



STATE OF ALABAMA  
DEPARTMENT OF EXAMINERS OF PUBLIC ACCOUNTS  
MONTGOMERY, ALABAMA 36130

*JEFFERSON COUNTY COMMISSION  
JEFFERSON COUNTY, ALABAMA  
OCTOBER 1, 1990 THROUGH SEPTEMBER 30, 1991*

*Filed: JAN 8 1993*

RONALD L. JONES  
CHIEF EXAMINER



93-070



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STATE OF ALABAMA  
DEPARTMENT OF EXAMINERS OF PUBLIC ACCOUNTS  
MONTGOMERY, ALABAMA 36130

Honorable Ronald L. Jones  
Chief Examiner of Public Accounts  
Montgomery, Alabama 36130

Dear Sir:

Under the authority of the Code of Alabama 1975, Section 41-5-14, we submit this report on the Jefferson County Commission for the period October 1, 1990 through September 30, 1991.

Scope and Objectives

This report encompasses an audit of financial statements of the Jefferson County Commission and a review of compliance by the Jefferson County Commission with applicable laws and regulations of the State of Alabama and federal financial assistance programs. This audit was conducted in accordance with generally accepted government auditing standards for financial audits. Objectives of this audit were to determine whether the financial statements present fairly the financial position and results of financial operations and whether the Jefferson County Commission has complied with applicable laws and regulations.

Contents of Report

This report includes the following segments:

1. Report to the Chief Examiner - contains items pertaining to state legal compliance, agency operations and other matters.
2. Financial Section - includes component unit financial statements (Exhibits 1 through 5); Notes to the Financial Statements; financial information supplemental to the component unit financial statements (Exhibits 6 through 18); a Schedule of Federal Financial Assistance (Exhibits 19), which details federal assistance received and expended during the audit period; Schedules required by the Alabama Department of Economic and Community Affairs (Exhibits 20 through 24), which provide grant information; and the Independent Auditor's Report, which reports on whether the included financial information constitutes a fair presentation of the financial position and results of financial operations.
3. Additional Information - contains basic information related to the auditee (Exhibit 25) and the following reports and items required by generally accepted government auditing standards and/or U.S. Office of Management and Budget (OMB) Circular A-128 for federal compliance audits:



Compliance Report Based on an Audit of Component Unit Financial Statements Performed in Accordance with Government Auditing Standards (Exhibit 26) - a report on whether the auditee has complied with laws and regulations which if not followed could have a material effect on the auditee's financial position and results of operations with positive assurance on the items tested and negative assurance on items not tested.

Report on the Internal Control Structure in Accordance with Government Auditing Standards (Exhibit 27) - a report on the internal control structure made as part of a financial statement audit.

Single Audit Opinion on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs (Exhibit 28) - a report which gives an opinion on the entity's compliance with specific requirements that are applicable to each of its major federal financial assistance programs.

Single Audit Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs (Exhibit 29) - a report on the general requirements which gives positive assurance on the items tested and negative assurance on the items not tested for federal programs.

Single Audit Report on Compliance With Requirements Applicable to Nonmajor Federal Financial Assistance Programs Transactions (Exhibit 30) - a report on compliance with specific requirements applicable to nonmajor program transactions that gives positive assurance on the items tested and negative assurance on items not tested.

Single Audit Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs (Exhibit 31) - a report on the internal controls used to administer federal financial assistance programs.

Schedule of Findings and Questioned Costs (Exhibit 32) - a schedule which reports instances of noncompliance and questioned costs for federal financial assistance programs.

Auditee Response (Exhibit 33) - a response by the auditee on the results of the audit.

#### Audit Comments

The Jefferson County Commission provides for public safety, construction and maintenance of county roads and bridges, sanitation services, health and welfare services, educational, cultural and recreational services to the citizens of Jefferson County.



Status of Prior Audits

Findings contained in the prior audit have been resolved.

