads, rebuilding the bridge at Howard Lake, and building a concession stand at Riverchase Sports Park. In addition, the City held another successful Household Hazardous Waste Day.

ENGINEERING. Many roadway, traffic signal, drainage, landscaping, and sewer projects were completed and begun by the engineering department in fiscal year 2002. One of the major projects completed was the construction of the improved Inverness WasteWater Treatment Plant (WWTP). The Inverness WWTP upgrade not only increased efficiency, but also doubled the treatment capacity. Other specific accomplishments include improvements at Moss Rock Preserve, Riverchase Parkway, the Riverchase Galleria, Spain Park, Deer Valley, and Matzek Drive. In addition, the department has a multitude of ongoing road and infrastructure projects to reduce traffic congestion throughout the City.

BUILDING INSPECTIONS. For fiscal year 2002, inspection services issued a total of 1,620 permits for commercial, residential, and miscellaneous construction. These permits along with the overall number of inspections continue to demonstrate the vibrancy, growth, and expansion of the City.

LIBRARY. Fiscal year 2002 was another banner year for the Hoover Public Library. Material circulation reached 950,000 items during the year, while the Youth Department's summer reading programs increase by 27% in program attendance. New programs for the public included the online reservation of books, free technology classes, and the creation of youth and adult book discussion groups. Furthermore, Spanish books and videos were added to the Library's holdings in order to address changing needs of the community.

PARKS & RECREATION. Accomplishments for the parks & recreation department for fiscal year 2002 ranged from maintenance and repairs to various program successes. The department resurfaced its in-door track at the Recreation Center, which improved the absorbency by more than 30%, and replaced the Center's shingle roof with a metal roof. Other renovations resulted in 6

resurfaced tennis courts, a resurfaced pool deck, as well as a refurbished Birchtree Tennis facility. In addition, the department received the National Alliance for Youth Sports (NAYS) Certificate for the Four Star Start Smart Program, a developmental program for basketball, T-ball, soccer, and golf. Hoover's parks & recreation department was one of 11 departments out of 820 to receive this award.

HUMAN RESOURCES. Human resources continued to emphasize training of city personnel. Some of the training that was conducted during the fiscal year included effective supervisory practices, grant writing seminars, sexual harassment prevention, and business writing. In addition, the department coordinated with the library to offer various Microsoft training courses to employees. Representatives of the department also worked with the police and fire departments to develop a curriculum for Spanish classes. Human resources also worked with the parks and recreation department to offer a health fair for City employees and Hoover residents. Finally, the City continues to have many applicants for jobs, with over 1,000 applications processed last year.

DEPARTMENTAL FOCUS – FIRE

As has come to be expected, the fire department accomplished much in fiscal year 2002. The department had a total of 6,699 calls for fire, EMS (emergency medical service), and other emergency calls. In order to be prepared for such calls, the department upgraded and/or purchased additional equipment. Some of these improvements included the placement of a 2nd HAZMAT Unit at Fire Station #2, the purchase of four self-contained breathing apparatus', and the purchase of two new 2002 1250 GPM pumpers, one at Station #4 and one at Station #6.

Training and development continued to be key to enhancing the skills of staff. Some of the training initiatives that were undertaken included HAZMAT emergency training for all members of the Hoover fire department, annual training on hydraulics and on the Incident Management System. In addition, eleven officers and firefighters trained at the Department of Justice Domestic Preparedness Center.

The fire department continues to have a dominant presence at community events. The fire department provided emergency medical service at over 40 events in the city covering over 250,000 people. Likewise, the department conducts a variety of opportunities for training and/or health screenings available to the public. All City fire stations provide free blood pressure screening 24 hours a day 7 days per week. In addition, the fire department provided CPR training for over 500 civilians and EMS personnel. Also, in conjunction with the American Heart Association, the Birmingham Regional Emergency Medical Services System (BREMSS), and the City, a program was initiated to place automatic external defibrillators in large corporate buildings to improve the chance of survival for sudden cardiac arrest victims. The department continues to offer these and other public services as part of their mission.

FOR THE FUTURE

The City of Hoover continues to strive for excellence in service delivery to its citizens. Individual departments have set future goals for themselves that will not only enhance City services, but also modernize the services provided. Many of the goals involve external, as well as internal partnerships. A few of the goals to move the City forward are described below.

One of the major initiatives of the administration is to further address the space issues for employees so that they can continue to provide the level of service that citizens have come to expect. Currently, the City plans to utilize an existing building that they purchased in fiscal year

2000 and remodel it for office space and the expansion of our city jail. This will alleviate some of the overcrowding that has begun to take place among many departments. In fiscal year 2003, the City has borrowed $40 million, of which $25 million is to fund this project.

In addition, the City is remodeling a major part of the 2nd floor of the municipal center that has recently become available, in order to move its Finance, Human Resources, and Support Services departments. The renovations on the 2nd floor should be completed in fiscal year 2003.

The operations department along with the fire department is currently in the process of relocating fire station #2. This relocation will create an opportunity for a road realignment and will also provide better response time to other locations in the City.

Finally, the engineering department will continue to spearhead the implementation and completion of their road and infrastructure projects. In November 2002, the long awaited I-459 Flyover was opened at the Riverchase Galleria. The Flyover and the completion of other road projects will allow future proposed retail and development projects to get underway, in order to provide the City more revenue for future service delivery.

GENERAL GOVERNMENT RESULTS: REVENUE

The following schedules present a summary of revenues for the General Fund and Special Revenue Funds for the fiscal year ended September 30, 2002, with the amount and percentage of increase (decrease) in relation to prior years.

Below revenues are broken down by major categories. Although some individual categories decreased, overall revenues increased by $3,805,111 or 5.69% over the previous year. The two largest sources of revenue by major category are taxes and licenses and permits, which comprise 89.40% of total revenues. These two sources of revenue increased 6.04% and 9.66% respectively in FY 2002.

Revenues	FY 2002 Amount	Percent of Total	FY 2001 Amount	Increase (Decrease) From FY 2001	Percent of Increase (Decrease)
Taxes	$ 52,920,804	74.89 %	$ 49,904,277	$ 3,016,527	6.04 %
Licenses and permits	10,254,746	14.51	9,351,131	903,615	9.66
Intergovernmental	3,446,696	4.88	2,622,735	823,961	31.42
Investment income	1,500,840	2.12	2,521,420	(1,020,580)	(40.48)
Charges for services	1,195,571	1.69	1,209,952	(14,381)	(1.19)
Fines and forfeits	1,150,399	1.63	1,219,308	(68,909)	(5.65)
Other	194,066	0.27	29,188	164,878	564.88
Total revenues	$ 70,663,122	100.00 %	$ 66,858,011	$ 3,805,111	5.69 %

As shown above, investment income held the largest decrease in revenue from FY 2001 to FY 2002. The decrease was 40.48% or $1,020,580. In general, this decrease is a reflection of the overall drop in interest rates for the economy as a whole.

A more detailed analysis of revenue sources in descending order is set forth below:

Revenues	FY 2002 Amount		Percent of Total	FY 2001 Amount	FY 2002 Increase (Decrease) from FY 2001	Percent of Increase (Decrease)
Sales and use taxes	$ 43,986,060	(A)	62.25 %	$ 40,994,618	$ 2,991,442	7.30 %
Property taxes	6,394,284	(A)	9.05	6,272,127	122,157	1.95
Business licenses	6,217,555	(B)	8.80	5,815,325	402,230	6.92
Building permits	3,464,946	(B)	4.90	2,566,882	898,064	34.99
Intergovernmental	3,446,696		4.88	2,622,735	823,961	31.42
Other taxes	2,540,460	(A)	3.60	2,637,532	(97,072)	(3.68)
Investment income	1,500,840		2.12	2,521,420	(1,020,580)	(40.48)
Fines and forfeits	1,150,399		1.63	1,219,308	(68,909)	(5.65)
All other revenue	1,049,573	(D)	1.49	1,255,633	(206,060)	(16.41)
E-911 charges	912,309	(C)	1.29	952,431	(40,122)	(4.21)
Total revenues	$ 70,663,122		100.00 %	$ 66,858,011	$ 3,805,111	5.69 %

(A) Included in taxes on the previous page
(B) Included in licenses and permits on the previous page
(C) Included in charges for services on previous page
(D) Included in the following:

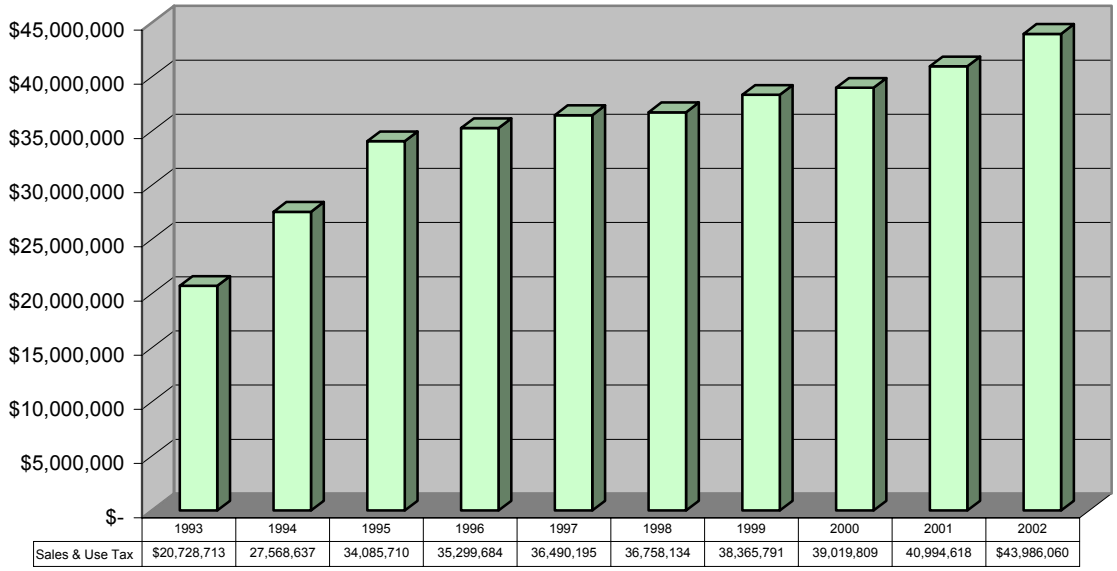
Licenses and permits	572,245	(B)
Charges for services	283,262	(C)
Other	194,066	(D)
Total other revenue	1,049,573	

Sales and use taxes are the greatest source of revenue to the City. Continued commercial expansion has resulted in greater sales and use tax revenues in each of the past 10 years. The chart and table below depict the past ten years of sales and use tax revenue collected by the City.

Fiscal Year	Sales and Use Tax Revenue	Percent of Increase (Decrease) from Previous Year	Total General and Special Revenue Funds	Percent of Total Revenue
1993	$ 20,728,713	19.97 %	$ 33,242,097	62.36 %
1994	27,568,637	33.00	41,672,127	66.16
1995	34,085,710	23.64	49,595,510	68.73
1996	35,299,684	3.56	51,328,047	68.77
1997	36,490,195	3.37	55,949,958	65.22
1998	36,758,134	0.73	57,316,109	64.13
1999	38,365,791	4.37	61,101,145	62.79
2000	39,019,809	1.70	64,906,808	60.12
2001	40,994,618	5.06	66,858,011	61.32
2002	$ 43,986,060	7.30 %	$ 70,663,122	62.25 %

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

SALES AND USE TAX REVENUE
FY 1993 TO FY 2002

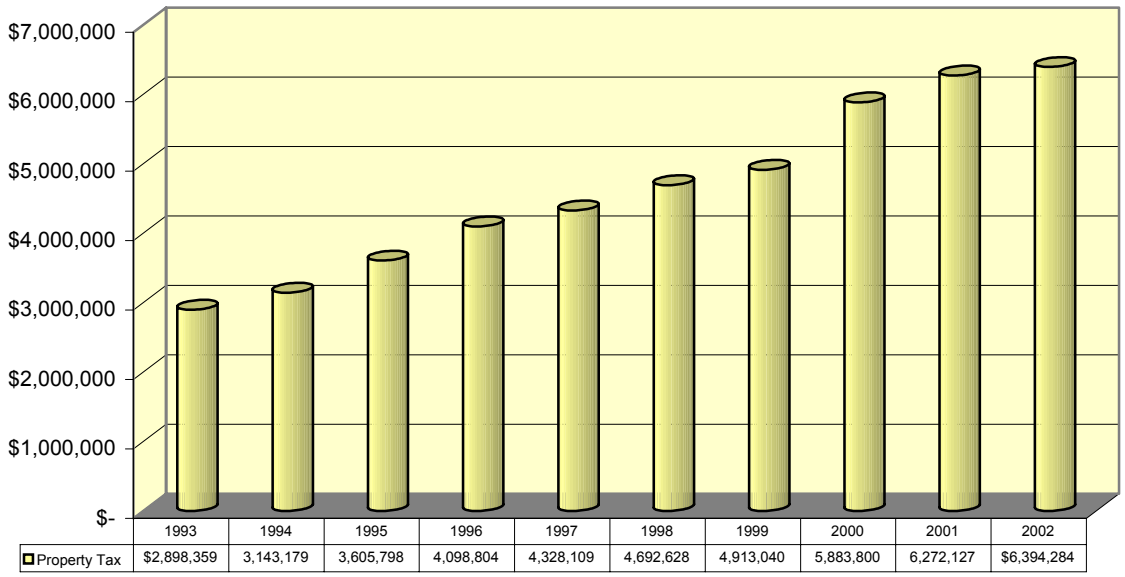


The second largest revenue source for the City is property tax. A 10 year summary of property tax is as follows:

Fiscal Year	Property Tax Revenue	Percent of Increase (Decrease) from Previous Year	Total General and Special Revenue Funds	Percent of Total Revenue
1993	$ 2,898,359	2.46 %	$ 33,242,097	8.72 %
1994	3,143,179	8.45	41,672,127	7.54
1995	3,605,798	14.72	49,595,510	7.27
1996	4,098,804	13.67	51,328,047	7.99
1997	4,328,109	5.59	55,949,958	7.74
1998	4,692,628	8.42	57,316,109	8.19
1999	4,913,040	4.70	61,101,145	8.04
2000	5,883,800	19.76	64,906,808	9.06
2001	6,272,127	6.60	66,858,011	9.38
2002	$ 6,394,284	1.95 %	$ 70,663,122	9.05 %

The City's property tax is 6 1/2 mills for general governmental use. Property tax revenue increased 1.95% over FY 2001.

PROPERTY TAX REVENUE
FY 1993 TO FY 2002

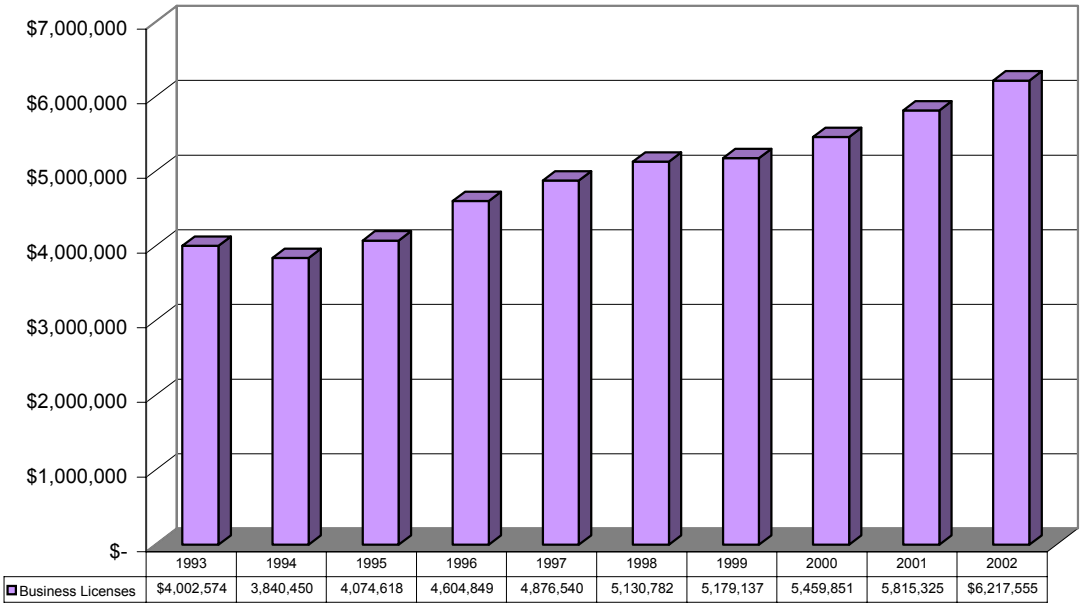


Business licenses, which are generally based on gross receipts, have historically been one of the three largest revenue sources for the City. In FY 2002, it represented 8.80% of total revenue. The following is a summary of business license revenue for the past decade:

Fiscal Year	Business License Revenue	Percent of Increase (Decrease) from Previous Year	Total General and Special Revenue Funds	Percent of Total Revenue
1993	$ 4,002,574	7.65 %	$ 33,242,097	12.04 %
1994	3,840,450	(4.05)	41,672,127	9.22
1995	4,074,618	6.10	49,595,510	8.22
1996	4,604,849	13.01	51,328,047	8.97
1997	4,876,540	5.90	55,949,958	8.72
1998	5,130,782	5.21	57,316,109	8.95
1999	5,179,137	0.94	61,101,145	8.48
2000	5,459,851	5.42	64,906,808	8.41
2001	5,815,325	6.51	66,858,011	8.70
2002	$ 6,217,555	6.92 %	$ 70,663,122	8.80 %

For FY 2002, business license revenue increased 6.92% over FY 2001.

BUSINESS LICENSE REVENUE
FY 1993 TO FY 2002



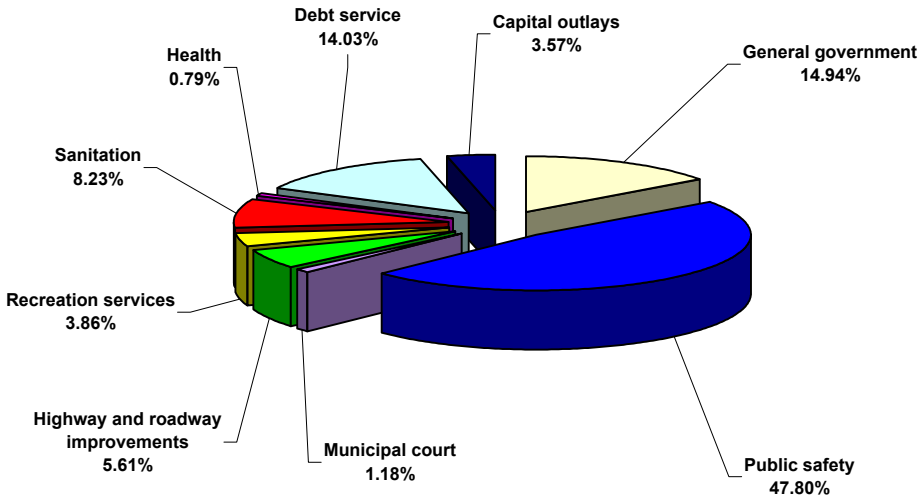
GENERAL GOVERNMENT RESULTS: EXPENDITURES

The following schedule presents a summary of expenditures for the General Fund and Special Revenue Funds for the fiscal year ended September 30, 2002, with percentage of increase (decrease) in relation to prior year amounts:

Expenditures	FY 2002 Amount	Percent of Total	FY 2001 Amount	FY 2002 Increase (Decrease) From FY 2001	Percent of Increase (Decrease)
Current operations					
General government	$ 7,930,377	14.94 %	$ 6,104,166	$ 1,826,211	29.92 %
Public safety	25,376,580	47.80	24,269,531	1,107,049	4.56
Municipal court	624,373	1.18	595,723	28,650	4.81
Sanitation	4,371,521	8.23	4,272,612	98,909	2.31
Highway and roadway improvements	2,976,653	5.61	2,925,941	50,712	1.73
Recreation services	2,050,492	3.86	17,660	2,032,832	11,510.94
Health	418,807	0.79	338,545	80,262	23.71
Capital outlays	1,897,252	3.57	1,101,097	796,155	72.31
Debt service					
Principal	3,370,000	6.35	3,225,000	145,000	4.50
Interest	4,076,465	7.68	4,801,722	(725,257)	(15.10)
Total debt service	7,446,465	14.03	8,026,722	(580,257)	(7.23)
Total	$ 53,092,520	100.00 %	$ 47,651,997	$ 5,440,523	11.42 %

Overall, for fiscal 2002, expenditures increased by $5,440,523, or 11.42% over fiscal 2001. A management decision to consolidate park maintenance under the public works department comprised the major part of this increase, as shown under recreation services above. Below is a chart that illustrates the breakdown by category for fiscal 2002 expenditures.

GENERAL AND SPECIAL REVENUE FUNDS
EXPENDITURES
FY 2002

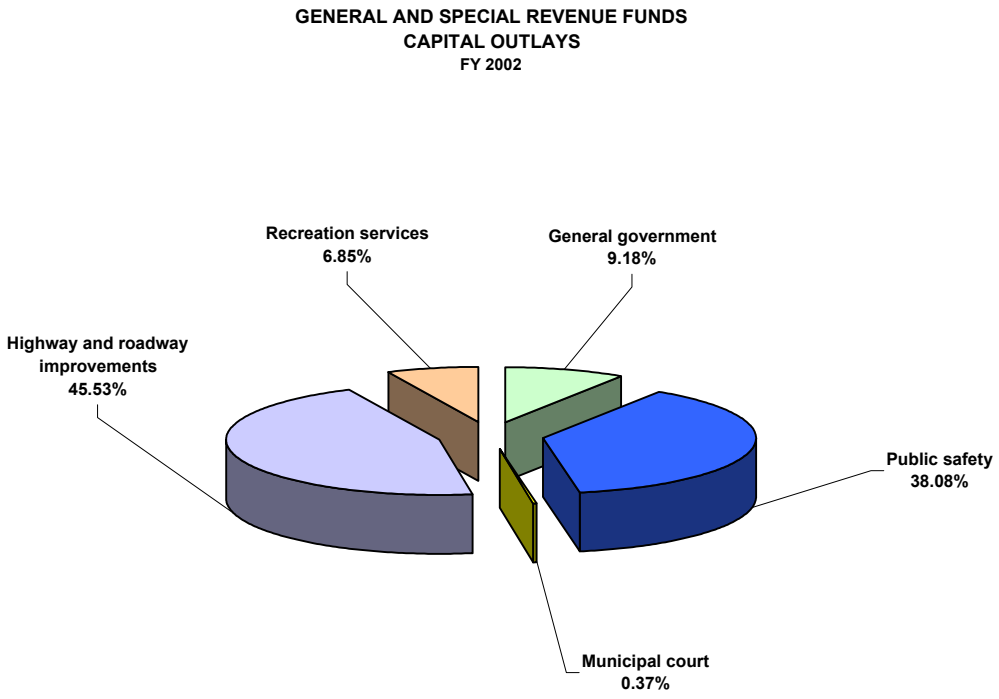


Capital outlays for general and special revenue funds totaled $1,897,252 for FY 2002. A breakdown of capital outlays by functional area is shown below:

	Construction and Infrastructure	Vehicles	Equipment	Total
General government	$ 59,991	$ 65,717	$ 48,371	$ 174,079
Public safety				
Police	-	681,362	35,849	717,211
Fire	-	-	5,226	5,226
Inspection	-	-	-	-
Total public safety	-	681,362	41,075	722,437
Municipal court	-	-	7,000	7,000
Highway and roadway improvements	558,995	290,758	14,000	863,753
Recreation services			129,983	129,983
Total	$ 618,986	$ 1,037,837	$ 240,429	$ 1,897,252

Construction and infrastructure comprise a small part of general and special revenue fund expenditures, primarily through the Community Development Block Grant and Alabama Trust Funds. Major contruction and infrastructure projects are financed through the capital project funds, which are not included in the numbers depicted here. Generally, capital outlays from the General and Special Revenue Funds consist of recurring capital items, as opposed to non-recurring capital items.

Below is a chart that illustrates capital outlays from the general and special revenue funds by category:



FINANCIAL MANAGEMENT

INTERNAL CONTROLS

Responsibility for establishing and maintaining an internal control structure rests with management. The internal control structure is 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. In addition, 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.

BUDGETARY CONTROLS

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the general fund, special revenue funds, component unit funds (library and parks & recreation only), capital project funds, and the sewer enterprise fund are included in the annual appropriated budget. Project length financial plans are also adopted for the capital projects funds. Department heads monitor the budget at the departmental level within the individual funds by category level. The current categories are salaries and benefits, operating expenditures, capital expenditures, and other uses of funds. The budget was amended several times during the year. Encumbrance accounting is employed during the year, but appropriations automatically lapse at year-end.

For the first time, the City adopted a comprehensive capital budget for the fiscal year ended 2002. For this reason, budget to actual statements are included for the capital project funds. However, comparative statements for the capital project funds may look skewed due to the lack of comprehensive adoption in the previous year, fiscal year 2001.

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.

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. 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. For 2002, the City's annual pension cost of $1,488,106 for the System was equal to the City's required and actual contributions.

DEBT ADMINISTRATION

As of September 30, 2002, the City had a number of debt issues outstanding. These issues included general obligation warrants totaling $76,565,000 for the General Fund, as well as $17,135,000 in general obligation warrants for the Sewer Enterprise Fund.

In January 2003, the City Council approved the issuance of general obligation warrants in the amount of $82,500,000. Approximately one-half of this issuance will refinance existing warrants at a lower interest rate and the remainder will be used for new capital projects within the City. As a result of that process, Standard and Poor's Corporation increased the City's credit rating from an AA- to an AA, while Moody's Investors Service maintained a rating of Aa3.

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 50 percent of the current prime lending rate. All pooled cash is either insured by the FDIC or collateralized. Collateral is held in the City's name by a third party, usually the Federal Reserve Bank. The average yield on all invested funds for fiscal 2002 was 4.28%

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

RISK MANAGEMENT

The City has a limited self-insurance retention plan, using a professional claims handler to account for its uninsured risks of loss. All insurance coverage, except workers compensation, is carried with a retention of $50,000 per occurrence. The aggregate retention on all claims is $350,000 over a one-year period. Excess insurance is provided for catastrophic events.

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 $300,000 and for aggregate claims over $728,100 over a one-year period.

PROPRIETARY OPERATIONS

The City's only enterprise fund is the Sewer Enterprise Fund, which accounts for the operations of the Riverchase and Inverness wastewater treatment plants.

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

The Sewer Enterprise Fund incurred a net loss of $32,600 for the fiscal year ended September 30, 2002 and net income of $28,543 for the fiscal year ended September 30, 2001. The net cash that was provided by operating activities totaled $ 8,428 in fiscal 2002 and $926,506 in fiscal 2001. The Sewer Enterprise Fund equity, including contributed capital, was $5,933,258 at September 30, 2002.

The City ceased its only Internal Service Fund, the Fleet Services Fund in fiscal year 2002.

OTHER INFORMATION

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2001. This was the twentieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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

Sincerely,

Barbara B. McCollum
Mayor

Robert M. Yeager
Finance Director

City of Hoover, Alabama

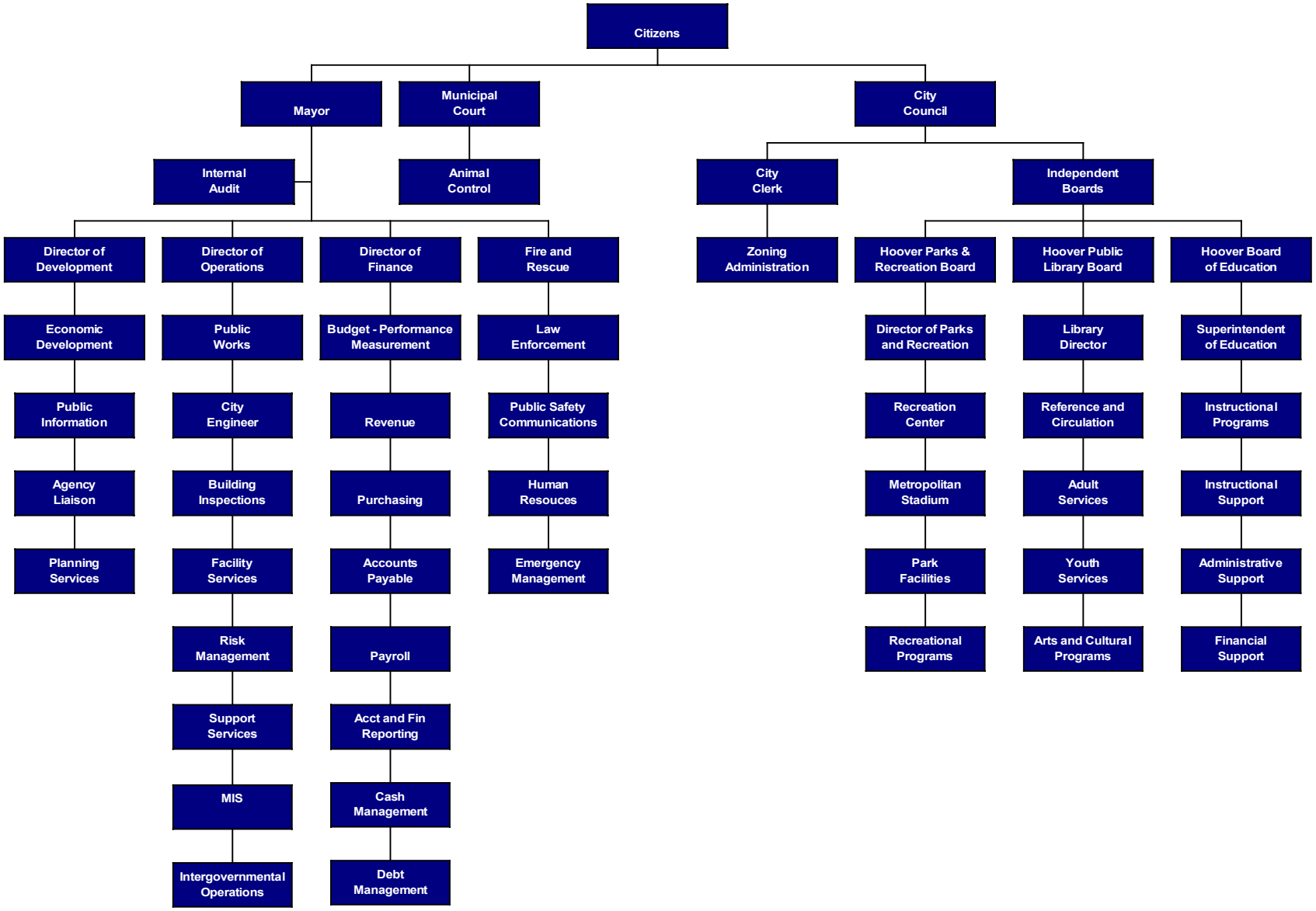
For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2001

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

City of Hoover, Alabama
Organization Chart
Fiscal Year 2002



OFFICIALS FOR THE CITY OF HOOVER, ALABAMA

September 30, 2002

ELECTED OFFICIALS

Mayor	Barbara B. McCollum
Council President	Robert Austin
Council President Pro Tempore	Donna Mazur
Council Member	Kyle Forstman
Council Member	Jody Patterson
Council Member	Jack Wright

Mackle Splawn Tindall & McDonald, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the City of Hoover, Alabama, and the combining, individual fund and account group financial statements of the City of Hoover, Alabama as of and for the year ended September 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the management of the City of Hoover, Alabama. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Hoover, Alabama, as of September 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups for the City of Hoover, Alabama, at September 30, 2002, and the results of operations of such funds and the cash flows of the proprietary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* , we have also issued our report dated January 9, 2003, on our consideration of the City of Hoover, Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Mackle Splawn Tindall & McDonald, LLP

January 9, 2003

THE CITY OF HOOVER, ALABAMA
Combined Balance Sheet
All Fund Types, Account Groups and
Discretely Presented Component Units
September 30, 2002

	Governmental Fund Types			Proprietary Fund Types	
				Enterprise Fund	Internal Service Fund
	General	Special Revenue	Capital Projects	Sewer	Fleet Services
Assets and other debits					
Assets					
Pooled cash and investments	$ 18,834,199	$ 2,662,370	$ 11,234,653	$ 0	$ 0
Receivables					
Taxes	3,975,217	0	0	0	0
Accounts	369,940	0	204,309	221,570	0
Due from other governments					
County	599,165	16,770	0	0	0
State	0	85,407	0	300,457	0
Federal	0	62,457	0	0	0
Due from other funds	2,540,728	0	0	297,325	0
Inventory	38,465	0	0	0	0
Prepaid expenses	51,734	0	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	25,285,212	0
Non-current receivable	887,601	0	0	0	0
Other assets	0	0	0	242,550	0
Other debits					
Amount to be provided for retirement of general long- term debt	0	0	0	0	0
Total assets and other debits	$ 27,297,049	$ 2,827,004	$ 11,438,962	$ 26,347,114	$ 0
Liabilities, equity and other credits					
Liabilities					
Accounts payable and accrued liabilities	$ 2,817,877	$ 197,414	$ 434,056	$ 508,657	$ 0
Claims and judgments payable	0	0	0	0	0
Due to other funds	0	59,651	8,203	2,770,199	0
Notes and capital leases payable	0	0	0	0	0
General obligation warrants payable	0	0	0	17,135,000	0
Refundable deposits	1,720	0	0	0	0
Accrued compensated leave	0	0	0	0	0
Total liabilities	2,819,597	257,065	442,259	20,413,856	0
Equity and other credits					
Investment in general fixed assets	0	0	0	0	0
Contributed capital	0	0	0	8,927,227	0
Retained earnings (deficit)	0	0	0	(2,993,969)	0
Fund balances					
Reserved for prepaid items	51,734	0	0	0	0
Reserved for inventory	38,465	0	0	0	0
Reserved for capital outlay	0	0	0	0	0
Reserved for encumbrances	0	0	0	0	0
Reserved for non-current receivables	887,601	0	0	0	0
Unreserved, undesignated	23,499,652	2,569,939	10,996,703	0	0
Total equity and other credits	24,477,452	2,569,939	10,996,703	5,933,258	0
Total liabilities, equity and other credits	$ 27,297,049	$ 2,827,004	$ 11,438,962	$ 26,347,114	$ 0

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

Account Groups		Totals (Memorandum) Only)		Totals (Memorandum) Only)
General Fixed Assets	General Long-term Debt	Primary Government	Component Units	Reporting Entity
$ 0	$ 0	$ 32,731,222	$ 72,446,802	$ 105,178,024
0	0	3,975,217	0	3,975,217
0	0	795,819	56,430	852,249
0	0	615,935	1,538,529	2,154,464
0	0	385,864	219,098	604,962
0	0	62,457	395,833	458,290
0	0	2,838,053	781,359	3,619,412
0	0	38,465	198,270	236,735
0	0	51,734	10,488	62,222
47,631,590	0	72,916,802	265,222,851	338,139,653
0	0	887,601	0	887,601
0	0	242,550	0	242,550
0	81,983,852	81,983,852	159,973,323	241,957,175
$ 47,631,590	$ 81,983,852	$ 197,525,571	$ 500,842,983	$ 698,368,554
$ 0	$ 0	$ 3,958,004	$ 2,571,768	$ 6,529,772
0	670,750	670,750	0	670,750
0	0	2,838,053	781,359	3,619,412
0	0	0	3,688,323	3,688,323
0	76,565,000	93,700,000	156,285,000	249,985,000
0	0	1,720	0	1,720
0	4,748,102	4,748,102	0	4,748,102
0	81,983,852	105,916,629	163,326,450	269,243,079
47,631,590	0	47,631,590	265,222,851	312,854,441
0	0	8,927,227	0	8,927,227
0	0	(2,993,969)	0	(2,993,969)
0	0	51,734	10,488	62,222
0	0	38,465	198,270	236,735
0	0	0	40,605,300	40,605,300
0	0	0	724,101	724,101
0	0	887,601	0	887,601
0	0	37,066,294	30,755,523	67,821,817
47,631,590	0	91,608,942	337,516,533	429,125,475
$ 47,631,590	$ 81,983,852	$ 197,525,571	$ 500,842,983	$ 698,368,554

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

THE CITY OF HOOVER, ALABAMA
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types and Discretely Presented Components Units
For the Fiscal Year Ended September 30, 2002

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Primary Government
Revenues				
Taxes	$ 52,920,804	$ 0	$ 2,085,760	$ 55,006,564
Licenses and permits	10,254,746	0	0	10,254,746
Intergovernmental	1,985,277	1,461,419	442,099	3,888,795
Fines and forfeits	934,178	216,221	0	1,150,399
Investment income	1,437,821	63,019	192,762	1,693,602
Stadium lease	0	0	0	0
Other	182,545	11,521	563,352	757,418
Charges for services	283,262	912,309	0	1,195,571
Total revenues	67,998,633	2,664,489	3,283,973	73,947,095
Expenditures				
Current operations				
General government	7,883,467	46,910	144,184	8,074,561
Public safety	23,636,951	1,739,629	4,466	25,381,046
Municipal court	7,804	616,569	0	624,373
Sanitation	4,371,521	0	0	4,371,521
Highway and roadway improvements	2,452,666	523,987	56,285	3,032,938
Recreation services	2,050,492	0	380,905	2,431,397
Health	418,807	0	0	418,807
Instructional services	0	0	0	0
Instructional support services	0	0	0	0
Operation and maintenance	0	0	0	0
Auxiliary services	0	0	0	0
Other	0	0	0	0
Total	40,821,708	2,927,095	585,840	44,334,643
Capital outlays	1,015,030	882,222	6,231,993	8,129,245
Debt service				
Principal	3,370,000	0	0	3,370,000
Interest and fiscal charges	4,076,465	0	0	4,076,465
Total expenditures	49,283,203	3,809,317	6,817,833	59,910,353
Excess (deficiency) of revenues over (under) expenditures	18,715,430	(1,144,828)	(3,533,860)	14,036,742
Other financing sources (uses)				
Operating transfers in	16,672	685,698	3,713,101	4,415,471
Operating transfers out	(4,365,573)	0	(49,898)	(4,415,471)
Operating transfers in - primary government	0	0	0	0
Operating transfers out - component units	(11,080,323)	0	0	(11,080,323)
Proceeds from refunding warrants	0	0	0	0
Payments to refunded bond escrow agent	0	0	0	0
Total other financing sources (uses)	(15,429,224)	685,698	3,663,203	(11,080,323)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,286,206	(459,130)	129,343	2,956,419
Residual equity transfer from Internal Service Fund	116,222	0	0	116,222
Fund balances, beginning of year	21,075,024	3,029,069	10,867,360	34,971,453
Fund Balances, end of year	$ 24,477,452	$ 2,569,939	$ 10,996,703	$ 38,044,094