Summary of Federal Compliance and Internal Control Structure

In the Community Development Block Grant Program's Emergency Shelter for the Homeless project, it appeared that provisions of the Alabama Competitive Bid Law were not complied with in three renovation projects. The Jefferson County Housing Authority, which had entered into a contract with the Commission to manage the homeless project, contracted with the highest bidder in each of the three projects. This resulted in an unallowed cost of \$5,709.00. The Jefferson County Housing Authority reimbursed the County for this amount and the money was put back into the program.

In the Office of Community Development's Rental Rehabilitation program, two of the houses that were renovated had unallowable costs totaling \$13,530.00. These projects were overseen by the Jefferson County Housing Authority, which reimbursed the County for this amount. The money was put back into the program.

Recommendations

The County should closely monitor services performed under contracts to ensure compliance with all laws and regulations.

Sworn to and subscribed  
before me this the 30th  
day of Dec., 1992

Jehly H. Nail  
Notary Public

Sworn to and subscribed  
before me this the 30th  
day of Dec., 1992.

Jehly H. Nail  
Notary Public

Respectfully submitted,

Teresa W. Durrett

Teresa W. Durrett  
Examiner of Public Accounts

Cathy M Cook

Cathy M. Cook  
Examiner of Public Accounts

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INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying component unit financial statements of the various funds and account groups of the Jefferson County Commission, oversight unit as of and for the year ended September 30, 1991, listed in the table of contents as Exhibits 1 through 5. These financial statements are the responsibility of the Jefferson County Commission. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the General Retirement System for the Employees of Jefferson County (Pension Trust Fund) which statements reflect total assets and revenues constituting 24.4% and 9.4%, respectively, of the related totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the General Retirement System, is based solely on the report of the other auditors.

The financial statements referred to above include only the financial activities of the oversight unit and the General Retirement System for the Employees of Jefferson County, a component unit of the Jefferson County Commission. Financial activities of other component units, if any, that form the reporting entity are not included.

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

In our opinion, based on our audit and the report of other auditors, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Jefferson County Commission, oversight unit, as of September 30, 1991, and the results of its operations and cash flows of its proprietary and similar trust fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the component unit financial statements referred to above taken as a whole. The accompanying supplemental (Exhibits 6 through 18) and supplementary (Exhibits 19 through 24) information is presented for purposes of additional analysis





*and is not a required part of the component unit financial statements of the Jefferson County Commission. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly stated in all material respects in relation to the component unit financial statements of the Jefferson County Commission taken as a whole.*