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

Component Units	Totals (Memorandum Only) Reporting Entity
$ 0	$ 55,006,564
0	10,254,746
96,070,423	99,959,218
101,128	1,251,527
322	1,693,924
224,430	224,430
1,657,536	2,414,954
579,907	1,775,478
98,633,746	172,580,841
6,019,708	14,094,269
0	25,381,046
0	624,373
0	4,371,521
0	3,032,938
1,930,711	4,362,108
0	418,807
46,103,571	46,103,571
11,326,995	11,326,995
9,528,159	9,528,159
9,563,887	9,563,887
2,567,908	2,567,908
87,040,939	131,375,582
6,795,699	14,924,944
3,908,232	7,278,232
8,879,022	12,955,487
106,623,892	166,534,245
(7,990,146)	6,046,596
0	4,415,471
0	(4,415,471)
11,080,323	11,080,323
0	(11,080,323)
51,998,255	51,998,255
(50,838,730)	(50,838,730)
12,239,848	1,159,525
4,249,702	7,206,121
0	116,222
68,043,980	103,015,433
$ 72,293,682	$ 110,337,776

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, 2002

	General Fund		
	Budget	**Actual**	**Variance Favorable (Unfavorable)**
Revenues			
Taxes	$ 52,107,400	$ 52,920,804	$ 813,404
Licenses and permits	9,215,000	10,254,746	1,039,746
Intergovernmental	1,597,075	1,985,277	388,202
Fines and forfeits	1,038,000	934,178	(103,822)
Investment income	1,522,000	1,437,821	(84,179)
Other	426,200	465,807	39,607
Total revenues	65,905,675	67,998,633	2,092,958
Expenditures			
Current operations			
General government	8,872,279	7,883,467	988,812
Public safety	24,809,972	23,636,951	1,173,021
Municipal court	31,960	7,804	24,156
Sanitation	4,612,250	4,371,521	240,729
Highway and roadway improvements	2,755,195	2,452,666	302,529
Recreation services	2,230,266	2,050,492	179,774
Health	435,576	418,807	16,769
Total	43,747,498	40,821,708	2,925,790
Capital outlays	1,435,895	1,015,030	420,865
Debt service			
Principal	3,370,000	3,370,000	0
Interest and fiscal charges	4,076,666	4,076,465	201
Total expenditures	52,630,059	49,283,203	3,346,856
Excess (deficiency) of revenues over (under) expenditures	13,275,616	18,715,430	5,439,814
Other financing sources (uses)			
Operating transfers in	0	16,672	16,672
Operating transfers out	(1,751,266)	(4,365,573)	(2,614,307)
Operating transfers out - component units	(10,982,947)	(11,080,323)	(97,376)
Total other financing sources (uses)	(12,734,213)	(15,429,224)	(2,695,011)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ 541,403	3,286,206	$ 2,744,803
Residual equity transfer from Internal Service Fund		116,222	
Fund balances, beginning of year		21,075,024	
Fund Balances, end of year		$ 24,477,452	

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

Special Revenue Funds			Capital Projects Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ 0	$ 0	$ 0	$ 2,085,760	$ 2,085,760	$ 0
0	0	0	0	0	0
1,455,500	1,461,419	5,919	6,459,214	442,099	(6,017,115)
250,000	216,221	(33,779)	0	0	0
125,000	63,019	(61,981)	134,298	192,762	58,464
960,000	923,830	(36,170)	1,263,927	563,352	(700,575)
2,790,500	2,664,489	(126,011)	9,943,199	3,283,973	(6,659,226)
61,000	46,910	14,090	618,234	144,184	474,050
1,942,391	1,739,629	202,762	4,475	4,466	9
667,743	616,569	51,174	0	0	0
0	0	0	0	0	0
750,000	523,987	226,013	313,465	56,285	257,180
0	0	0	611,400	380,905	230,495
0	0	0	0	0	0
3,421,134	2,927,095	494,039	1,547,574	585,840	961,734
1,242,500	882,222	360,278	19,933,996	6,231,993	13,702,003
0	0	0	0	0	0
0	0	0	0	0	0
4,663,634	3,809,317	854,317	21,481,570	6,817,833	14,663,737
(1,873,134)	(1,144,828)	728,306	(11,538,371)	(3,533,860)	8,004,511
1,071,391	685,698	(385,693)	679,875	3,679,875	3,000,000
0	0	0	0	(16,672)	(16,672)
0	0	0	0	0	0
1,071,391	685,698	(385,693)	679,875	3,663,203	2,983,328
$ (801,743)	(459,130)	$ 342,613	$ (10,858,496)	129,343	$ 10,987,839
	0			0	
	3,029,069			10,867,360	
	$ 2,569,939			$ 10,996,703	

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

THE CITY OF HOOVER, ALABAMA
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types
For the Fiscal Year Ended September 30, 2002

	Proprietary Fund Types		
	Enterprise Fund	Internal Service Fund	Totals (Memorandum Only)
Operating revenues			
Charges for services	$ 2,245,020	$ 0	$ 2,245,020
Other	2,000	0	2,000
Total operating revenues	2,247,020	0	2,247,020
Operating expenses			
Management fees	516,603	0	516,603
Depreciation	459,330	0	459,330
Personal services	76,951	0	76,951
Repairs and maintenance	239,141	0	239,141
Utilities	270,847	0	270,847
Supplies	122,413	0	122,413
Collection fees	65,552	0	65,552
Engineering fees	488,254	0	488,254
Telephone	24,966	0	24,966
Total operating expenses	2,264,057	0	2,264,057
Operating loss	(17,037)	0	(17,037)
Non-operating expenses			
Fiscal charges	15,563	0	15,563
Total non-operating expenses	15,563	0	15,563
Net loss	(32,600)	0	(32,600)
Retained earnings (deficit), beginning of year	(2,961,369)	70,643	(2,890,726)
Residual equity transfer to General Fund	0	(70,643)	(70,643)
Retained earnings (deficit), end of year	$ (2,993,969)	$ 0	$ (2,993,969)

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

THE CITY OF HOOVER, ALABAMA
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended September 30, 2002

	Proprietary Fund Types		
	Enterprise Fund	Internal Service Fund	Totals (Memorandum Only)
Cash flows from operating activities			
Cash received from customers	$ 2,220,626	$ 0	$ 2,220,626
Cash payments to suppliers	(1,621,169)	0	(1,621,169)
Cash payments to management companies	(516,603)	0	(516,603)
Cash payments to employees	(74,426)	0	(74,426)
Net cash provided by operating activities	8,428	0	8,428
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(2,930,922)	0	(2,930,922)
Proceeds from warrants	1,866,076	0	1,866,076
Payments of warrants	(635,000)	0	(635,000)
Proceeds from short term borrowings	(781,456)	0	(781,456)
Loans from other funds	2,472,874	0	2,472,874
Net cash used by capital and related financing activities	(8,428)	0	(8,428)
Cash flows from noncapital financing activities			
Residual equity transfer to General Fund	0	(100)	(100)
Net cash used by noncapital financing activities	0	(100)	(100)
Net increase (decrease) in pooled cash and investments	0	(100)	(100)
Pooled cash and investments, beginning of year	0	100	100
Pooled cash and investments, end of year	$ 0	$ 0	$ 0
Reconciliation of operating loss to net cash used by operating activities			
Operating loss	$ (17,037)	$ 0	$ (17,037)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities			
Depreciation and amortization	459,330	0	459,330
Change in assets and liabilities			
Increase in accounts receivable	(26,394)	0	(26,394)
Increase in accrued expenses	2,525	0	2,525
Decrease in accounts payable	(409,996)	0	(409,996)
Net cash used by operating activities	$ 8,428	$ 0	$ 8,428

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

THE CITY OF HOOVER, ALABAMA
Combined Statement of Cash Flows (Continued)
All Proprietary Fund Types
For the Fiscal Year Ended September 30, 2002

Noncash Investing, Capital and Financing Activities

Enterprise Fund:

Net proceeds from the sale of warrants in 2000 in the amount of $9,200,000 were retained by the State of Alabama. The proceeds are transferred to the City as construction expenditures are incurred.

Warrant issuance costs of $149,927 that were deducted from warrant proceeds during 2000 were capitalized and are being amortized over the debt repayment period.

Internal Service Fund:

The internal service fund was closed effective October 1, 2001 and the net assets on this date were transferred to the general fund.

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1: Summary of significant accounting policies

A. Reporting Entity

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

Discretely Presented Component Units

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

The Public Parks and Recreation Board of the City of Hoover (the Parks 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 Parks and Recreation Board to provide specific financial benefits to, or to impose specific financial burdens on the City. The Parks and Recreation Board is presented as a governmental fund type.

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

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

Hoover City Board of Education
2810 Metropolitan Way
Hoover, Alabama 35243

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

Hoover Public Library
200 Municipal Drive
Hoover, Alabama 35216

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

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1: Summary of significant accounting policies (continued)

A. Reporting Entity (continued)

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

Balance Sheets

	Board of Education	Parks and Recreation Board	Library Board	Totals
Assets and other debits:				
Current assets	$ 75,243,137	$ 343,609	$ 60,063	$ 75,646,809
Fixed assets	206,050,107	47,567,968	11,604,776	265,222,851
Amount to be provided for retirement of general long-term debt	159,973,323	0	0	159,973,323
Total assets and other debits	$ 441,266,567	$ 47,911,577	$ 11,664,839	$ 500,842,983
Liabilities:				
Current liabilities	$ 3,139,705	$ 116,416	$ 97,006	$ 3,353,127
Long-term liabilities	159,973,323	0	0	159,973,323
Total liabilities	163,113,028	116,416	97,006	163,326,450
Equity:				
Investment in general fixed assets	206,050,107	47,567,968	11,604,776	265,222,851
Fund balances	72,103,432	227,193	(36,943)	72,293,682
Total equity	278,153,539	47,795,161	11,567,833	337,516,533
Total liabilities and equity	$ 441,266,567	$ 47,911,577	$ 11,664,839	$ 500,842,983

Statement of Revenues, Expenditures and Changes in Fund Balances

Revenues	$ 97,032,995	$ 1,226,711	$ 374,040	$ 98,633,746
Expenditures				
Current operations	81,506,594	1,930,711	3,603,634	87,040,939
Capital outlays	6,764,598	26,086	5,015	6,795,699
Debt service	12,787,254	0	0	12,787,254
Total expenditures	101,058,446	1,956,797	3,608,649	106,623,892
Other financing sources (uses)				
Proceeds from refunding bonds	51,998,255	0	0	51,998,255
Operating transfers in - primary government	6,996,035	819,772	3,264,516	11,080,323
Payments to refunded bond escrow agent	(50,838,730)	0	0	(50,838,730)
Total other financing sources	8,155,560	819,772	3,264,516	12,239,848
Revenues and other financing sources over expenditures	4,130,109	89,686	29,907	4,249,702
Fund balances (deficit) - beginning of year	67,973,323	137,507	(66,850)	68,043,980
Fund balances (deficit), - end of year	$ 72,103,432	$ 227,193	$ (36,943)	$ 72,293,682

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1: Summary of significant accounting policies (continued)

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

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

The City has the following fund types and account groups:

Governmental Funds:

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

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

Governmental funds include the following fund types:

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

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

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

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1: Summary of significant accounting policies (continued)

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

Proprietary Funds:

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

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

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

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

Account Groups:

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

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

C. Assets, Liabilities and Equity

1. Deposits and investments

The primary government maintains a cash management system in which substantially all cash is held in a bank public funds investment account. The primary government generally follows the practice of pooling cash of all funds within this investment account in order to maximize return. Interest earned is allocated to each fund based on the balances of each fund's pooled cash and investments. It is the primary government's policy to prohibit individual funds from making disbursements in excess of their balance in the pooled cash and investments account.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1: Summary of significant accounting policies (continued)

C. Assets, Liabilities and Equity (continued)

1. Deposits and investments (continued)

State statutes authorize the City to invest in obligations of the U.S. Treasury, U.S. Government Agencies, U.S. corporate debt, U.S. corporate equities, State of Alabama obligations, county obligations, and other municipal obligations, as well as bank certificates of deposit and bank public funds investment accounts.

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

All investments with a remaining maturity of more than one year at the time of purchase are reported at fair value in accordance with GASB Statement 31.

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

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

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

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

	Category			Fair
	1	2	3	Value
U.S. Government Agency Securities	$ 0	$ 23,248,415	$ 0	$ 23,248,415

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

2. Receivables and payables

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

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1: Summary of significant accounting policies (continued)

C. Assets, Liabilities and Equity (continued)

2. Receivables and payables (continued)

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

Property values are assessed and property taxes are collected by Jefferson and Shelby Counties and remitted on a semi-monthly basis. Property values are assessed and property taxes attach as an enforceable lien on property as of October 1 of each fiscal year. The property taxes are due and payable October 1 of the subsequent fiscal year and are delinquent on January 1.

3. Inventories and prepaid Items

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

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

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

4. Fixed assets

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

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

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

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

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1: Summary of significant accounting policies (continued)

C. Assets, Liabilities and Equity (continued)

4. Fixed assets (continued)

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

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

5. Accrued compensated leave

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

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

6. Long-term obligations

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

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1: Summary of significant accounting policies (continued)

C. Assets, Liabilities and Equity (continued)

6. Long-term obligations (continued)

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

7. Fund Equity

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

8. Memorandum Only - Total Columns

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

9. Comparative Data

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

NOTE 2: Stewardship, compliance and accountability

A. Budgetary information

Although not required by State or local law, annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, for all special revenue funds and all capital projects funds. Furthermore, project-length financial plans are adopted for all capital projects funds. All annual appropriations lapse at fiscal year end, except for capital projects funds.

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 2: Stewardship, compliance and accountability (continued)

A. Budgetary information (continued)

The City follows the procedures set forth below, in establishing the budgetary data reflected in the general purpose financial statements:

1. Prior to September 1, all departments of the City submit requests for appropriation to the City's Finance Director so that a budget may be prepared. A budget worksheet is prepared by fund, function and activity and includes annual information on the past year, current year estimates and requested appropriations for the next fiscal year.

2. Prior to October 1, the Mayor submits the proposed budget to the City Council for the next fiscal year.

3. The City Council holds public hearings and may add to, subtract from or change appropriations. Any changes in the budget must be within the revenues and reserves estimated as available by the Finance Director.

4. Expenditures may not legally exceed budgeted appropriations at the activity level. Management may not amend or transfer appropriations within the budget at or above the activity level without the approval of the City Council. The City Council may legally amend the budget at any time during the fiscal year.

The City Council made several supplemental budgetary appropriations throughout the year, the effects of which were not material. These supplemental appropriations are reflected in the budget information of these financial statements.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process for the primary government during the year. However, all appropriations automatically lapse at year-end except for capital projects funds.

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

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, 2002, 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 Fund	State Four and Five Cent Gasoline Tax Fund	CDBG Fund
Administration	$ 988,812	$ 0	$ 0	$ 0	$ 14,090
Police	976,888	202,762	0	0	0
Fire	116,744	0	0	0	0
Inspection	78,598	0	0	0	0
Dispatch	791	0	0	0	0
Municipal court	24,156	0	0	0	0
Sanitation	240,729	0	0	0	0
Highway and roadway improvements	302,529	0	91,283	134,730	0
Recreational services	179,774	0	0	0	0
Health	16,769	0	0	0	0
Capital outlays	420,865	0	82,263	0	237,010
Interest and fiscal charges	201	0	0	0	0
	$ 3,346,856	$ 202,762	$ 173,546	$ 134,730	$ 251,100

Activity (continued)	Alabama Trust Fund Interest	Court and Corrections	Capital Projects	Other Capital Projects	Expenditures (Over) Under Appropriations
Administration	$ 0	$ 0	$ 504,050	$ 0	$ 1,506,952
Police	0	0	0	0	1,179,650
Fire	0	0	9	0	116,753
Inspection	0	0	0	0	78,598
Dispatch	0	0	0	0	791
Municipal court	0	51,174	0	0	75,330
Sanitation	0	0	0	0	240,729
Highway and roadway improvements	0	0	237,180	20,000	785,722
Recreational services	0	0	230,495	0	410,269
Health	0	0	0	0	16,769
Capital outlays	41,005	0	9,691,718	3,980,283	14,453,144
Interest and fiscal charges	0	0	0	0	201
	$ 41,005	$ 51,174	$ 10,663,452	$ 4,000,283	$ 18,864,908

C. Retained earnings deficit

The Sewer Enterprise Fund, a proprietary fund used to account for the operations of the City's waste water treatment plants, has a retained earnings deficit of $2,993,969 at September 30, 2002. However, the contributed capital totals $8,927,227 because of capital contributed by the City, customers and developers resulting in a net fund equity of $5,933,258 at September 30, 2002. The retained earnings deficit resulted mainly from a $4,000,000 operating transfer to the General Fund during fiscal 1998 and an operating loss of $467,855 for that year. The Fund will be subsidized by the General Fund should the need arise.

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups

A. Deposits and Investments

At year end the bank balance of the City's funds was either covered by federal depository insurance or secured by collateral through the Alabama State Treasury's Security for Alabama Funds Enhancement (SAFE) Program. Under the SAFE program, the City's funds are protected through a collateral pool administered by the Alabama State Treasury. Certain banks holding deposits belonging to the state, counties, cities, or agencies of any of these entities must pledge securities as collateral against these deposits. In the event of the failure of a bank, securities pledged by that bank would be liquidated by the State Treasurer to replace the public deposits. If the securities pledged failed to produce adequate funds for that purpose, every bank participating in the pool would share the liability for the remaining balance. At September 30, 2002, all of the City's depositories are participating in the SAFE program.

The bank balances of deposits for the Library Board, Park and Recreation Board, and the Hoover Board of Education were entirely covered by federal depository insurance or by the SAFE program as described previously.

Investments are categorized into three categories of credit risk:

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

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

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

At September 30, 2002, the Board of Education's investment balances were as follows:

	Category			Carrying	Fair
	1	2	3	Amount	Value
U.S. Treasury Bills and Notes	$ 0	$ 22,648,079	$ 0	$ 22,648,079	$ 22,648,079

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

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

Carrying Amount of Deposits	$ 49,451,481
Carrying Amount of Investments	22,648,079
Total Cash and Investments	$ 72,099,560

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

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

Board of Education	$ 72,099,560
Parks and Recreation Board	287,179
Library Board	60,063
Total cash and investments	$ 72,446,802

B. Receivables

A summary of the items included in taxes receivable at September 30, 2002, is set forth below:

Gasoline tax	$ 25,408
Sales and use tax	3,642,044
Beer, liquor and wine tax	107,984
Lease and rental tax	68,011
Lodging tax	51,395
Motor vehicle fees	80,375
Total	$ 3,975,217

A summary of the items included in accounts receivable at September 30, 2002, is set forth below:

General Fund:	
Grants receivable	$ 5,270
Interest receivable	103,438
Other	261,232
Total General Fund accounts receivable	369,940
Capital Projects Fund:	
Grants receivable	204,309
Total Capital Projects Fund accounts receivable	204,309
Sewer Enterprise Fund:	
Sewer service charges	221,570
Total accounts receivable – primary government	795,819
Park and Recreation Board:	
Stadium lease charges	56,430
Total accounts receivable	$ 852,249

No significant uncollectible amounts are anticipated on these receivables.

The City also has recorded a noncurrent receivable as the result of a 1987 agreement in which the cost of certain capital outlays is being recovered through the collection of sewer tap fees. The receivable is guaranteed by a real estate developer (including interest at 7.25%) and is collectible over a period of at least 30 years.