*Ronald L. Jones  
Chief Examiner*

*Department of Examiners of Public Accounts*

*October 20, 1992*



Jefferson  
County Commission

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
September 30, 1991

Exhibit #1

	Governmental Fund Types			Proprietary Fund Types		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 2,770,988.27	\$ 380,612.75	\$ 53,542.83	\$ 7,074,318.12	\$ 10,715,524.50	\$ 4,928,506.64
Investments	18,871,982.78	2,635,547.78	23,518,400.39	43,135,315.27	34,382,620.30	4,683,814.87
Receivables:						
Accounts Receivable	10,562,272.12	3,194,565.90	-	3,883.29	778,620.67	64,589.26
Patients	-	-	-	-	18,959,581.51	-
Allowance for Uncollectible Accounts	(5,151,863.21)	-	-	-	(13,195,073.34)	-
Contractual Agencies	-	-	-	-	4,679.95	-
Miscellaneous	-	-	-	-	152,972.83	-
Contributions Receivable	-	-	-	-	-	-
Total Receivables	5,410,408.91	3,194,565.90	-	3,883.29	6,700,781.62	64,589.26
Loans Receivable	-	1,855,341.54	-	-	-	-
Interest Receivable	-	13,305.11	739,097.00	-	-	-
Due From Other Funds	8,791.67	1,220,842.43	-	-	66,690.00	-
Due From Other Governmental Units	-	-	-	-	621.71	-
Inventories	135,272.67	996,024.72	-	-	875,804.75	893,734.56
Prepaid Items	-	-	-	-	87,258.55	-
Total Current Assets	27,197,444.30	10,296,240.23	24,311,040.22	50,213,516.68	52,829,301.43	10,570,645.33
<b>Other Assets</b>						
Property and Rights Held Under Deferred Compensation Plan	-	-	-	-	-	-
<b>Property, Plant and Equipment</b>						
Land	-	-	-	-	1,621,434.24	-
Buildings	-	-	-	-	274,277,402.53	592,913.71
Sanitary Sewer Infrastructure	-	-	-	-	33,534,275.04	-
Improvements Other than Land and Buildings	-	-	-	-	5,458,351.23	37,532.29
Equipment and Furniture	-	-	-	-	10,166,940.08	17,367,600.94
Maintenance Equipment	-	-	-	-	714,869.23	207,403.53
Motor Vehicle	-	-	-	-	5,522,952.23	3,262,399.88
Office Furniture and Fixture	-	-	-	-	747,435.30	833,592.09
Miscellaneous Equipment	-	-	-	-	1,760,922.54	803,097.14
Construction in Progress	-	-	-	-	1,540.00	-
Assets Under Capital Lease	-	-	-	-	2,095,328.68	-
Less: Accumulated Depreciation	-	-	-	-	(75,015,799.42)	(2,935,312.00)
Net Property, Plant and Equipment	-	-	-	-	260,885,651.68	20,169,227.58
<b>Other Debts</b>						
Amounts Available in Debt Service Funds	-	-	-	-	-	-
Amount to be Provided for Payment of General Long-Term Debt	-	-	-	-	-	-
<b>Total Assets</b>	\$ 27,197,444.30	\$ 10,296,240.23	\$ 24,311,040.22	\$ 50,213,516.68	\$ 313,714,953.11	\$ 30,739,872.91

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
September 30, 1991

Jefferson  
County Commission

	Governmental Fund Types				Proprietary Fund Types		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	
<b>Liabilities and Fund Equity</b>							
<b>Liabilities</b>							
Cash Deficit	\$ -	\$ 865,653.39	\$ -	\$ -	\$ 219,142.85	\$ 1,642,716.47	
Accounts Payable	1,516,092.14	1,478,306.22	-	1,392,687.23	5,429,430.88	1,738,550.13	
Accounts Payable-Contractual	-	-	-	-	2,005,196.53	-	
Accounts Payable-Other	-	-	-	-	1,413,177.27	-	
Accrued Payroll and Taxes	990,703.32	-	-	-	706,314.97	-	
Due to Other Funds	-	292.35	-	-	66,690.00	-	
Due to Other Governmental Units	-	1,288,125.62	-	-	-	-	
Superannuation Payable	48,750.04	-	-	-	-	3,010.00	
Retirement Payable	4,137.00	-	-	-	-	-	
Deposits	-	-	-	1,000,000.00	-	-	
Deferred Revenues	-	-	-	-	2,486,657.85	1,275,280.49	
Accrued Vacation and Sick Leave	-	-	-	-	66,093.84	348,255.72	
Arbitrage Rebate Payable	667,048.58	273,338.90	437,767.04	158,938.42	-	-	
Bonds and Warrants Payable	-	-	-	-	74,575,000.00	-	
Capital Lease-	-	-	-	-	-	-	
Purchase Contracts Payable	-	-	-	-	780,355.48	480,931.63	
Obligations to Employees Under	-	-	-	-	-	-	
Deferred Compensation Plan	-	-	-	-	-	-	
<b>Total Liabilities</b>	<b>3,226,731.08</b>	<b>3,905,716.48</b>	<b>437,767.04</b>	<b>2,531,525.65</b>	<b>87,748,059.47</b>	<b>5,488,744.44</b>	
<b>Fund Equity</b>							
Contributed Capital	-	-	-	-	165,579,664.67	19,291,249.30	
Investment in General Fixed Assets	-	-	-	-	-	-	
Retained Earnings:							
Reserve for Professional Liability	-	-	-	-	724,336.16	-	
Unreserved	-	-	-	-	54,730,324.68	4,871,831.96	
<b>Fund Balances:</b>							
Reserve for Encumbrances	158,495.45	313,057.21	-	1,108,776.52	4,056,203.38	193,887.65	
Reserve for Inventories	135,272.67	996,024.72	-	-	875,804.75	893,734.56	
Reserve for Debt Service	-	-	23,873,273.18	-	-	-	
Reserve for Petty Cash	43,025.00	200.00	-	-	560.00	425.00	
Reserve for Health Claims	(6,718.86)	-	-	-	-	-	
Reserve for Contingent Refunds	-	-	-	-	-	-	
Reserve for Retirement/	-	-	-	-	-	-	
Disability Benefits	-	-	-	46,553,214.51	-	-	
Unreserved	23,640,638.96	5,081,241.82	-	-	-	-	
<b>Total Retained Earnings/Fund Balance</b>	<b>23,970,713.22</b>	<b>6,390,523.75</b>	<b>23,873,273.18</b>	<b>47,661,991.03</b>	<b>60,387,228.97</b>	<b>5,959,879.17</b>	
<b>Total Fund Equity</b>	<b>23,970,713.22</b>	<b>6,390,523.75</b>	<b>23,873,273.18</b>	<b>47,661,991.03</b>	<b>225,966,893.64</b>	<b>25,251,128.47</b>	
<b>Total Liabilities and Fund Equity</b>	<b>\$ 27,197,444.30</b>	<b>\$ 10,296,240.23</b>	<b>\$ 24,311,040.22</b>	<b>\$ 50,213,516.68</b>	<b>\$ 313,714,953.11</b>	<b>\$ 30,739,872.91</b>	