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

C. Fixed assets

The following is a summary of changes in the General Fixed Assets Account Group during the year ended September 30, 2002:

	Balance October 1, 2001	Increases	Decreases	Balance September 30, 2002
Land	$ 11,581,324	$ 2,752	$ 0	$ 11,584,076
Buildings	18,058,660	565,736	0	18,624,396
Improvements other than buildings	1,350,932	3,178	0	1,354,110
Equipment and vehicles	14,620,321	1,795,134	346,447	16,069,008
Total	$ 45,611,237	$ 2,366,800	$ 346,447	$ 47,631,590

The following is a summary of proprietary fund type fixed assets for the City at September 30, 2002:

Sewer Enterprise Fund

	2002	2001
Equipment and vehicles	$ 578,039	$ 532,868
Land	1,664,800	1,664,800
Waste water treatment plants	29,787,402	9,781,342
Construction in progress	0	16,949,741
Total	32,030,241	28,928,751
Less - Accumulated depreciation	(6,745,029)	(6,285,699)
Net fixed assets	$ 25,285,212	$ 22,643,052

Fleet Service Fund

	2002	2001
Equipment and vehicles	$ 0	$ 244,830
Less - Accumulated depreciation	0	(128,769)
Net fixed assets	$ 0	$ 116,061

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

General Fixed Assets Account Group	$ 47,631,590
Sewer Fund	25,285,212
Fleet Service Fund	0
Total	$ 72,916,802

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

C. Fixed assets (continued)

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

	Balance October 1, 2001	Increases	Decreases	Balance September 30, 2002
Land and improvements	$ 12,669,359	$ 2,020,716	$ 0	$ 14,690,075
Building and improvements	171,446,118	4,949,314	1,684,001	174,711,431
Equipment and vehicles	12,458,744	1,540,798	747,558	13,251,984
Construction in progress	3,966,492	3,396,617	3,966,492	3,396,617
Total	$ 200,540,713	$ 11,907,445	$ 6,398,051	$ 206,050,107

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

	Balance October 1, 2001	Increases	Decreases	Balance September 30, 2002
Land	$ 14,442,905	$ 0	$ 0	$ 14,442,905
Buildings	24,458,867	0	0	24,458,867
Improvements other than buildings	4,184,877	2,924,293	0	7,109,170
Equipment and vehicles	1,557,026	0	0	1,557,026
Construction in progress	2,852,304	0	2,852,304	0
Total	$ 47,495,979	$ 2,924,293	$ 2,852,304	$ 47,567,968

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, 2001	Increases	Decreases	Balance September 30, 2002
Buildings	$ 11,289,942	$ 0	$ 0	$ 11,289,942
Improvements other than buildings	14,883	0	0	14,883
Equipment and vehicles	262,936	37,015	0	299,951
Total	$ 11,567,761	$ 37,015	$ 0	$ 11,604,776

THE CITY OF HOOVER, ALABAMA
NOTE TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

C. Fixed assets (continued)

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

Board of Education	$ 206,050,107
Park and Recreation Board	47,567,968
Library Board	11,604,776
Total	$ 265,222,851

D. Interfund Loan Receivables and Payables

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

Payable from	Payable to	Amount
General	Local Schools	$ 781,359

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

Payable from	Payable to	Amount
Sewer Enterprise Fund	State Revolving Loan Fund	$ 297,325
Sewer Enterprise Fund	General Fund	2,472,874
CDBG Fund	General Fund	59,651
Other Capital Projects Fund	General Fund	8,203
Total		$ 2,838,053

E. Leases

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

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

E. 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, 2002, for the discretely presented component unit Board of Education.

Fiscal Year Ending September 30,	General Long-Term Debt
2003	$ 2,456
Total minimum lease payments	2,456
Less: amount representing interest	(16)
Present value of future minimum lease payments	$ 2,440

On April 7, 1988, the Parks and Recreation Board entered into a ten-year lease and management agreement to lease Hoover Metropolitan Stadium to a professional baseball club. The lease and management agreements were renegotiated and amended on March 14, 1991, after the baseball club underwent a change in ownership. On January 1, 1996, the lease and management agreements were again renegotiated, with the result being a new ten year stadium lease agreement and an "other events" supplemental agreement. The stadium lease amount is to be adjusted once every five years based upon changes in the cost of living index. Total revenue under the lease and management agreement for the fiscal year ended September 30, 2002, was $224,430.

F. Long-Term Debt

The City issues general obligation warrants to provide funds for the acquisition and construction of major capital facilities. General obligation warrants have been issued for both general government and proprietary activities. The City is in compliance with all significant limitations and restrictions contained in the ordinances authorizing the issuance of general obligation warrants.

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

F. Long-Term Debt (continued)

General obligation warrants are direct obligations and pledge the full faith and credit of the City. Debt service for the warrants is provided by tax revenues of the City's General Fund. These warrants generally are issued as 20-year serial warrants with increasing amounts of principal maturing and decreasing amounts of interest payable each year. General obligation warrants currently outstanding are as follows:

Long-Term:

(A)	$12,400,000 general obligation warrants dated May 1, 1999; due $525,000 to $2,800,000 annually beginning September 1, 1999; interest at 3.20% to 4.45% due semi-annually commencing September 1, 1999.	$ 10,020,000
(B)	$25,485,000 general obligation warrant dated January 15, 2000; due $755,000 to $4,645,000 annually beginning January 1, 2011; interest at 5.40% to 6.25% due semi-annually commencing January 1, 2001.	25,485,000
(C)	$7,490,000 general obligation warrants dated September 1, 1993; issued October 4, 1993; due $275,000 to $870,000 annually beginning May 1, 1993; interest at 4.40% to 6.30% due semi-annually commencing May 1, 1994.	3,845,000
(D)	$43,155,000 general obligation warrants dated September 1, 1993; due $870,000 to $2,950,000 annually beginning March 1, 1998; interest at 3.875% to 5.00% due semi-annually commencing March 1, 1994.	35,515,000
(E)	$1,700,000 general obligation warrant dated July 5, 1995; due in full on June 5, 2025; interest at 6.2714% due monthly commencing July 31, 1995.	1,700,000
	Total general obligation warrants	76,565,000
	Claims and judgments payable	670,750
	Accrued compensated leave	4,748,102
	Total Long-Term Debt	$ 81,983,852

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

F. Long-Term Debt (continued)

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2002, are as follows:

Year Ending September 30,	Principal	Interest	Total
2003	$ 3,525,000	$ 3,916,018	$ 7,441,018
2004	3,695,000	3,749,503	7,444,503
2005	3,880,000	3,570,470	7,450,470
2006	4,100,000	3,378,424	7,478,424
2007	4,275,000	3,168,491	7,443,491
2008	4,500,000	2,946,346	7,446,346
2009	4,705,000	2,737,721	7,442,721
2010	4,110,000	2,565,089	6,675,089
2011	2,125,000	2,359,804	4,484,804
2012	5,145,000	2,174,232	7,319,232
2013	5,425,000	1,897,148	7,322,148
2014	5,710,000	1,598,189	7,308,189
2015	6,025,000	1,263,889	7,288,889
2016	6,310,000	899,046	7,209,046
2017	5,630,000	552,064	6,182,064
2018	1,820,000	346,364	2,166,364
2019	1,900,000	253,364	2,153,364
2020	1,985,000	156,239	2,141,239
2021	0	106,614	106,614
2022	0	106,614	106,614
2023	0	106,614	106,614
2024	0	106,614	106,614
2025	1,700,000	79,961	1,779,961
	$ 76,565,000	$ 38,038,818	$ 114,603,818

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

F. Long-Term Debt (continued)

During the year ended September 30, 2002, the following changes occurred in liabilities reported in the General Long-Term Debt Account Group:

General long-term debt at October 1, 2001	$	84,853,439
Increase in accrued compensated leave		338,297
Increase in claims and judgments payable		162,116
Warrants retired		(3,370,000)
General long-term debt at September 30, 2002	$	81,983,852

As of September 30, 2002, the long-term debt of the discretely presented component unit Board of Education is as follows:

Series 1995 Capital Outlay Tax Anticipation Warrants due annually through 2019; interest payable semi-annually at rates ranging from 6.0% to 6.2%.	$	17,130,000
Series 2001 Capital Outlay Warrants with a maturity date of February 15, 2026; interest payable semi-annually at rates ranging from 4.25% to 5.25%.		87,985,000
Series 2002 Capital Outlay Warrants with a maturity date of February 15, 2017, interest payable semi-annually at rates ranging from 3% to 5%.		51,170,000
Total warrants and notes		156,285,000
Capital lease obligations		2,440
Accrued salaries		3,685,883
Total long-term debt	$	159,973,323

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

F. 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, 2002, is as follows:

Year Ending September 30,	Principal	Interest	Total
2003	$ 5,247,440	$ 7,344,190	$ 12,591,630
2004	5,435,000	7,123,297	12,558,297
2005	5,655,000	6,973,610	12,628,610
2006	5,880,000	7,245,507	13,125,507
2007	6,130,000	7,080,755	13,210,755
2008 and Thereafter	127,940,000	77,755,383	205,695,383
Total	$ 156,287,440	$ 113,522,742	$ 269,810,182

The Series 2001 Warrants were issued in February 2001 and will be payable out of proceeds of a special 24 mill advalorem tax levied in the City of Hoover. The Series 2002 Warrants were issued in February 2002 and will be payable out of proceeds of a special 24 mill advalorem tax levied in the City of Hoover. Total receipts from the special 24 mill advalorem tax for the year ended September 30, 2002 were $22,787,498.

On February 27, 2002, the Board issued $51,170,000 in Capital Outlay Tax Anticipation Refunding Warrants with interest rates ranging from 3 percent to 5 percent to refund $50,030,000 of outstanding 1993 Series bonds with interest rates ranging from 5 percent to 5.7 percent. The Board refunded the 1993 Series warrants to reduce its total debt service payments over the next 15 years by $2,653,540 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,829,462.

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, 2001	$ 159,864,402
Warrants issued	51,170,000
Warrants retired	(54,740,000)
Lease purchase principal payments	(6,962)
General long-term debt at September 30, 2002	$ 156,287,440 *

* This amount does not include accrued salaries.

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

G. Sewer Enterprise and Fleet Service Fund

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

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

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

The Sewer Enterprise Fund had a net loss of $32,600 for the fiscal year ended September 30, 2002 and net income of $28,543 for the fiscal year ended September 30, 2001. The Sewer Enterprise Fund has a retained earnings deficit of $2,993,969 at September 30, 2002. The City acquired the waste water treatment plants as a part of the Riverchase and Inverness annexations. It was anticipated that the plants would operate at a deficit but that the deficit incurred would be greatly offset by taxes and licenses revenue derived from the annexed areas as well as by revenues 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, 2002, totaled $2,957,645.

Long-Term Debt

As of September 30, 2002, the long-term debt of the Sewer Enterprise Fund is as follows:

Series 1999 General Obligation Sewer Warrant; due $300,000 to $580,000 annually beginning February 15, 2001; interest at 3.50% due semiannually commencing February 15, 2001.	$ 7,895,000
Series 2000 General Obligation Sewer Warrant; due $325,000 to $675,000 annually beginning February 15, 2002; interest at 3.85% due semiannually commencing August 15, 2002.	9,240,000
Total long-term debt	$ 17,135,000

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: Detailed notes on all funds and account groups (continued)

G. Sewer Enterprise and Fleet Service Fund (continued)

Interest and fiscal charges of $659,309 were incurred by the Sewer Enterprise Fund for the year ended September 30, 2002. Of that amount, $643,746 was capitalized in the cost of construction of fixed assets.

Annual debt service requirements to maturity for the Sewer Enterprise Fund, including interest, at September 30, 2002, is as follows:

Year Ending September 30,	Principal	Interest	Total
2003	$ 655,000	$ 620,016	$ 1,275,016
2004	680,000	595,455	1,275,455
2005	710,000	569,879	1,279,879
2006	730,000	543,384	1,273,384
2007	760,000	515,970	1,275,970
2008 and Thereafter	13,600,000	3,689,746	17,289,746
	$ 17,135,000	$ 6,534,450	$ 23,669,450

Changes in long-term liabilities for the Sewer Enterprise Fund during the year ended September 30, 2002.

Long-term debt at October 1, 2001	$ 17,770,000
Warrants retired	(635,000)
Long-term debt at September 30, 2002	$ 17,135,000

The Fleet Service Fund was created in the fiscal year September 30, 1998 to account for the repairs and maintenance of all city vehicles. The Fleet Service Fund had a net loss of $18,525 and net income of $79,454 for the fiscal years ended September 30, 2001 and 2000, respectively.

On October 1, 2001, the Fleet Service Fund was discontinued and the residual equity of the fund was transferred to the General Fund as follows:

Retained earnings	$ 70,643
Contributed capital	45,579
Total transfer	$ 116,222

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

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 employee; 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 $300,000, and to cover aggregate annual compensation claims in excess of $728,100. The City's excess workers' compensation coverage provides statutory limits for workers' compensation and $1,000,000 in employers liability. 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 $350,000. 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 administr the program are paid from the General Fund.

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

Changes in the balances of claims liabilities during fiscal 2002 and 2001 are as follows:

	2002	2001
Unpaid claims, beginning	$ 508,634	$ 219,849
Incurred claims, (including IBNRs)	543,768	729,559
Claim payments	(381,652)	(440,774)
Unpaid claims, ending	$ 670,750	$ 508,634

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

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 4: Other information

B. Commitments (continued)

As of September 30, 2002, the City has executed contracts related to construction projects in the amount of $60,729,480. Of this amount, $8,465,837 has been incurred to date creating a total remaining commitment of $52,263,643. The City is responsible for funding $40,214,332 of this commitment with the remaining $12,049,311 to be funded by other governmental units.

C. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City also is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City and the City intends to vigorously defend its position in each lawsuit.

D. Employee Retirement System

Plan Description:

The City's defined benefit pension plan, Employee's Retirement System of Alabama (the System), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The System is an agent multiple-employer pension plan. The benefit provisions and all other requirements for the System are established by state statute. The Retirement Systems of Alabama issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to The Retirement Systems of Alabama, P.O. Box 302150, Montgomery, Alabama 36130-2150 or by calling 1-334-832-4140.

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 4: Other information

D. Employee Retirement System (continued)

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 2002, the City's annual pension cost of $1,488,106 for the System was equal to the City's required and actual contributions. The required contribution was determined as part of the September 30, 2001 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on investments of 8% compounded annually, (b) projected annual salary increases of 4.61% - 7.75% per year compounded annually. Both (a) and (b) include an inflation component of 4.5%.

The actuarial value of the System assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The System's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2001 was 19 years.

Three-Year Trend Information for the System

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
09/30/00	$ 1,207,209	100%	$ 0
09/30/01	1,360,181	100%	0
09/30/02	1,488,106	100%	0

THE CITY OF HOOVER, ALABAMA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 4: Other information

E. Post retirement benefits

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

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

As of September 30, 2002, there were nineteen employees receiving benefits under the ordinance. For the year ended September 30, 2002, the City recognized expenditures of $59,769 for these benefits.

F. Subsequent event

During January 2003, the City Council approved the issuance of general obligation warrants in the amount of $82,500,000. Approximately one-half of this issuance will refinance existing warrants at a lower interest rate and the remainder will be used for new capital projects within the City.

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)
09/30/99	$ 36,832,808	$ 36,239,433	$ (593,375)	101.64%	$ 21,399,501	(2.77%)
09/30/00	41,738,362	42,034,518	296,156	99.30%	23,386,482	1.27%
09/30/01	46,285,372	53,638,527	7,353,155	86.30%	26,432,723	27.82%

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, 2002
(with comparative totals for September 30, 2001)

	2002	2001
Assets		
Pooled cash and investments	$ 18,834,199	$ 18,849,617
Receivables		
Taxes	3,975,217	3,732,955
Accounts	369,940	356,298
Due from County	599,165	599,352
Due from other funds	2,540,728	225,889
Inventories	38,465	0
Prepaid expenses	51,734	32,896
Long-term receivables	887,601	961,155
Total assets	$ 27,297,049	$ 24,758,162
Liabilities and fund balances		
Accounts payable and accrued liabilities	$ 2,817,877	$ 3,681,364
Refundable deposits	1,720	1,774
Total liabilities	2,819,597	3,683,138
Fund balances		
Unreserved, undesignated fund balance	23,499,652	20,080,973
Reserved for prepaid insurance	51,734	32,896
Reserved for non-current receivable	887,601	961,155
Reserved for inventory	38,465	0
Total fund balances	24,477,452	21,075,024
Total liabilities and fund balances	$ 27,297,049	$ 24,758,162

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Revenues		
Taxes	$ 52,920,804	$ 49,904,277
Licenses and permits	10,254,746	9,351,131
Intergovernmental	1,985,277	1,803,864
Fines and forfeits	934,178	969,390
Investment income	1,437,821	2,274,684
Other	465,807	286,709
Total revenues	67,998,633	64,590,055
Expenditures		
Current operations		
General government	7,883,467	6,044,554
Public safety	23,636,951	23,642,140
Municipal court	7,804	590,347
Sanitation	4,371,521	4,272,612
Highway and roadway improvements	2,452,666	2,445,277
Recreation services	2,050,492	17,660
Health	418,807	338,545
Total	40,821,708	37,351,135
Capital outlays	1,015,030	927,652
Debt service		
Principal	3,370,000	3,225,000
Interest	4,076,465	4,801,722
Total expenditures	49,283,203	46,305,509
Excess of revenues over expenditures	18,715,430	18,284,546
Other financing sources (uses)		
Operating transfers out	(4,365,573)	(7,566,928)
Operating transfers in	16,672	0
Operating transfers out - component units	(11,080,323)	(13,288,665)
Total other financing sources (uses)	(15,429,224)	(20,855,593)
Excess of revenues and other financing sources over expenditures and other financing uses	3,286,206	(2,571,047)
Residual equity transfer from Internal Service Fund	116,222	0
Fund balances, beginning of year	21,075,024	23,646,071
Fund balances, end of year	$ 24,477,452	$ 21,075,024

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002		
	Budget	**Actual**	**Variance Favorable (Unfavorable)**
Revenues			
Taxes	$ 52,107,400	$ 52,920,804	$ 813,404
Licenses and permits	9,215,000	10,254,746	1,039,746
Intergovernmental	1,597,075	1,985,277	388,202
Fines and forfeits	1,038,000	934,178	(103,822)
Investment income	1,522,000	1,437,821	(84,179)
Other	116,000	182,545	66,545
Charges for services	310,200	283,262	(26,938)
Total revenues	65,905,675	67,998,633	2,092,958
Expenditures			
Current operations			
General government	8,872,279	7,883,467	988,812
Public safety	24,809,972	23,636,951	1,173,021
Municipal court	31,960	7,804	24,156
Sanitation	4,612,250	4,371,521	240,729
Highway and roadway improvements	2,755,195	2,452,666	302,529
Recreation services	2,230,266	2,050,492	179,774
Health	435,576	418,807	16,769
Total	43,747,498	40,821,708	2,925,790
Capital outlays	1,435,895	1,015,030	420,865
Debt service			
Principal	3,370,000	3,370,000	0
Interest and fiscal charges	4,076,666	4,076,465	201
Total expenditures	52,630,059	49,283,203	3,346,856
Excess of revenues over expenditures	13,275,616	18,715,430	5,439,814
Other financing sources (uses)			
Operating transfers out	(1,751,266)	(4,365,573)	(2,614,307)
Operating transfers in	0	16,672	16,672
Operating transfers out - component units	(10,982,947)	(11,080,323)	(97,376)
Total other financing sources (uses)	(12,734,213)	(15,429,224)	(2,695,011)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ 541,403	3,286,206	$ 2,744,803
Residual equity transfer from Internal Service Fund		116,222	
Fund balances, beginning of year		21,075,024	
Fund balances, end of year		$ 24,477,452	