	Fiduciary		Account Groups		Totals (Memorandum Only) Current Year	
	Fund Types		General			
	Trust and Agency	Fixed Assets	General	Long-Term Debt		
<b>Current Assets</b>	\$	155,278.07	\$	-	\$	26,078,771.18
Cash and Cash Equivalents						363,663,255.60
Investments		236,435,574.21				14,603,931.24
Receivables:						18,959,581.51
Accounts Receivable						(18,346,936.55)
Patients						4,679.95
Allowance for Uncollectible Accounts						152,972.83
Contractual Agencies						232,588.00
Miscellaneous		232,588.00				15,606,816.98
Contributions Receivable		232,588.00				4,570,244.75
Total Receivables		2,714,903.21				752,402.11
Loans Receivable						66,982.35
Interest Receivable		292.35				1,290,882.81
Due From Other Funds		60,627.00				2,900,836.70
Due From Other Governmental Units						87,258.55
Inventories						415,017,451.03
Prepaid Items		239,599,262.84				
Total Current Assets						
<b>Other Assets</b>		8,160,591.70				8,160,591.70
Property and Rights Held Under Deferred Compensation Plan						
<b>Property, Plant and Equipment</b>						8,973,635.92
Land						354,045,996.75
Buildings			7,352,201.68			33,534,275.04
Sanitary Sewer Infrastructure			79,175,680.51			
Improvements Other than Land and Buildings						8,421,069.75
Equipment and Furniture			2,925,186.23			27,534,541.02
Maintenance Equipment						4,751,092.82
Motor Vehicle						32,163,103.53
Office Furniture and Fixture			3,828,820.06			5,464,795.58
Miscellaneous Equipment			23,377,751.42			9,142,162.56
Construction in Progress			3,883,768.19			7,721,404.71
Assets Under Capital Lease			6,578,142.88			2,314,012.66
Less: Accumulated Depreciation			7,719,864.71			(77,951,111.42)
Net Property, Plant and Equipment			218,683.98			416,114,978.92
			135,060,099.66			
<b>Other Debits</b>						20,971,928.04
Amount Available in Debt Service Funds						129,830,199.32
Amount to be Provided for Payment of General Long-Term Debt						
<b>Total Assets</b>	\$	247,759,854.54	\$	135,060,099.66	\$	990,095,149.01