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

2001		
Budget	Actual	Variance Favorable (Unfavorable)
$ 48,140,782	$ 49,904,277	$ 1,763,495
9,228,500	9,351,131	122,631
1,450,500	1,803,864	353,364
1,225,000	969,390	(255,610)
1,508,300	2,274,684	766,384
103,500	36,670	(66,830)
260,200	250,039	(10,161)
61,916,782	64,590,055	2,673,273
7,137,644	6,044,554	1,093,090
23,470,306	23,652,778	(182,472)
585,246	590,347	(5,101)
4,395,484	4,272,612	122,872
2,646,006	2,445,277	200,729
17,715	17,660	55
373,789	327,907	45,882
38,626,190	37,351,135	1,275,055
1,097,161	927,652	169,509
3,225,000	3,225,000	0
4,798,317	4,801,722	(3,405)
47,746,668	46,305,509	1,441,159
14,170,114	18,284,546	4,114,432
0	(7,566,928)	(7,566,928)
0	0	0
(13,684,072)	(13,288,665)	395,407
(13,684,072)	(20,855,593)	(7,171,521)
$ 486,042	(2,571,047)	$ (3,057,089)
	0	
	23,646,071	
	$ 21,075,024	

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

THE CITY OF HOOVER, ALABAMA
Schedule of Current Operations Expenditures
General Fund Budget and Actual
For the fiscal year ended September 30, 2002
(with comparative actual amounts for the fiscal year ended September 30, 2001)

Expenditures - Current Operations	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
General government				
Administrative				
Personal services	$ 4,134,877	$ 3,848,717	$ 286,160	$ 3,221,569
Other	4,737,402	4,034,750	702,652	2,822,985
Total general government	8,872,279	7,883,467	988,812	6,044,554
Public safety				
Police				
Personal services	10,430,922	9,853,302	577,620	9,386,595
Other	1,662,037	1,262,769	399,268	1,309,636
Total	12,092,959	11,116,071	976,888	10,696,231
Fire				
Personal services	10,367,366	10,296,583	70,783	9,600,402
Other	802,295	756,334	45,961	852,053
Total	11,169,661	11,052,917	116,744	10,452,455
Inspection services				
Personal services	1,449,802	1,397,847	51,955	1,383,081
Other	91,075	64,432	26,643	91,836
Total	1,540,877	1,462,279	78,598	1,474,917
Dispatch				
Personal services	1,045	1,045	0	788,616
Other	5,430	4,639	791	240,559
Total	6,475	5,684	791	1,029,175
Total public safety	24,809,972	23,636,951	1,173,021	23,652,778
Municipal Court				
Personal services	0	0	0	486,138
Other	31,960	7,804	24,156	104,209
Total municipal court	31,960	7,804	24,156	590,347
Sanitation				
Personal services	0	0	0	50,055
Other	4,612,250	4,371,521	240,729	4,222,557
Total sanitation	4,612,250	4,371,521	240,729	4,272,612
Highway and roadway improvements				
Engineering				
Personal services	365,533	348,372	17,161	334,512
Other	377,635	234,525	143,110	366,772
Total	743,168	582,897	160,271	701,284
Public works				
Personal services	1,526,382	1,496,613	29,769	1,389,460
Other	485,645	373,156	112,489	354,533
Total	2,012,027	1,869,769	142,258	1,743,993
Total highway and roadway improvements	2,755,195	2,452,666	302,529	2,445,277
Recreation services				
Personal services	1,672,345	1,568,156	104,189	9,701
Other	557,921	482,336	75,585	7,959
Total recreation services	2,230,266	2,050,492	179,774	17,660
Health				
Personal services	100,171	98,004	2,167	91,689
Other	335,405	320,803	14,602	236,218
Total health	435,576	418,807	16,769	327,907
Total expenditures - current operations	$ 43,747,498	$ 40,821,708	$ 2,925,790	$ 37,351,135

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

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

CDBG Special Revenue Fund accounts for funds that the Department of Housing and Urban Development (HUD) awards to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

Alabama Trust Fund Interest Special Revenue Fund accounts for funds from the State of Alabama that are to be used for municipal capital improvements or the restoration of municipal capital improvements, such as municipal buildings, streets and roads.

THE CITY OF HOOVER, ALABAMA
Special Revenue Funds
Combining Balance Sheet
September 30, 2002
(with comparative totals for September 30, 2001)

	E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax
Assets			
Pooled cash and investments	$ 381,440	$ 558,933	$ 276,237
Due from other governments			
Federal	0	0	0
State	0	45,714	39,693
County	0	16,770	0
Total assets	$ 381,440	$ 621,417	$ 315,930
Liabilities and fund balances			
Liabilities			
Accounts payable	$ 2,312	$ 6,708	$ 10,013
Accrued liabilities	61,158	0	0
Due to other funds	0	0	0
Total liabilities	63,470	6,708	10,013
Fund balances			
Unreserved, undesignated	317,970	614,709	305,917
Total liabilities and fund balances	$ 381,440	$ 621,417	$ 315,930

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

CDBG	Alabama Trust Fund Interest	Drug Enforce-ment	Court and Corrections	Totals 2002	Totals 2001
$ 0	$ 233,165	$ 50,866	$ 1,161,729	$ 2,662,370	$ 2,968,404
62,457	0	0	0	62,457	53,640
0	0	0	0	85,407	63,172
0	0	0	0	16,770	0
$ 62,457	$ 233,165	$ 50,866	$ 1,161,729	$ 2,827,004	$ 3,085,216
$ 2,806	$ 92,002	$ 0	$ 748	$ 114,589	$ 49,382
0	0	0	21,667	82,825	0
59,651	0	0	0	59,651	6,765
62,457	92,002	0	22,415	257,065	56,147
0	141,163	50,866	1,139,314	2,569,939	3,029,069
$ 62,457	$ 233,165	$ 50,866	$ 1,161,729	$ 2,827,004	$ 3,085,216

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax
Revenues			
Intergovernmental	$ 0	$ 687,755	$ 465,064
Investment income	6,689	12,491	4,475
Telephone surcharge	912,309	0	0
Court costs	0	0	0
Confiscated drug funds	0	0	0
Total revenues	918,998	700,246	469,539
Expenditures			
Current operations			
General government			
Other	0	0	0
Public safety			
Police			
Personal services	1,501,072	0	0
Other	238,557	0	0
Municipal court			
Personal services	0	0	0
Other	0	0	0
Highway and roadway improvements			
Personal services	0	0	0
Other	0	328,717	195,270
Total	1,739,629	328,717	195,270
Capital outlays	0	227,737	0
Total expenditures	1,739,629	556,454	195,270
Excess (deficiency) of revenues over (under) expenditures	(820,631)	143,792	274,269
Other financing sources			
Operating transfers in	685,698	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(134,933)	143,792	274,269
Fund balances, beginning of year	452,903	470,917	31,648
Fund balances, end of year	$ 317,970	$ 614,709	$ 305,917

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

CDBG	Alabama Trust Fund Interest	Drug Enforce-ment	Court and Corrections	Totals 2002	Totals 2001
$ 106,900	$ 201,700	$ 0	$ 0	$ 1,461,419	$ 818,871
0	10,059	1,048	28,257	63,019	246,736
0	0	0	0	912,309	952,431
0	0	0	201,461	201,461	241,702
0	0	26,281	0	26,281	8,216
106,900	211,759	27,329	229,718	2,664,489	2,267,956
46,910	0	0	0	46,910	59,612
0	0	0	0	1,501,072	625,600
0	0	0	0	238,557	1,791
0	0	0	519,630	519,630	5,376
0	0	0	96,939	96,939	0
0	0	0	0	0	0
0	0	0	0	523,987	480,664
46,910	0	0	616,569	2,927,095	1,173,043
59,990	558,995	28,500	7,000	882,222	173,445
106,900	558,995	28,500	623,569	3,809,317	1,346,488
0	(347,236)	(1,171)	(393,851)	(1,144,828)	921,468
0	0	0	0	685,698	417,744
0	(347,236)	(1,171)	(393,851)	(459,130)	1,339,212
0	488,399	52,037	1,533,165	3,029,069	1,689,857
$ 0	$ 141,163	$ 50,866	$ 1,139,314	$ 2,569,939	$ 3,029,069

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, 2002
(with comparative totals for September 30, 2001)

	2002	2001
Assets		
Pooled cash and investments	$ 381,440	$ 452,903
Total assets	$ 381,440	$ 452,903
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 2,312	$ 0
Accrued liabilities	61,158	0
Total liabilities	63,470	0
Fund balances		
Unreserved, undesignated	317,970	452,903
Total liabilities and fund balances	$ 381,440	$ 452,903

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Revenues		
Telephone surcharge	$ 912,309	$ 952,431
Investment income	6,689	9,636
Total revenues	918,998	962,067
Expenditures		
Current operations		
Public safety		
Police		
Personal services	1,501,072	625,600
Other	238,557	0
Total expenditures	1,739,629	625,600
Excess (deficiency) of revenues over (under) expenditures	(820,631)	336,467
Other financing sources		
Operating transfers in	685,698	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(134,933)	336,467
Fund balances, beginning of year	452,903	116,436
Fund balances, end of year	$ 317,970	$ 452,903

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Telephone surcharge	$ 960,000	$ 912,309	$ (47,691)	$ 880,000	$ 952,431	$ 72,431
Operating transfers in	1,071,391	685,698	(385,693)	0	0	0
Investment income	7,000	6,689	(311)	2,500	9,636	7,136
Total revenues	2,038,391	1,604,696	(433,695)	882,500	962,067	79,567
Expenditures						
Current operations						
Public safety						
Police						
Personal services	1,661,191	1,501,072	160,119	639,955	625,600	14,355
Other	281,200	238,557	42,643	0	0	0
Total expenditures	1,942,391	1,739,629	202,762	639,955	625,600	14,355
Excess (deficiency) of revenues over (under) expenditures	$ 96,000	(134,933)	$ (230,933)	$ 242,545	336,467	$ 93,922
Fund balances, beginning of year		452,903			116,436	
Fund balances, end of year		$ 317,970			$ 452,903	

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, 2002
(with comparative totals for September 30, 2001)

	2002	2001
Assets		
Pooled cash and investments	$ 558,933	$ 437,169
Due from state government	45,714	33,748
Due from county government	16,770	0
Total assets	$ 621,417	$ 470,917
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 6,708	$ 0
Fund balances		
Unreserved, undesignated	614,709	470,917
Total liabilities and fund balances	$ 621,417	$ 470,917

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Revenues		
Intergovernmental	$ 687,755	$ 375,904
Investment income	12,491	13,983
Total revenues	700,246	389,887
Expenditures		
Current operations		
Highway and roadway improvements		
Public works		
Other	328,717	131,937
Total	328,717	131,937
Capital outlays	227,737	0
Total expenditures	556,454	131,937
Excess of revenues over expenditures	143,792	257,950
Fund balances, beginning of year	470,917	212,967
Fund balances, end of year	$ 614,709	$ 470,917

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	$ 589,500	$ 687,755	$ 98,255	$ 410,000	$ 375,904	$ (34,096)
Investment income	22,000	12,491	(9,509)	20,500	13,983	(6,517)
Total revenues	611,500	700,246	88,746	430,500	389,887	(40,613)
Expenditures						
Current operations						
Highway and roadway improvements						
Public works						
Other	420,000	328,717	91,283	330,000	131,937	198,063
Total	420,000	328,717	91,283	330,000	131,937	198,063
Capital outlays	310,000	227,737	82,263	0	0	0
Total expenditures	730,000	556,454	173,546	330,000	131,937	198,063
Excess (deficiency) of revenues over (under) expenditures	$ (118,500)	143,792	$ 262,292	$ 100,500	257,950	$ 157,450
Fund balances, beginning of year		470,917			212,967	
Fund balances, end of year		$ 614,709			$ 470,917	

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Assets		
Pooled cash and investments	$ 276,237	$ 2,224
Due from state government	39,693	29,424
Total assets	$ 315,930	$ 31,648
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 10,013	$ 0
Fund balances		
Unreserved, undesignated	305,917	31,648
Total liabilities and fund balances	$ 315,930	$ 31,648

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

THE CITY OF HOOVER, ALABAMA
State Four and Five Cent Gasoline Tax Special Revenue Funds
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Revenues		
Intergovernmental	$ 465,064	$ 345,932
Investment income	4,475	3,591
Total revenues	469,539	349,523
Expenditures		
Current operations		
Highway and roadway improvements		
Public works		
Other	195,270	348,727
Total expenditures	195,270	348,727
Excess of revenues over expenditures	274,269	796
Fund balances, beginning of year	31,648	30,852
Fund balances, end of year	$ 305,917	$ 31,648

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	$ 355,000	$ 465,064	$ 110,064	$ 360,000	$ 345,932	$ (14,068)
Investment income	15,000	4,475	(10,525)	10,000	3,591	(6,409)
Total revenues	370,000	469,539	99,539	370,000	349,523	(20,477)
Expenditures						
Current operations						
Highway and roadway improvements						
Public works						
Other	330,000	195,270	134,730	370,000	348,727	21,273
Total expenditures	330,000	195,270	134,730	370,000	348,727	21,273
Excess of revenues over expenditures	$ 40,000	274,269	$ 234,269	$ 0	796	$ 796
Fund balances, beginning of year		31,648			30,852	
Fund balances, end of year		$ 305,917			$ 31,648	

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

THE CITY OF HOOVER, ALABAMA
CDBG Special Revenue Fund
Comparative Balance Sheets
September 30, 2002
(with comparative totals for September 30, 2001)

	2002	2001*
Assets		
Pooled cash and investments	$ 0	$ 0
Due from federal governments	62,457	53,640
Total assets	$ 62,457	$ 53,640
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 2,806	$ 46,875
Due to other funds	59,651	6,765
Total liabilities	62,457	53,640
Fund balances		
Unreserved, undesignated	0	0
Total liabilities and fund balances	$ 62,457	$ 53,640

* - The CDBG Special Revenue Fund was created in 2001.

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

THE CITY OF HOOVER, ALABAMA
CDBG Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001*
Revenues		
Intergovernmental	$ 106,900	$ 97,035
Total revenues	106,900	97,035
Expenditures		
Current operations		
General government		
Administration		
Other	46,910	50,161
Total	46,910	50,161
Capital outlays	59,990	46,874
Total expenditures	106,900	97,035
Excess (deficiency) of revenues over (under) expenditures	0	0
Fund balances, beginning of year	0	0
Fund balances, end of year	$ 0	$ 0

* - The CDBG Special Revenue Fund was created in 2001.

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

THE CITY OF HOOVER, ALABAMA
CDBG Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002			2001*		
	Budget	**Actual**	**Variance Favorable (Unfavorable)**	**Budget**	**Actual**	**Variance Favorable (Unfavorable)**
Revenues						
Intergovernmental	$ 366,000	$ 106,900	$ (259,100)	$ 263,000	$ 97,035	$ (165,965)
Total revenues	366,000	106,900	(259,100)	263,000	97,035	(165,965)
Expenditures						
Current operation						
General government						
Administrative						
Other	61,000	46,910	14,090	50,000	50,161	(161)
Total	61,000	46,910	14,090	50,000	50,161	(161)
Capital outlays	297,000	59,990	237,010	213,000	46,874	166,126
Total expenditures	358,000	106,900	251,100	263,000	97,035	165,965
Excess (deficiency) of revenues over (under) expenditures	$ 8,000	0	$ (8,000)	$ 0	0	$ 0
Fund balances, beginning of year		0			0	
Fund balances, end of year		$ 0			$ 0	

* - The CDBG Special Revenue Fund was created in 2001.

THE CITY OF HOOVER, ALABAMA
Alabama Trust Fund Interest Fund
Comparative Balance Sheets
September 30, 2002
(with comparative totals for September 30, 2001)

	2002	2001*
Assets		
Pooled cash and investments	$ 233,165	$ 488,399
Total assets	$ 233,165	$ 488,399
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 92,002	$ 0
Fund balances		
Unreserved, undesignated	141,163	488,399
Total liabilities and fund balances	$ 233,165	$ 488,399

* - The Alabama Trust Fund Interest Fund was created in 2001.

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

THE CITY OF HOOVER, ALABAMA
Alabama Trust Fund Interest Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001*
Revenues		
Intergovernmental	$ 201,700	$ 0
Investment income	10,059	148,146
Total revenues	211,759	148,146
Expenditures		
Capital outlays	558,995	0
Total expenditures	558,995	0
Excess (deficiency) of revenues over (under) expenditures	(347,236)	148,146
Other financing sources		
Operating transfers in	0	340,253
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(347,236)	488,399
Fund balances, beginning of year	488,399	0
Fund balances, end of year	$ 141,163	$ 488,399

* - The Alabama Trust Fund Interest Fund was created in 2001.

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

THE CITY OF HOOVER, ALABAMA
Alabama Trust Fund Interest Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002			2001*		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	$ 145,000	$ 201,700	$ 56,700	$ 0	$ 0	$ 0
Operating transfers in	0	0	0	0	340,253	340,253
Investment income	21,000	10,059	(10,941)	132,500	148,146	15,646
Total revenues	166,000	211,759	45,759	132,500	488,399	355,899
Expenditures						
Capital outlay	600,000	558,995	41,005	0	0	0
Total expenditures	600,000	558,995	41,005	0	0	0
Excess (deficiency) of revenues over (under) expenditures	$ (434,000)	(347,236)	$ 86,764	$ 132,500	488,399	$ 355,899
Fund balances, beginning of year		488,399			0	
Fund balances, end of year		$ 141,163			$ 488,399	

* - The Alabama Trust Fund Interest Fund was created in 2001.

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, 2002
(with comparative totals for September 30, 2001)

	2002	2001
Assets		
Pooled cash and investments	$ 50,866	$ 54,544
Total assets	$ 50,866	$ 54,544
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 0	$ 2,507
Fund balances		
Unreserved, undesignated	50,866	52,037
Total liabilities and fund balances	$ 50,866	$ 54,544

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Revenues		
Investment income	$ 1,048	$ 5,712
Confiscated drug funds	26,281	8,216
Total revenues	27,329	13,928
Expenditures		
Current operations		
General government		
Other	0	9,451
Public safety		
Police		
Other	0	1,791
Total	0	11,242
Capital outlays	28,500	126,000
Total expenditures	28,500	137,242
Excess (deficiency) of revenues over (under) expenditures	(1,171)	(123,314)
Other financing sources		
Operating transfers in	0	77,491
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(1,171)	(45,823)
Fund balances, beginning of year	52,037	97,860
Fund balances, end of year	$ 50,866	$ 52,037

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Investment income	$ 0	$ 1,048	$ 1,048	$ 0	$ 5,712	$ 5,712
Operating transfers in	0	0	0	0	77,491	77,491
Confiscated drug funds	0	26,281	26,281	0	8,216	8,216
Total revenues	0	27,329	27,329	0	91,419	91,419
Expenditures						
Current operations						
General government						
Other	0	0	0	8,500	9,451	(951)
Public safety						
Police						
Other	0	0	0	0	1,791	(1,791)
Total	0	0	0	8,500	11,242	(2,742)
Capital outlays	28,500	28,500	0	20,000	126,000	(106,000)
Total expenditures	28,500	28,500	0	28,500	137,242	(108,742)
Excess (deficiency) of revenues over (under) expenditures	$ (28,500)	(1,171)	$ 27,329	$ (28,500)	(45,823)	$ (17,323)
Fund balances, beginning of year		52,037			97,860	
Fund balances, end of year		$ 50,866			$ 52,037	

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, 2002
(with comparative totals for September 30, 2001)

	2002	2001
Assets		
Pooled cash and investments	$ 1,161,729	$ 1,533,165
Total assets	$ 1,161,729	$ 1,533,165
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 748	$ 0
Accrued liabilities	21,667	0
Total liabilities	22,415	0
Fund balances		
Unreserved, undesignated	1,139,314	1,533,165
Total liabilities and fund balances	$ 1,161,729	$ 1,533,165

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Revenues		
Investment income	$ 28,257	$ 65,668
Court costs	201,461	241,702
Total revenues	229,718	307,370
Expenditures		
Current operations		
Municipal court		
Personal services	519,630	5,376
Other	96,939	0
Total	616,569	5,376
Capital outlays	7,000	571
Total expenditures	623,569	5,947
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(393,851)	301,423
Fund balances, beginning of year	1,533,165	1,231,742
Fund balances, end of year	$ 1,139,314	$ 1,533,165

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Investment income	$ 60,000	$ 28,257	$ (31,743)	$ 60,000	$ 65,668	$ 5,668
Court costs	250,000	201,461	(48,539)	250,000	241,702	(8,298)
Total revenues	310,000	229,718	(80,282)	310,000	307,370	(2,630)
Expenditures						
Current operations						
Municipal court						
Personal services	548,908	519,630	29,278	0	5,376	(5,376)
Other	118,835	96,939	21,896	0	0	0
Total	667,743	616,569	51,174	0	5,376	(5,376)
Capital outlays	7,000	7,000	0	0	571	(571)
Total expenditures	674,743	623,569	51,174	0	5,947	(5,947)
Excess (deficiency) of revenues over (under) expenditures	$ (364,743)	(393,851)	$ (29,108)	$ 310,000	301,423	$ (8,577)
Fund balances, beginning of year		1,533,165			1,231,742	
Fund balances, end of year		$ 1,139,314			$ 1,533,165	

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.

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

GOW Capital Projects Fund accounts for capital expenditures from the proceeds of long term borrowing in fiscal years 2001 and 2000.

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

Other Capital Projects Fund accounts for engineering costs that are related to capital expenditures that are reimbursed by other governmental agencies.

THE CITY OF HOOVER, ALABAMA
Capital Projects Funds
Combining Balance Sheet
September 30, 2002
(with comparative totals for September 30, 2001)

	Capital Projects	GOW Capital Projects	Library Capital Projects	Other Capital Projects	Totals 2002	Totals 2001
Assets						
Pooled cash and investments	$ 11,234,653	$ 0	$ 0	$ 0	$ 11,234,653	$ 11,504,101
Due from other governments	135,024	0	0	69,285	204,309	339,037
Total assets	$ 11,369,677	$ 0	$ 0	$ 69,285	$ 11,438,962	$ 11,843,138
Liabilities and fund balances						
Liabilities						
Accounts payable	$ 386,895	$ 0	$ 0	$ 47,161	$ 434,056	$ 769,375
Due to other funds	0	0	0	8,203	8,203	206,403
Total liabilities	386,895	0	0	55,364	442,259	975,778
Fund balances						
Unreserved	10,982,782	0	0	13,921	10,996,703	10,867,360
Total liabilities and fund balances	$ 11,369,677	$ 0	$ 0	$ 69,285	$ 11,438,962	$ 11,843,138

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, 2002
(with the comparative totals for the fiscal year ended September 30, 2001)

	Capital Projects	GOW Capital Projects	Library Capital Projects	Other Capital Projects	Totals 2002	Totals 2001
Revenues						
Taxes	$ 2,085,760	$ 0	$ 0	$ 0	$ 2,085,760	$ 0
Intergovernmental	178,222	0	0	263,877	442,099	631,406
Investment income	171,999	19,294	1,469	0	192,762	499,403
Other	548,897	0	14,455	0	563,352	750,000
Total revenues	2,984,878	19,294	15,924	263,877	3,283,973	1,880,809
Expenditures						
General government						
Other	144,184	0	0	0	144,184	10,215
Total general government	144,184	0	0	0	144,184	10,215
Public safety						
Other	4,466	0	0	0	4,466	0
Total public safety	4,466	0	0	0	4,466	0
Highway and roadway improvements						
Other	56,285	0	0	0	56,285	46,650
Total highway and roadway improvements	56,285	0	0	0	56,285	46,650
Recreation						
Other	380,905	0	0	0	380,905	299,377
Total recreation	380,905	0	0	0	380,905	299,377
Library						
Other	0	0	0	0	0	59,570
Total library	0	0	0	0	0	59,570
Capital outlays	4,495,841	1,459,221	0	276,931	6,231,993	11,006,355
Other expenditures	0	0	0	0	0	151,399
Total expenditures	5,081,681	1,459,221	0	276,931	6,817,833	11,573,566
Excess (deficiency) of revenues over (under) expenditures	(2,096,803)	(1,439,927)	15,924	(13,054)	(3,533,860)	(9,692,757)
Other financing sources (uses)						
Operating transfers in	3,679,875	0	33,226	0	3,713,101	7,152,157
Operating transfers out	(49,898)	0	0	0	(49,898)	(6,422,486)
Total other financing sources (uses)	3,629,977	0	33,226	0	3,663,203	729,671
Excess (deficiency) of revenues and other financing sources over (under) expenditures	1,533,174	(1,439,927)	49,150	(13,054)	129,343	(8,963,086)
Fund balances (deficit), beginning of year	9,449,608	1,439,927	(49,150)	26,975	10,867,360	19,830,446
Fund balances, end of year	$ 10,982,782	$ 0	$ 0	$ 13,921	$ 10,996,703	$ 10,867,360

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, 2002
(with comparative totals for September 30, 2001)

	2002	2001
Assets		
Pooled cash and investments	$ 11,234,653	$ 9,495,370
Due from other governments	135,024	39,521
Total assets	$ 11,369,677	$ 9,534,891
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 386,895	$ 85,283
Fund balances		
Unreserved	10,982,782	9,449,608
Total liabilities and fund balances	$ 11,369,677	$ 9,534,891

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Revenues		
Taxes	$ 2,085,760	$ 0
Intergovernmental	178,222	39,522
Investment income	171,999	49,249
Other	548,897	750,000
Total revenues	2,984,878	838,771
Expenditures		
General government		
Other	144,184	60,111
Public safety		
Other	4,466	0
Highway and roadway improvements		
Other	56,285	139,238
Recreation		
Other	380,905	101,643
Capital outlays	4,495,841	1,811,528
Total expenditures	5,081,681	2,112,520
Deficiency of revenues under expenditures	(2,096,803)	(1,273,749)
Other financing sources (uses)		
Operating transfers in	3,679,875	7,100,000
Operating transfers out	(49,898)	(27,318)
Total other financing sources (uses)	3,629,977	7,072,682
Excess of revenues and other financing sources over expenditures	1,533,174	5,798,933
Fund balances, beginning of year	9,449,608	3,650,675
Fund balances, end of year	$ 10,982,782	$ 9,449,608

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
Budget and Actual
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002		
	Budget	**Actual**	**Variance Favorable (Unfavorable)**
Revenues			
Taxes	$ 2,085,760	$ 2,085,760	$ 0
Intergovernmental	2,182,000	178,222	(2,003,778)
Investment income	115,000	171,999	56,999
Other	1,263,927	548,897	(715,030)
Total revenues	5,646,687	2,984,878	(2,661,809)
Expenditures			
General government			
Other	618,234	144,184	474,050
Public safety			
Other	4,475	4,466	9
Highway and roadway improvements			
Other	293,465	56,285	237,180
Recreation			
Other	611,400	380,905	230,495
Capital outlays	14,217,557	4,495,841	9,721,716
Total expenditures	15,745,131	5,081,681	10,663,450
Deficiency of revenues under expenditures	(10,098,444)	(2,096,803)	8,001,641
Other financing sources (uses)			
Operating transfers in	679,875	3,679,875	3,000,000
Operating transfers out	0	(49,898)	(49,898)
Total other financing sources	679,875	3,629,977	2,950,102
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ (9,418,569)	1,533,174	$ 10,951,743
Fund balances, beginning of year		9,449,608	
Fund balances, end of year		$ 10,982,782	

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

2001		
Budget	Actual	Variance Favorable (Unfavorable)
$ 0	$ 0	$ 0
32,500	39,522	7,022
0	49,249	49,249
0	750,000	750,000
32,500	838,771	806,271
115,900	60,111	55,789
0	0	0
200,500	139,238	61,262
251,700	101,643	150,057
5,191,628	1,811,528	3,380,100
5,759,728	2,112,520	3,647,208
(5,727,228)	(1,273,749)	4,453,479
0	7,100,000	7,100,000
0	(27,318)	(27,318)
0	7,072,682	7,072,682
$ (5,727,228)	5,798,933	$ 11,526,161
	3,650,675	
	$ 9,449,608	

THE CITY OF HOOVER, ALABAMA
GOW Capital Projects Fund
Comparative Balance Sheets
September 30, 2002
(with comparative totals for September 30, 2001)

	2002	2001
Assets		
Pooled cash and investments	$ 0	$ 1,771,819
Total assets	$ 0	$ 1,771,819
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 0	$ 331,892
Total liabilities	0	331,892
Fund balances		
Unreserved	0	1,439,927
Total liabilities and fund balances	$ 0	$ 1,771,819

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

THE CITY OF HOOVER, ALABAMA
GOW Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Revenues		
Investment income	$ 19,294	$ 391,548
Total revenues	19,294	391,548
Expenditures		
General government		
Other	0	8,600
Capital outlays	1,459,221	8,421,371
Total expenditures	1,459,221	8,429,971
Deficiency of revenues under expenditures	(1,439,927)	(8,038,423)
Other financing sources (uses)		
Operating transfers out	0	(4,262,233)
Total other financing sources (uses)	0	(4,262,233)
Deficiency of revenues and other financing sources under expenditures	(1,439,927)	(12,300,656)
Fund balances, beginning of year	1,439,927	13,740,583
Fund balances, end of year	$ 0	$ 1,439,927

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

THE CITY OF HOOVER, ALABAMA
GOW Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002		
	Budget	**Actual**	**Variance Favorable (Unfavorable)**
Revenues			
Investment income	$ 19,298	$ 19,294	$ (4)
Total revenues	19,298	19,294	(4)
Expenditures			
General government			
Other	0	0	0
Capital outlays	1,459,225	1,459,221	4
Total expenditures	1,459,225	1,459,221	4
Deficiency of revenues under expenditures	(1,439,927)	(1,439,927)	0
Other financing sources (uses)			
Operating transfers out	0	0	0
Total other financing sources (uses)	0	0	0
Deficiency of revenues and other financing sources under expenditures	$ (1,439,927)	(1,439,927)	$ 0
Fund balances, beginning of year		1,439,927	
Fund balances, end of year		$ 0	

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

2001		
Budget	Actual	Variance Favorable (Unfavorable)
$ 0	$ 391,548	$ 391,548
0	391,548	391,548
0	8,600	(8,600)
31,616	8,421,371	(8,389,755)
31,616	8,429,971	(8,398,355)
(31,616)	(8,038,423)	(8,006,807)
0	(4,262,233)	(4,262,233)
0	(4,262,233)	(4,262,233)
$ (31,616)	(12,300,656)	$ (12,269,040)
	13,740,583	
	$ 1,439,927	

THE CITY OF HOOVER, ALABAMA
Library Capital Projects Fund
Comparative Balance Sheets
September 30, 2002
(with comparative totals for September 30, 2001)

	2002	2001
Assets		
Pooled cash and investments	$ 0	$ 202,249
Total assets	$ 0	$ 202,249
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 0	$ 251,399
Fund balances		
Unreserved (deficit)	0	(49,150)
Total liabilities and fund balances	$ 0	$ 202,249

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

THE CITY OF HOOVER, ALABAMA
Library Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Revenues		
Investment income	$ 1,469	$ 58,606
Other	14,455	0
Total revenues	15,924	58,606
Expenditures		
Library		
Other	0	59,570
Capital outlays	0	206,014
Other expenditures	0	151,399
Total expenditures	0	416,983
Excess (deficiency) of revenues over (under) expenditures	15,924	(358,377)
Other financing sources (uses)		
Operating transfers in	33,226	0
Operating transfers out	0	(2,129,961)
Total other financing sources (uses)	33,226	(2,129,961)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	49,150	(2,488,338)
Fund balances (deficit), beginning of year	(49,150)	2,439,188
Fund balances (deficit), end of year	$ 0	$ (49,150)

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

THE CITY OF HOOVER, ALABAMA
Library Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002		
	Budget	**Actual**	**Variance Favorable (Unfavorable)**
Revenues			
Investment income	$ 0	$ 1,469	$ 1,469
Other	0	14,455	14,455
Total revenues	0	15,924	15,924
Expenditures			
Library			
Other	0	0	0
Capital outlays	0	0	0
Other expenditures	0	0	0
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	15,924	15,924
Other financing sources (uses)			
Operating transfers in	0	33,226	33,226
Operating transfers out	0	0	0
Total other financing sources (uses)	0	33,226	33,226
Excess (deficiency) of revenues and other financing sources over (under) expenditures	$ 0	49,150	$ 49,150
Fund balances (deficit), beginning of year		(49,150)	
Fund balances (deficit), end of year		$ 0	

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

2001		
Budget	Actual	Variance Favorable (Unfavorable)
$ 0	$ 58,606	$ 58,606
0	0	0
0	58,606	58,606
0	59,570	(59,570)
0	206,014	(206,014)
0	151,399	(151,399)
0	416,983	(416,983)
0	(358,377)	(358,377)
0	0	0
0	(2,129,961)	(2,129,961)
0	(2,129,961)	(2,129,961)
$ 0	(2,488,338)	$ (2,488,338)
	2,439,188	
	$ (49,150)	

THE CITY OF HOOVER, ALABAMA
Other Capital Projects Fund
Comparative Balance Sheets
September 30, 2002
(with comparative totals for September 30, 2001)

	2002	2001*
Assets		
Pooled cash and investments	$ 0	$ 34,663
Due from other governments	69,285	299,516
Total assets	$ 69,285	$ 334,179
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 47,161	$ 100,801
Due to other funds	8,203	206,403
Total liabilities	55,364	307,204
Fund balances		
Unreserved	13,921	26,975
Total liabilities and fund balances	$ 69,285	$ 334,179

* - The Other Capital Projects Fund was created in 2001.

THE CITY OF HOOVER, ALABAMA
Other Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001*
Revenues		
Intergovernmental	$ 263,877	$ 591,884
Total revenues	263,877	591,884
Expenditures		
Highway and roadway improvements		
Other	0	46,650
Capital outlays	276,931	567,442
Total expenditures	276,931	614,092
Deficiency of revenues under expenditures	(13,054)	(22,208)
Other financing sources (uses)		
Operating transfers in	0	52,157
Operating transfers out	0	(2,974)
Total other financing sources (uses)	0	49,183
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(13,054)	26,975
Fund balances, beginning of year	26,975	0
Fund balances, end of year	$ 13,921	$ 26,975

* - The Other Capital Projects Fund was created in 2001.

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

THE CITY OF HOOVER, ALABAMA
Other Capital Projects Fund
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002		
	Budget	**Actual**	**Variance Favorable (Unfavorable)**
Revenues			
Intergovernmental	$ 4,277,214	$ 263,877	$ (4,013,337)
Total revenues	4,277,214	263,877	(4,013,337)
Expenditures			
Highway and roadway improvements Engineering	20,000	0	20,000
Highway and roadway improvements Other	0	0	0
Capital outlays	4,257,214	276,931	3,980,283
Total expenditures	4,277,214	276,931	4,000,283
Deficiency of revenues under expenditures	0	(13,054)	(13,054)
Other financing sources (uses)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
Total other financing sources	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures	$ 0	(13,054)	$ (13,054)
Fund balances, beginning of year		26,975	
Fund balances, end of year		$ 13,921	

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

2001		
Budget	Actual	Variance Favorable (Unfavorable)
$ 0	$ 591,884	$ 591,884
0	591,884	591,884
0	0	0
0	46,650	(46,650)
3,932,000	567,442	3,364,558
3,932,000	614,092	3,317,908
(3,932,000)	(22,208)	(3,909,792)
0	52,157	52,157
0	(2,974)	(2,974)
0	49,183	49,183
$ (3,932,000)	26,975	$ 3,958,975
	0	
	$ 26,975	

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.

THE CITY OF HOOVER, ALABAMA
Sewer Enterprise Fund
Comparative Balance Sheets
September 30, 2002
(with comparative totals for September 30, 2001)

Assets	**2002**	**2001**
Current assets		
Accounts receivable	$ 221,570	$ 195,176
Warrant proceeds receivable	300,457	2,166,533
Due from other funds	297,325	691,515
Total current assets	819,352	3,053,224
Property, plant and equipment		
Equipment and vehicles	578,039	532,868
Land	1,664,800	1,664,800
Waste water treatment plants	29,787,402	9,781,342
Construction in progress	0	16,949,741
	32,030,241	28,928,751
Less accumulated depreciation	6,745,029	6,285,699
Net property, plant and equipment	25,285,212	22,643,052
Other assets	242,550	258,113
Total assets	$ 26,347,114	$ 25,954,389
Liabilities and equity		
Current liabilities		
Bank overdraft	$ 0	$ 781,456
Accounts payable	138,551	548,547
Accounts payable - construction in progress	355,181	184,613
Accrued expenses	14,925	12,400
Due to other funds	2,770,199	691,515
Total current liabilities	3,278,856	2,218,531
Long-term liabilities		
General obligation warrants	17,135,000	17,770,000
Total liabilities	20,413,856	19,988,531
Equity		
Contributed capital		
Government	4,250,000	4,250,000
Customers	2,837,392	2,837,392
Developers	1,839,835	1,839,835
Total contributed capital	8,927,227	8,927,227
Retained earnings (deficit)	(2,993,969)	(2,961,369)
Total equity	5,933,258	5,965,858
Total liabilities and equity	$ 26,347,114	$ 25,954,389

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

THE CITY OF HOOVER, ALABAMA
Sewer Enterprise Fund
Comparative Statements of Revenues, Expenses,
and Changes in Retained Earnings
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Operating revenues		
Charges for services	$ 2,245,020	$ 1,854,584
Other	2,000	0
Total operating revenues	2,247,020	1,854,584
Operating expenses		
Management fees	516,603	455,550
Depreciation	459,330	407,059
Personal services	76,951	72,275
Repairs and maintenance	239,141	217,362
Utilities	270,847	213,912
Supplies	122,413	102,460
Collection fees	65,552	63,198
Engineering fees	488,254	278,179
Telephone	24,966	11,418
Total operating expenses	2,264,057	1,821,413
Operating income (loss)	(17,037)	33,171
Non-operating revenues (expenses)		
Investment income	0	10,935
Interest and fiscal charges	(15,563)	(15,563)
Total non-operating revenues (expenses)	(15,563)	(4,628)
Net income (loss)	(32,600)	28,543
Retained earnings (deficit), beginning of year	(2,961,369)	(2,989,912)
Retained earnings (deficit), end of year	$ (2,993,969)	$ (2,961,369)

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

THE CITY OF HOOVER, ALABAMA
Sewer Enterprise Fund
Comparative Statements of Cash Flows
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Cash flows from operating activities		
Cash received from customers	$ 2,220,626	$ 1,845,660
Cash payments to suppliers	(1,621,169)	(394,327)
Cash payments to management companies	(516,603)	(455,550)
Cash payments to employees	(74,426)	(69,277)
Net cash provided by operating activities	8,428	926,506
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(2,930,922)	(8,127,031)
Capital contributed by consumers	0	204,743
Proceeds from warrants	1,866,076	7,044,615
Payments of warrants	(635,000)	(300,000)
Increase (decrease) in bank overdraft	(781,456)	781,456
Loans from other funds	2,472,874	(596,388)
Net cash used by capital and related financing activities	(8,428)	(992,605)
Cash flows from investing activities		
Investment income	0	10,935
Net cash provided by investing activities	0	10,935
Net increase (decrease) in pooled cash and investments	0	(55,164)
Pooled cash and investments, beginning of year	0	55,164
Pooled cash and investments, end of year	$ 0	$ 0
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	$ (17,037)	$ 33,171
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation and amortization	459,330	407,059
Change in assets and liabilities		
Increase in accounts receivable	(26,394)	(3,925)
Increase in accrued expenses	2,525	2,999
Decrease in refundable deposits	0	(5,000)
Increase (decrease) in accounts payable	(409,996)	492,202
Net cash provided by operating activities	$ 8,428	$ 926,506

Noncash Investing, Capital and Financing Activities

Net proceeds for the sale of warrants in 2000 in the amount of $9,200,000 were retained by the State of Alabama. The proceeds are transferred to the City as construction expenditures are incurred.