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
September 30, 1991

Jefferson  
County Commission

	Fiduciary		Account Groups		Totals	
	Fund Types Trust and Agency	General Fixed Assets	General Term Debt	(Memorandum Only) Current Year		
<b>Liabilities and Fund Equity</b>						
<b>Liabilities</b>						
Cash Deficit	\$ 5,303.41	\$ -	\$ -	\$ -	2,732,816.12	
Accounts Payable	99,897.75	-	-	-	11,654,964.15	
Accounts Payable-Contractual	-	-	-	-	2,005,196.53	
Accounts Payable-Other	-	-	-	-	1,413,177.27	
Accrued Payroll and Taxes	-	-	-	-	1,697,018.29	
Due to Other Funds	-	-	-	-	66,982.35	
Due to Other Governmental Units	-	-	-	-	1,288,125.62	
Superannuation Sheriff	-	-	-	-	48,750.04	
Retirement Payable	-	-	-	-	7,147.00	
Deposits	-	-	-	-	1,000,000.00	
Deferred Revenues	-	-	-	-	9,589,417.46	
Accrued Vacation and Sick Leave	-	-	-	-	1,010,955.02	
Arbitrage Rebate Payable	1,488.04	-	4,885,603.60	-	220,429,765.45	
Bonds and Warrants Payable	-	-	-	-	-	
Capital Lease-	-	-	145,854,765.45	-	-	
Purchase Contracts Payable	-	-	61,758.31	-	1,323,045.42	
Obligations to Employees Under	8,160,591.70	-	-	-	8,160,591.70	
Deferred Compensation Plan	-	-	-	-	-	
<b>Total Liabilities</b>	<b>8,267,280.90</b>	<b>-</b>	<b>150,802,127.36</b>	<b>-</b>	<b>262,427,952.42</b>	
<b>Fund Equity</b>						
Contributed Capital	-	-	-	-	184,870,913.97	
Investment in General Fixed Assets	-	135,060,099.66	-	-	135,060,099.66	
Retained Earnings:	-	-	-	-	724,336.16	
Reserve for Professional Liability	-	-	-	-	59,602,156.64	
Unreserved	-	-	-	-	-	
<b>Fund Balances:</b>						
Reserve for Encumbrances	-	-	-	-	5,830,420.21	
Reserve for Inventories	-	-	-	-	2,900,836.70	
Reserve for Debt Service	-	-	-	-	23,873,273.18	
Reserve for Petty Cash	-	-	-	-	44,210.00	
Reserve for Health Claims	-	-	-	-	(6,718.86)	
Reserve for Contingent Refunds	32,587,008.00	-	-	-	32,587,008.00	
Reserve for Retirement/	203,010,572.00	-	-	-	203,010,572.00	
Disability Benefits	3,994,993.64	-	-	-	79,170,086.93	
Unreserved	-	-	-	-	-	
<b>Total Retained Earnings/Fund Balance</b>	<b>239,492,573.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>407,736,182.96</b>	
<b>Total Fund Equity</b>	<b>239,492,573.64</b>	<b>135,060,099.66</b>	<b>-</b>	<b>-</b>	<b>727,667,196.59</b>	
<b>Total Liabilities and Fund Equity</b>	<b>\$ 247,759,854.54</b>	<b>\$ 135,060,099.66</b>	<b>\$ 150,802,127.36</b>	<b>\$ -</b>	<b>\$ 990,095,149.01</b>	

The accompanying Notes to the Financial Statements are an integral part of this statement.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS  
For the Fiscal Year Ended September 30, 1991

	Governmental Fund Types				Fiduciary Fund Types		Totals (Memorandum Only) Current Year
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust		
<b>Revenues</b>							
Taxes	\$ 36,933,722.06	\$ 47,466,937.58	\$ -	\$ -	\$ -	\$ -	\$ 84,400,659.64
Licenses and Permits	36,232,568.18	12,964.63	-	-	-	-	36,245,532.81
Intergovernmental Revenues	8,067,732.85	13,004,740.41	-	367,993.00	398,103.97	-	21,838,570.23
Charges for Services	9,822,829.02	1,538,773.38	-	-	258.23	-	11,361,860.63
Miscellaneous Revenues	3,969,646.87	1,607,398.38	556,537.29	-	228,670.77	-	8,975,203.96
<b>Total Revenues</b>	<b>95,026,498.98</b>	<b>63,630,814.38</b>	<b>556,537.29</b>	<b>2,980,943.65</b>	<b>627,032.97</b>	<b>-</b>	<b>162,821,827.27</b>
<b>Expenditures</b>							
Current							
General Government	43,030,266.93	27,179,042.48	-	1,210,975.51	69,393.35	-	71,489,678.27
Public Safety	28,996,957.13	-	-	-	-	-	28,996,957.13
Highways and Streets	-	29,245,607.21	-	9,148,581.43	-	-	38,394,188.64
Education	1,966,811.06	-	-	-	-	-	1,966,811.06
Capital Outlay	1,219,925.95	592,980.00	-	4,456,259.04	-	-	6,269,164.99
Debt Service:							
Issuance Costs	-	-	157,704.61	-	-	-	157,704.61
Principal Payments	45,795.44	-	4,784,999.55	-	-	-	4,830,794.99
Interest and Fiscal Charges	5,865.64	5,938.35	1,519,482.86	-	-	-	1,531,286.85
<b>Total Expenditures</b>	<b>75,265,622.15</b>	<b>57,023,568.04</b>	<b>6,462,187.02</b>	<b>14,815,815.98</b>	<b>69,393.35</b>	<b>153,636,586.54</b>	
<b>Excess (deficiency) of revenues over expenditures</b>	<b>19,760,876.83</b>	<b>6,607,246.34</b>	<b>(5,905,649.73)</b>	<b>(11,834,872.33)</b>	<b>557,639.62</b>	<b>9,185,240.73</b>	
<b>Other Financing Sources (Uses)</b>							
Operating Transfers In	5,000.00	33,286,933.55	15,959,694.14	6,634,184.46	237,138.60	-	56,122,950.75
Operating Transfers Out	(15,021,641.69)	(38,383,681.61)	(17,566.71)	(2,459,593.08)	-	-	(55,882,483.09)
Proceeds from Bond Issue	-	-	-	38,943,488.53	-	-	38,943,488.53
Discount on Bonds Sold	-	-	(876,104.55)	-	-	-	(876,104.55)
Proceeds from Sale of Fixed Assets	-	6,277.50	-	-	-	-	6,277.50
<b>Total Other Financing Sources (Uses)</b>	<b>(15,016,641.69)</b>	<b>(5,090,470.56)</b>	<b>15,066,022.88</b>	<b>43,118,079.91</b>	<b>237,138.60</b>	<b>38,314,129.14</b>	
<b>Excess (deficiency) of revenues over expenditures and other sources (uses)</b>	<b>4,744,235.14</b>	<b>1,516,775.78</b>	<b>9,160,373.15</b>	<b>31,283,207.58</b>	<b>794,778.22</b>	<b>47,499,369.87</b>	
<b>Fund Balances at beginning of year as restated</b>	<b>\$ 19,226,478.08</b>	<b>\$ 4,873,747.97</b>	<b>\$ 21,260,276.03</b>	<b>\$ 16,378,783.45</b>	<b>\$ 3,100,215.42</b>	<b>\$ 64,839,500.95</b>	
<b>Residual Equity Transfers In/(Out)</b>	<b>-</b>	<b>-</b>	<b>(6,547,376.00)</b>	<b>-</b>	<b>-</b>	<b>(6,547,376.00)</b>	
<b>Fund Balances at end of year</b>	<b>\$ 23,970,713.22</b>	<b>\$ 6,390,523.75</b>	<b>\$ 23,873,273.18</b>	<b>\$ 47,661,991.03</b>	<b>\$ 3,894,993.64</b>	<b>\$105,791,494.82</b>	