Warrant issuance costs of $149,927 that were deducted from warrant proceeds during 2000 were capitalized and are being amortized over the debt repayment period.

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

INTERNAL SERVICE FUND

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

THE CITY OF HOOVER, ALABAMA
Fleet Service Fund
Comparative Balance Sheets
September 30, 2002
(with comparative totals for September 30, 2001)

Assets	**2002**	**2001**
Current assets		
Pooled cash and investments	$ 0	$ 100
Inventories	0	29,699
Total current assets	0	29,799
Fixed assets - net of depreciation	0	116,061
Total assets	$ 0	$ 145,860
Liabilities and fund equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 0	$ 16,917
Due to other funds	0	12,721
Total current liabilities	0	29,638
Fund Equity		
Contributed capital	0	45,579
Retained earnings	0	70,643
Total fund equity	0	116,222
Total liabilities and fund equity	$ 0	$ 145,860

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

THE CITY OF HOOVER, ALABAMA
Fleet Service Fund
Comparative Statements of Revenues, Expenses,
and Changes in Retained Earnings
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Operating revenues		
Charges for services	$ 0	$ 441,898
Total operating revenues	0	441,898
Operating expenses		
Personal services	0	328,495
Supplies	0	43,669
Depreciation	0	42,859
Insurance	0	26,680
Utilities	0	11,812
Telephone	0	2,948
Travel	0	3,570
Miscellaneous	0	390
Total operating expenses	0	460,423
Net income (loss)	0	(18,525)
Retained earnings, beginning of year	70,643	89,168
Residual equity transfer to General Fund	(70,643)	0
Retained earnings (deficit), end of year	$ 0	$ 70,643

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

THE CITY OF HOOVER, ALABAMA
Fleet Service Fund
Comparative Statements of Cash Flows
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	2002	2001
Cash flows from operating activities		
Cash received from customers	$ 0	$ 441,898
Cash payments to suppliers	0	(91,859)
Cash payments to employees	0	(325,039)
Net cash provided by operating activities	0	25,000
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	0	(25,000)
Net cash (used) by capital and related financing activities	0	(25,000)
Cash flows from noncapital financing activities		
Residual equity transfer to General Fund	(100)	0
Net cash used by noncapital financing activities	(100)	0
Net increase (decrease) in pooled cash and investments	(100)	0
Pooled cash and investments, beginning of year	100	100
Pooled cash and investments, end of year	$ 0	$ 100
Reconciliation of operating loss to net cash provided (used) by operating activities		
Operating income (loss)	$ 0	$ (18,525)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	0	42,859
Change in assets and liabilities		
(Increase) in inventory	0	(3,522)
Increase in accrued expenses	0	3,456
Increase in accounts payable	0	732
Net cash provided by operating activities	$ 0	$ 25,000

Noncash investing, capital and financing activities
The internal service fund was closed effective October 1, 2001 and the net assets on this date were transferred to the general fund.

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

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.

THE CITY OF HOOVER, ALABAMA
Comparative Schedules of General Fixed Assets by Source
September 30, 2002
(with comparative totals for September 30, 2001)

	2002	2001
General fixed assets		
Land	$ 11,584,076	$ 11,581,324
Buildings	18,624,396	18,058,660
Improvements other than buildings	1,354,110	1,350,932
Equipment and vehicles	16,069,008	14,620,321
Total general fixed assets	$ 47,631,590	$ 45,611,237
Investment in general fixed assets		
General obligation warrants	$ 25,250,106	$ 24,412,004
Long-term notes payable	399,334	399,334
Federal grants	1,414,484	1,320,518
General revenues	16,512,068	15,423,783
Donations and annexations	4,055,598	4,055,598
Total investment in general fixed assets	$ 47,631,590	$ 45,611,237

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

THE CITY OF HOOVER, ALABAMA
Schedule of General Fixed Assets by Function and Activity
September 30, 2002

Function and Activity	Land	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Total
General government					
Administration	$ 11,584,076	$ 11,299,015	$ 1,228,335	$ 2,798,252	$ 26,909,678
Municipal garage	0	254,493	0	98,169	352,662
Total general government	11,584,076	11,553,508	1,228,335	2,896,421	27,262,340
Public safety					
Police	0	164,712	0	4,241,244	4,405,956
Fire	0	6,259,725	49,185	5,555,317	11,864,227
Inspection	0	48,179	0	302,055	350,234
Total public safety	0	6,472,616	49,185	10,098,616	16,620,417
Municipal court	0	0	0	159,165	159,165
Streets and sanitation	0	598,272	76,590	2,914,806	3,589,668
Total general fixed assets allocated to function and activities	$ 11,584,076	$ 18,624,396	$ 1,354,110	$ 16,069,008	$ 47,631,590

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

THE CITY OF HOOVER, ALABAMA
Schedule of Changes in General Fixed Assets by Function and Activity
For the fiscal year ended September 30, 2002

Function and Activity	General Fixed Assets October 1, 2001	Increases	Decreases	General Fixed Assets September 30, 2002
General government				
Administration	$ 26,360,441	$ 594,162	$ 44,925	$ 26,909,678
Municipal garage	254,493	98,169	0	352,662
Total general government	26,614,934	692,331	44,925	27,262,340
Public safety				
Police	3,900,743	762,169	256,956	4,405,956
Fire	11,536,521	372,272	44,566	11,864,227
Inspection	350,234	0	0	350,234
Total public safety	15,787,498	1,134,441	301,522	16,620,417
Municipal court	152,165	7,000	0	159,165
Streets and sanitation	3,056,640	533,028	0	3,589,668
Total general fixed assets	$ 45,611,237	$ 2,366,800	$ 346,447	$ 47,631,590

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

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.

THE CITY OF HOOVER, ALABAMA
Comparative Schedules of General Long-Term Debt
September 30, 2002
(with comparative totals for September 30, 2001)

	2002	2001
Amounts available and to be provided for the payment of general long-term debt		
Amount to be provided from General Fund revenues	$ 81,983,852	$ 84,853,439
Total available and to be provided	$ 81,983,852	$ 84,853,439
General long-term debt		
General obligation warrants payable	$ 76,565,000	$ 79,935,000
Claims and judgments payable	670,750	508,634
Accrued compensated leave	4,748,102	4,409,805
Total general long-term debt	$ 81,983,852	$ 84,853,439

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

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, 2002
(with comparative totals for September 30, 2001)

	Board of Education	Park and Recreation Board	Library Board
Assets and other debits			
Assets			
Pooled cash and investments	$ 72,099,560	$ 287,179	$ 60,063
Accounts receivable	0	56,430	0
Due from other governments			
County	1,538,529	0	0
State	219,098	0	0
Federal	395,833	0	0
Due from other funds	781,359	0	0
Inventory	198,270	0	0
Prepaid expenditures	10,488	0	0
Fixed assets	206,050,107	47,567,968	11,604,776
Other debits			
Amount to be provided for retirement of general long-term debt	159,973,323	0	0
Total assets and other debits	$ 441,266,567	$ 47,911,577	$ 11,664,839
Liabilities, equity and other credits			
Liabilities			
Accounts payable and accrued liabilities	$ 2,175,703	$ 116,416	$ 97,006
Deferred revenues	182,643	0	0
Due to other funds	781,359	0	0
Notes, capital leases and accrued compensation payable	3,688,323	0	0
General obligation warrants payable	156,285,000	0	0
Total liabilities	163,113,028	116,416	97,006
Fund balance			
Investment in general fixed assets	206,050,107	47,567,968	11,604,776
Fund balances			
Reserved for inventory and prepaids	208,758	0	0
Reserved for capital outlay	40,104,034	0	0
Reserved for encumbrances	724,101	0	0
Reserve for building commitments	501,266	0	0
Unreserved, undesignated fund balance	30,565,273	227,193	(36,943)
Total fund balance	278,153,539	47,795,161	11,567,833
Total liabilities, equity and other credits	$ 441,266,567	$ 47,911,577	$ 11,664,839

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

Totals	
2002	2001
$ 72,446,802	$ 71,986,228
56,430	56,108
1,538,529	1,962,054
219,098	0
395,833	258,303
781,359	34,346,289
198,270	177,116
10,488	6,227
265,222,851	259,604,453
159,973,323	162,661,988
$ 500,842,983	$ 531,058,766
$ 2,389,125	$ 6,402,056
182,643	0
781,359	34,346,289
3,688,323	2,806,988
156,285,000	159,855,000
163,326,450	203,410,333
265,222,851	259,604,453
208,758	183,343
40,104,034	34,350,965
724,101	1,616,098
501,266	0
30,755,523	31,893,574
337,516,533	327,648,433
$ 500,842,983	$ 531,058,766

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	Board of Education	Park and Recreation Board	Library Board
Revenues			
Intergovernmental	$ 95,902,153	$ 0	$ 168,270
Fines and forfeits	0	0	101,128
Investment income	0	0	322
Stadium lease	0	224,430	0
Other	1,130,842	422,374	104,320
Charges for services	0	579,907	0
Total revenues	97,032,995	1,226,711	374,040
Expenditures			
Current operations			
General government	2,416,074	0	0
Recreation services	0	1,930,711	0
Library	0	0	3,603,634
Instructional services	46,103,571	0	0
Instructional support services	11,326,995	0	0
Operation and maintenance	9,528,159	0	0
Auxiliary services	9,563,887	0	0
Other	2,567,908	0	0
Total	81,506,594	1,930,711	3,603,634
Capital outlays	6,764,598	26,086	5,015
Debt service	12,787,254	0	0
Total expenditures	101,058,446	1,956,797	3,608,649
Deficiency of revenues under expenditures	(4,025,451)	(730,086)	(3,234,609)
Other financing sources (uses)			
Operating transfers in - primary government	6,996,035	819,772	3,264,516
Proceeds from refunding bonds	51,998,255	0	0
Proceeds of general obligation warrants, notes payable and capital leases	0	0	0
Payments to refunded bond escrow agent	(50,838,730)	0	0
Total other financing sources	8,155,560	819,772	3,264,516
Excess of revenues and other financing sources over expenditures	4,130,109	89,686	29,907
Fund balances (deficit), beginning of year	67,973,323	137,507	(66,850)
Fund balances (deficit), end of year	$ 72,103,432	$ 227,193	$ (36,943)

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

Totals	
2002	2001
$ 96,070,423	$ 94,633,328
101,128	80,017
322	2,673
224,430	218,322
1,657,536	1,523,580
579,907	560,579
98,633,746	97,018,499
2,416,074	2,715,101
1,930,711	4,057,333
3,603,634	3,241,499
46,103,571	43,975,639
11,326,995	10,059,599
9,528,159	9,094,114
9,563,887	8,590,022
2,567,908	2,392,192
87,040,939	84,125,499
6,795,699	32,223,432
12,787,254	70,549,060
106,623,892	186,897,991
(7,990,146)	(89,879,492)
11,080,323	19,708,178
51,998,255	0
0	90,009,028
(50,838,730)	0
12,239,848	109,717,206
4,249,702	19,837,714
68,043,980	48,206,266
$ 72,293,682	$ 68,043,980

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

PARKS 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 Parks and Recreation Board of the City of Hoover is provided because the Parks and Recreation Board does not issue complete financial statements separately from the City's Comprehensive Annual Financial Report.

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Parks and Recreation Board
Combined Balance Sheets
All Fund Types and Account Groups
September 30, 2002
(with comparative totals for September 30, 2001)

	Governmental Fund Types	Account Groups	Totals (Memorandum Only)	
	General	General Fixed assets	2002	2001
Assets				
Pooled cash and investments	$ 287,179	$ 0	$ 287,179	$ 210,254
Other receivables	56,430	0	56,430	56,108
Fixed assets	0	47,567,968	47,567,968	47,495,979
Total assets	$ 343,609	$ 47,567,968	$ 47,911,577	$ 47,762,341
Liabilities, equity and other credits				
Liabilities				
Accounts payable	$ 73,340	$ 0	$ 73,340	$ 30,914
Accrued liabilities	43,076	0	43,076	97,941
Total liabilities	116,416	0	116,416	128,855
Equity and other credits				
Investment in general fixed assets	0	47,567,968	47,567,968	47,495,979
Fund balances				
Unreserved, undesignated	227,193	0	227,193	137,507
Total equity and other credits	227,193	47,567,968	47,795,161	47,633,486
Total liabilities, equity and other credits	$ 343,609	$ 47,567,968	$ 47,911,577	$ 47,762,341

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

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Units - Parks and Recreation Board
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For the fiscal year ended September 30, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	Governmental Fund Types	
	General	
	2002	2001
Revenues		
Charges for services	$ 579,907	$ 560,579
Stadium lease	224,430	218,322
Other	422,374	354,044
Total revenues	1,226,711	1,132,945
Expenditures		
Current operations		
Recreation		
Personal services	1,204,109	2,572,632
Other	726,602	1,484,701
Total	1,930,711	4,057,333
Capital outlays	26,086	3,039,299
Total expenditures	1,956,797	7,096,632
Deficiency of revenues under expenditures	(730,086)	(5,963,687)
Other financing sources		
Operating transfers in - primary government	819,772	5,941,287
Excess (deficiency) of revenues and other financing sources over (under) expenditures	89,686	(22,400)
Fund balances, beginning of year	137,507	159,907
Fund balances, end of year	$ 227,193	$ 137,507

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

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Units - Parks and Recreation Board
Comparative Schedules of General Fixed Assets by Source
September 30, 2002
(with comparative totals for September 30, 2001)

	2002	2001
General fixed assets		
Land	$ 14,442,905	$ 14,442,905
Buildings	24,458,867	24,458,867
Improvements other than buildings	7,109,170	4,184,877
Equipment and vehicles	1,557,026	1,557,026
Construction in progress	0	2,852,304
Total general fixed assets	$ 47,567,968	$ 47,495,979
Investment in general fixed assets		
General obligation warrants	$ 26,673,278	$ 26,601,289
Long-term notes payable	500,000	500,000
Capital leases payable	93,500	93,500
Parks and Recreation Board bond	427,146	427,146
General revenues	15,446,984	15,446,984
Donations and annexations	873,665	873,665
Donations from primary government	3,553,395	3,553,395
Total investment in general fixed assets	$ 47,567,968	$ 47,495,979

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

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Parks and Recreation Board
Schedule of General Fixed Assets by Function and Activity
September 30, 2002

Function and Activity	Land	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Total
Recreation	$ 14,442,905	$ 24,458,867	$ 7,109,170	$ 1,557,026	$ 47,567,968
Total general fixed assets allocated to functions and activities	$ 14,442,905	$ 24,458,867	$ 7,109,170	$ 1,557,026	$ 47,567,968

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

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Parks and Recreation Board
Schedule of Changes in General Fixed Assets by Function and Activity
For the fiscal year ended September 30, 2002

Function and Activity	General Fixed Assets October 1, 2001	Increases	Decreases	General Fixed Assets September 30, 2002
Recreation	$ 47,495,979	$ 2,924,293	$ 2,852,304	$ 47,567,968
Total general fixed assets	$ 47,495,979	$ 2,924,293	$ 2,852,304	$ 47,567,968

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

THE CITY OF HOOVER PUBLIC LIBRARY BOARD

(A DISCRETELY PRESENTED COMPONENT UNIT)

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

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Library Board
Combined Balance Sheets
All Fund Types and Account Groups
September 30, 2002
(with comparative totals for September 30, 2001)

	Governmental Fund Types	Account Groups	Totals (Memorandum Only)	
	General	General Fixed assets	2002	2001
Assets				
Pooled cash and investments	$ 60,063	$ 0	$ 60,063	$ 50,447
Fixed assets	0	11,604,776	11,604,776	11,567,761
Total assets	$ 60,063	$ 11,604,776	$ 11,664,839	$ 11,618,208
Liabilities, equity and other credits				
Liabilities				
Accounts payable	$ 136	$ 0	$ 136	$ 27,318
Accrued liabilities	96,870	0	96,870	89,979
Total liabilities	97,006	0	97,006	117,297
Equity and other credits				
Investment in general fixed assets	0	11,604,776	11,604,776	11,567,761
Fund balances				
Unreserved, undesignated (deficit)	(36,943)	0	(36,943)	(66,850)
Total equity and other credits	(36,943)	11,604,776	11,567,833	11,500,911
Total liabilities, equity and other credits	$ 60,063	$ 11,604,776	$ 11,664,839	$ 11,618,208

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, 2002
(with comparative totals for the fiscal year ended September 30, 2001)

	Governmental Fund Types	
	General	
	2002	2001
Revenues		
Intergovernmental	$ 168,270	$ 195,848
Fines and forfeits	101,128	80,017
Investment income	322	2,673
Other	104,320	93,547
Total revenues	374,040	372,085
Expenditures		
Current operations		
Library		
Personal services	2,462,349	2,034,417
Other	1,141,285	1,207,082
Total	3,603,634	3,241,499
Capital outlays	5,015	2,243,637
Total expenditures	3,608,649	5,485,136
Deficiency of revenues under expenditures	(3,234,609)	(5,113,051)
Other financing sources		
Operating transfers in - primary government	3,264,516	5,011,995
Total other financing sources	3,264,516	5,011,995
Excess (deficiency) of revenues and other financing sources over (under) expenditures	29,907	(101,056)
Fund balances (deficit), beginning of year	(66,850)	34,206
Fund balances (deficit), end of year	$ (36,943)	$ (66,850)

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, 2002
(with comparative totals for September 30, 2001)

	2002	2001
General fixed assets		
Buildings	$ 11,289,942	$ 11,289,942
Improvements other than buildings	14,883	14,883
Equipment and vehicles	299,951	262,936
Total general fixed assets	$ 11,604,776	$ 11,567,761
Investment in general fixed assets		
General obligation warrants	$ 11,529,317	$ 11,492,302
Donations from primary government	75,459	75,459
Total investment in general fixed assets	$ 11,604,776	$ 11,567,761

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

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Library Board
Schedule of General Fixed Assets by Function and Activity
September 30, 2002

Function and Activity	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Total
Library services	$ 11,289,942	$ 14,883	$ 299,951	$ 11,604,776
Total and general fixed assets allocated to functions and activities	$ 11,289,942	$ 14,883	$ 299,951	$ 11,604,776

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

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Library Board
Schedule of Changes in General Fixed Assets by Function and Activity
For the fiscal year ended September 30, 2002

Function and Activity	General Fixed Assets October 1, 2001	Additions	Deletions	General Fixed Assets September 30, 2002
Library services	$ 11,567,761	$ 37,015	$ 0	$ 11,604,776
Total general fixed assets	$ 11,567,761	$ 37,015	$ 0	$ 11,604,776

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

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

Fiscal Year	Sales, Use and Related Taxes	Property Tax	In Lieu of Property Tax	Auto Tax	Rental Tax	Total
1993	$ 20,728,713	$ 2,681,425	$ 19,162	$ 216,934	$ 96,173	$ 23,742,407
1994	27,568,637 (B)	2,925,759	53,062	217,420	126,548	30,891,426
1995	34,085,710	3,369,272	53,062	236,526	137,010	37,881,580
1996	35,299,683	3,781,319	53,062	317,485	150,336	39,601,885
1997	37,547,973	3,981,320	47,828	346,789	137,318	42,061,228
1998	37,939,527	4,253,830	47,828	438,799	173,450	42,853,434
1999	40,202,985	4,455,161	47,828	457,879	370,671	45,534,524
2000	41,109,470	5,215,400	47,828	668,403	576,455	47,617,556
2001	42,951,038	5,485,911	47,828	786,228	633,272	49,904,277
2002	45,847,677	7,715,260	69,211	764,784	609,632	55,006,564

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

(B) The City Council passed a 1% sales tax increase effective March 1, 1994

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	Streets and Sanitation	Health	Capital Outlays	Debt Service	Total
1993	$ 3,110,641	$ 11,789,994 (B)	$ 3,764,589	$ 131,824	$ 2,226,812	$ 5,181,668	$ 26,205,528
1994	3,161,080	13,115,674 (B)	3,965,613	311,847	2,601,047	5,483,843	28,639,104
1995	3,650,427	14,923,300 (B)	4,360,208	331,883	9,543,813	4,921,841	37,731,472
1996	5,573,911	17,018,226 (B)	5,305,308	347,259	7,892,679	5,327,006	41,464,389
1997	5,972,878	17,450,403 (B)	5,248,576	347,843	9,775,534	4,813,756	43,608,990
1998	5,325,776	19,284,687 (B)	6,205,693	365,070	5,329,877	5,661,995	42,173,098
1999	6,512,020	20,712,864 (B)	5,926,537	356,631	5,787,340	6,432,052	45,727,444
2000	6,882,945	23,218,922 (B)	6,536,354	327,890	16,797,201	6,517,126	60,280,438
2001	7,534,105	24,816,443 (B)	6,528,931	211,910	12,107,452	8,026,722	59,225,563
2002	8,074,561	26,005,419 (B)	9,835,856 (C)	418,807	8,129,245	7,446,465	59,910,353

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

(B) Includes Municipal Court

(C) Includes Sanitation, Highway and Roadway Improvements, and Recreation Services for FY 2002

Source: City annual financial reports

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	Inter-Governmental	Fines and Forfeits	Investment Income	Other	Total
1993	$ 23,742,407	$ 6,083,992	$ 2,091,689	$ 461,024	$ 836,908 (B)	$1,609,216	$ 34,825,236
1994	30,891,426	5,860,897	2,168,119	496,575	859,392 (B)	1,370,029	41,646,438
1995	37,881,580	6,376,852	2,448,911	487,896	1,180,986 (B)	1,334,423	49,710,648
1996	39,601,885	6,951,010	2,355,881	852,158	558,440	1,072,449	51,391,823
1997	42,061,228	7,833,276	2,260,279	939,012	925,011	1,989,843	56,008,649
1998	42,853,434	8,164,042	2,704,982	1,182,346	1,228,608	1,301,811	57,435,223
1999	45,534,524	9,117,729	3,075,793	1,100,142	1,250,397	1,239,620	61,318,205
2000	47,617,556	9,002,056	4,246,598	1,455,122	3,053,705	1,426,777	66,801,814
2001	49,904,277	9,351,131	3,254,141	1,219,308	3,020,823	1,989,140	68,738,820
2002	55,006,564	10,254,746	3,888,795	1,150,399	1,693,602	1,952,989	73,947,095

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

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

Source: City annual financial reports

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

Jefferson County:

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Property Tax Collections	Percent of Total Tax Collections to Tax Levy
1993	$ 2,054,746	$ 1,852,685	90.2%	$ 82,663	$ 1,935,348	94.2%
1994	2,067,459	2,047,448	99.0	39,705	2,087,153	101.0
1995	2,500,478	2,340,533	93.6	50,862	2,391,395	95.6
1996	2,570,800	2,524,918	98.2	89,335	2,614,253	101.7
1997	2,671,897	2,616,964	97.9	32,944	2,649,908	99.2
1998	2,809,236	2,764,344	98.4	12,696	2,777,040	98.9
1999	2,882,415	2,846,285	98.7	4,694	2,850,979	98.9
2000	3,464,495	3,418,252	98.7	8,958	3,427,210	98.9
2001	3,568,457	3,537,316	99.1	11,118	3,548,434	99.4
2002	3,522,962	3,500,780	99.4	21,629	3,522,409	100.0

Shelby County:

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Property Tax Collections	Percent of Total Tax Collections to Tax Levy
1993	$ 786,659	$ 769,755	97.9%	$ 5,722	$ 775,477	98.6%
1994	839,239	837,480	99.8	1,125	838,606	99.9
1995	1,011,854	971,018	96.0	6,859	977,877	96.6
1996	1,216,615	1,167,066	95.9	2,137	1,169,203	96.1
1997	1,350,966	1,329,133	98.4	2,279	1,331,412	98.6
1998	1,531,197	1,476,563	96.4	226	1,476,790	96.4
1999	1,571,374	1,605,034	102.1	207	1,605,241	102.2
2000	1,882,191	1,787,644	95.0	546	1,788,190	95.0
2001	1,941,599	1,936,145	99.7	1,332	1,937,477	99.8
2002	2,087,040	2,097,756	100.5	9,335	2,107,091	101.0

(A) Excludes property tax on motor vehicles

Source: Jefferson and Shelby County Tax Collectors

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

Jefferson County:

Fiscal Year	Real Property (A)		Personal Property (A)		Public Utility Property (A)		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1993	$ 225,745,021	$ 1,564,996,798	$ 34,959,344	$ 174,796,720	$ 60,831,040	$ 202,749,856	$ 321,535,405	$ 1,942,543,374	16.55%
1994	232,228,585	1,626,395,898	31,343,755	156,718,775	60,297,380	200,971,168	323,869,720	1,984,085,841	16.32%
1995	292,958,228	2,037,742,851	32,520,437	162,602,185	67,054,700	223,493,315	392,533,365	2,423,838,351	16.19%
1996	299,007,442	2,108,839,188	36,582,126	182,910,630	68,298,740	227,639,700	403,888,308	2,519,389,518	16.03%
1997	311,327,661	2,207,875,277	44,224,575	221,122,875	64,566,900	215,201,478	420,119,136	2,644,199,630	15.89%
1998	328,041,051	2,330,203,943	46,095,817	230,479,085	67,290,000	224,277,570	441,426,868	2,784,960,598	15.85%
1999	337,510,271	2,406,636,475	47,965,463	239,827,315	67,539,220	225,108,220	453,014,954	2,871,572,010	15.78%
2000	417,489,222	2,988,826,100	59,248,321	296,241,605	68,640,060	228,800,177	545,377,603	3,513,867,882	15.52%
2001	429,824,616	3,079,857,720	56,515,655	282,578,275	75,004,250	250,014,142	561,344,521	3,612,450,137	15.54%
2002	444,687,947	3,195,469,305	51,401,597	257,007,985	59,203,660	197,345,514	555,293,204	3,649,822,804	15.21%

Shelby County:

Fiscal Year	Real Property (A)		Personal Property (A)		Public Utility Property (A)		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1993	(B) $ 107,783,940	$ 538,919,700	$ 10,665,000	$ 53,325,000	$ 3,129,900	$ 15,649,500	$ 121,578,840	$ 607,894,200	20.00%
1994	114,616,180	773,341,600	12,254,780	61,273,900	3,880,840	12,936,133	130,751,800	847,551,633	15.43%
1995	139,602,460	975,763,600	13,720,480	68,602,400	4,640,820	15,469,400	157,963,760	1,059,835,400	14.90%
1996	159,994,480	1,144,416,000	16,629,200	83,146,000	12,993,360	43,311,200	189,617,040	1,270,873,200	14.92%
1997	182,967,120	1,313,928,500	17,921,460	89,607,300	10,269,280	34,230,933	211,157,860	1,437,766,733	14.69%
1998	198,222,620	1,434,982,400	24,483,800	122,419,000	15,990,180	53,300,600	238,696,600	1,610,702,000	14.82%
1999	208,300,880	1,534,843,200	26,157,500	130,787,500	10,220,900	34,069,667	244,679,280	1,699,700,367	14.40%
2000	255,374,360	1,897,548,300	29,522,540	147,612,700	8,016,160	26,720,533	292,913,060	2,071,881,533	14.14%
2001	267,904,640	1,999,649,200	29,475,340	147,376,700	4,579,560	15,265,200	301,959,540	2,162,291,100	13.96%
2002	287,342,440	2,164,067,900	32,457,980	162,289,900	4,684,980	15,616,600	324,485,400	2,341,974,400	13.86%

(A) Excludes motor vehicles
(B) Estimate

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	City Total	County	County Schools	School District	County Total	State of Alabama	Total Tax
1993		0.65	1.40	2.05	1.35	0.82	1.39	3.56	0.65	6.26
1994		0.65	1.40	2.05	1.35	0.82	1.39	3.56	0.65	6.26
1995		0.65	1.40	2.05	1.35	0.82	1.39	3.56	0.65	6.26
1996		0.65	1.40	2.05	1.35	0.82	1.39	3.56	0.65	6.26
1997		0.65	1.40	2.05	1.35	0.82	1.39	3.56	0.65	6.26
1998		0.65	1.40	2.05	1.35	0.82	1.39	3.56	0.65	6.26
1999	(A)	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2000		0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2001		0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2002		0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26

Shelby County

Fiscal Year Ended September 30,		City of Hoover			Shelby County						
		General Fund	City Schools	City Total	County	County Schools	School District	Hospital	County Total	State of Alabama	Total Tax
1993		0.65	1.40	2.05	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1994		0.65	1.40	2.05	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1995		0.65	1.40	2.05	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1996		0.65	1.40	2.05	0.75	1.60	0.60		2.95	0.65	5.65
1997		0.65	1.40	2.05	0.75	1.60	0.60		2.95	0.65	5.65
1998		0.65	1.40	2.05	0.75	1.60	0.60		2.95	0.65	5.65
1999	(A)	0.65	2.40	3.05	0.75	1.60	0.60		2.95	0.65	6.65
2000		0.65	2.40	3.05	0.75	1.60	0.60		2.95	0.65	6.65
2001		0.65	2.40	3.05	0.75	1.60	0.60		2.95	0.65	6.65
2002		0.65	2.40	3.05	0.75	1.60	0.60		2.95	0.65	6.65

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

Source: Jefferson and Shelby County Tax Collectors

THE CITY OF HOOVER, ALABAMA
Principal Property Taxpayers
For the Fiscal Year Ended September 30, 2002

	City Ad Valorem Taxes		Percentage of Total Ad Valorem Taxes Collected
Bellsouth Telecommunications	$ 393,718		6.99%
Metropolitan Life Insurance Co	182,597		3.24%
Blue Cross & Blue Shield	173,857		3.09%
Hoover Mall Limited LP	160,491		2.85%
Amsouth Bank & Investment Services	134,753		2.39%
Colonial Realty LTD PTN	101,238		1.80%
Meadowbrook Properties	71,521		1.27%
Alabama Power Co	46,657		0.83%
Tree Crossings Associates	41,691		0.74%
Wynfrey Hotel Ltd	32,481		0.58%
Total Ad Valorem Taxes - Principal Property Taxpayers	1,339,002		23.79%
Total Ad Valorem Taxes - All Taxpayers	$ 5,629,500	(A)	100.00%

(A) Excludes motor vehicles

Source: Jefferson and Shelby County Tax Collectors

THE CITY OF HOOVER, ALABAMA
Computation of Legal Debt Margin
September 30, 2002

Assessed value of property:		
Jefferson County	$ 628,790,464	
Shelby County	372,973,900	
Total Assessed Value of Property	1,001,764,364	(A) (B)
Debt Limit - 20 percent of total assessed value	200,352,873	
Amount of debt applicable to debt limit:		
General Obligation Warrants	76,565,000	
Legal debt margin	$ 123,787,873	

(A) Includes assessed value of motor vehicles totaling $121,985,760

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

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

Fiscal Year	Population		Assessed Value		General Obligation Debt	Percentage of Debt To Assessed Value	General Obligation Debt per Capita
1993	48,000	(A)	$ 469,130,985	(D)	$ 57,281,488	12.21%	$ 1,193.36
1994	50,000	(A)	584,588,625	(D)	64,126,353	10.97%	1,282.53
1995	55,000	(A)	636,034,748	(D)	64,303,684	10.11%	1,169.16
1996	56,000	(A)	680,492,636	(D)	62,411,015	9.17%	1,114.48
1997	58,500	(A)	735,197,343	(D)	60,873,278	8.28%	1,040.57
1998	60,000	(A)	680,123,468	(D)	58,379,847	8.58%	973.00
1999	62,000	(A)	695,184,494	(D)	60,858,550	8.75%	981.59
2000	62,742	(B)	911,597,267	(D)	83,160,000	9.12%	1,325.43
2001	64,605	(C)	987,071,493	(D)	79,935,000	8.10%	1,237.29
2002	65,885	(C)	1,001,764,364	(D)	76,565,000	7.64%	1,162.10

(A) Estimate by the City
(B) Federal Census
(C) House Consultants
(D) Jefferson and Shelby County Tax Assessors (includes assessed value of motor vehicles)

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

Fiscal Year	Total Debt Service	Total General Expenditures (A)	Percentage of Debt Service to Total General Expenditures
1993	$ 5,181,668	$ 26,205,528	19.77%
1994	5,460,564	28,639,104	19.07%
1995	4,898,564	37,731,472	12.98%
1996	5,303,730	41,464,389	12.79%
1997	4,813,460	43,608,990	11.04%
1998	5,819,971	42,173,098	13.80%
1999	6,128,425	45,727,444	13.40%
2000	6,514,513	60,280,438	10.81%
2001	8,026,722	59,225,563	13.55%
2002	7,446,465	59,910,353	12.43%

(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, 2002

	Total Debt Outstanding	Percentage Applicable to City of Hoover	Amount Applicable to City of Hoover
Direct Debt:			
City of Hoover	$ 76,565,000	100.00%	$ 76,565,000
Total direct debt	76,565,000		76,565,000
Overlapping Debt:			
Hoover City Board of Education	156,285,000	100.00%	156,285,000
Jefferson County	268,230,000	10.11%	27,119,274
Jefferson County Board of Education	165,128,165	10.11%	16,695,209
Shelby County Board of Education	154,176,014	20.56%	31,700,012
Total overlapping debt	743,819,179		231,799,495
Total direct and overlapping debt	$ 820,384,179		$ 308,364,495

Source:
Hoover Board of Education
Jefferson County Board of Education
Shelby County Board of Education
Jefferson County Commission
Shelby County Commission

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

Fiscal Year	Population		Median Household Income		School Enrollment		Unemployment Rate	
1993	48,000	(E)	$ 53,472	(E)	7,483	(D)	2.3%	(B)
1994	50,000	(C)	53,472	(E)	7,683	(D)	1.7%	(B)
1995	55,000	(C)	59,083	(F)	8,210	(D)	1.6%	(B)
1996	56,000	(C)	59,083	(F)	8,663	(D)	1.3%	(B)
1997	58,500	(E)	60,000	(C)	9,018	(D)	1.3%	(B)
1998	60,000	(E)	61,757	(G)	9,310	(D)	1.1%	(B)
1999	62,000	(E)	61,982	(A)	9,463	(D)	1.4%	(B)
2000	62,742	(A)	62,500	(C)	9,794	(D)	1.2%	(B)
2001	64,605	(E)	74,580	(H)	10,265	(D)	1.5%	(B)
2002	65,885	(E)	78,133	(H)	10,765	(D)	1.6%	(B)

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

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

Fiscal Year	Value of Commercial Construction	Value of Residential Construction	Value of Miscellaneous Construction	Number of Building Permits Issued	Retail Sales
1993	$ 46,370,287 (A)	$ 147,744,433 (A)	$ 9,000,000 (C)	1,646 (A)	$ 1,750,000,000 (C)
1994	80,704,946 (A)	147,316,465 (A)	9,242,679 (A)	1,625 (A)	1,770,821,640 (B)
1995	62,787,313 (A)	156,126,270 (A)	11,038,992 (A)	1,504 (A)	1,785,945,765 (B)
1996	47,620,964 (A)	135,031,130 (A)	10,994,171 (A)	1,549 (A)	1,953,593,241 (B)
1997	62,487,614 (A)	135,970,884 (A)	13,982,824 (A)	1,622 (A)	2,113,443,540 (B)
1998	83,402,179 (A)	120,573,214 (A)	13,187,351 (A)	1,633 (A)	2,007,027,337 (B)
1999	109,762,038 (A)	124,288,600 (A)	20,232,976 (A)	1,594 (A)	2,313,734,299 (B)
2000	126,032,253 (A)	110,146,300 (A)	20,071,852 (A)	1,571 (A)	2,261,374,602 (B)
2001	88,476,750 (A)	118,770,857 (A)	35,364,796 (A)	1,470 (A)	2,323,507,000 (B)
2002	192,934,559 (A)	143,179,866 (A)	23,428,792 (A)	1,620 (A)	2,391,078,607 (B)

Source:
(A) Building Inspections Department
(B) Finance Department
(C) Estimate by City

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 2002

Date of Incorporation: May 18, 1967

Form of Government: Mayor-Council (5 members)

Number of Approved Positions:

Administration	19	
Development	2	
Engineering	5	
Finance	8	
Fleet	7	
Police	169	
Fire	157	
Human Resources	5	
Inspection Services	19	
Municipal Court	10	
Animal Control	2	
Public Safety Communications/Dispatch	30	
Public Works	85	
Revenue	7	
Sewer	1	
Support Services/MIS	8	
Parks & Recreation	52	
Library	93	
Total Approved Positions	679	(G)
(571 FT, 93 PT, 6 EO, 9 TP)		

Area (Square Miles): 38.95 (A)

Miles of Street:

Paved	269.96	(B)
Unpaved	0	(B)

Miles of Sewers:

Sanitary	86.1	(B)

Recreation:

Number of Parks	19	(C)
Acres of developed parks and lakes	568	(C)
Acres not developed	292	(C)

Public Safety:

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

Public Schools:

Established: August 29, 1988

Enrollment	10,765	(H)
Buildings:		
High schools	2	
Middle Schools	3	
Elementary Schools	9	

Population:

1968	410	(D)
1970	1,393	(D)
1980	19,792	(D)
1990	39,788	(D)
2000	62,742	(D)
2002	65,885	(E)

Number of housing units:

Owner occupied	18,947	(E)
Renter occupied	10,559	(E)
Total	29,506	(E)

Median Age: 36.46 (F)

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