The accompanying Notes to the Financial Statements are an integral part of this statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL—GENERAL, SPECIAL REVENUE, DEBT SERVICE  
AND CAPITAL PROJECTS FUND TYPES  
For the Fiscal Year Ended September 30, 1991**

Jefferson  
County Commission

	General Fund			Special Revenue Funds			Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues</b>							
Taxes	\$ 35,691,450.00	\$ 36,933,722.06	\$ 1,242,272.06	\$ 47,176,485.00	\$ 47,466,937.58	\$ 290,452.58	
Licenses and Permits	37,804,280.00	36,232,568.18	(1,571,711.82)	9,130.00	12,964.63	3,834.63	
Intergovernmental Revenues	7,873,050.50	8,067,732.85	194,682.35	13,635,288.00	13,004,740.41	(630,547.59)	
Charges for Services	12,050,414.00	9,822,829.02	(2,227,584.98)	1,932,312.00	1,538,773.38	(393,538.62)	
Miscellaneous Revenues	3,677,023.94	3,969,646.87	292,622.93	859,337.00	1,607,398.38	748,061.38	
<b>Total Revenues</b>	<b>97,096,218.44</b>	<b>95,026,498.98</b>	<b>(2,069,719.46)</b>	<b>63,612,552.00</b>	<b>63,630,814.38</b>	<b>18,262.38</b>	
<b>Expenditures</b>							
<b>Current</b>							
General Government	42,649,912.67	43,030,266.93	(380,354.26)	28,657,749.22	27,179,042.48	1,478,706.74	
Public Safety	29,046,951.96	28,996,957.13	49,994.83	51,512.07	51,512.07	-	
Highways and Streets	-	-	-	29,037,781.27	29,245,607.21	(207,825.94)	
Sanitation	-	-	-	-	-	-	
Education	1,989,068.20	1,966,811.06	22,257.14	-	-	-	
Capital Outlay	1,420,481.17	1,219,325.95	200,555.22	967,851.45	592,980.00	374,871.45	
Debt Service:							
Issuance Costs	-	-	-	-	-	-	
Principal Retirement	46,054.26	45,795.44	258.82	-	-	-	
Interest and Fiscal Charges	5,615.69	5,865.64	(249.95)	9,800.00	5,938.35	3,861.65	
<b>Total Expenditures</b>	<b>75,158,083.95</b>	<b>75,265,822.15</b>	<b>(107,538.20)</b>	<b>58,724,694.01</b>	<b>57,023,568.04</b>	<b>1,701,125.97</b>	
<b>Excess (deficiency) of revenues over expenditures</b>	<b>21,938,134.49</b>	<b>19,760,876.83</b>	<b>(2,177,257.66)</b>	<b>4,887,857.99</b>	<b>6,607,246.34</b>	<b>1,719,388.35</b>	
<b>Other Financing Sources (Uses)</b>							
Operating Transfers In	116,000.00	5,000.00	(111,000.00)	33,438,200.00	33,286,933.55	(151,266.45)	
Operating Transfers Out	(23,372,587.13)	(15,021,641.69)	8,350,945.44	(41,844,320.00)	(38,383,681.61)	3,460,638.39	
Proceeds from Sale of Fixed Assets	-	-	-	8,000.00	6,277.50	(1,722.50)	
<b>Total Other Financing Sources (Uses)</b>	<b>(23,256,587.13)</b>	<b>(15,016,641.69)</b>	<b>8,239,945.44</b>	<b>(8,398,120.00)</b>	<b>(5,090,470.56)</b>	<b>3,307,649.44</b>	
<b>Excess (deficiency) of revenues over expenditures and other sources (uses)</b>	<b>(1,318,452.64)</b>	<b>4,744,235.14</b>	<b>6,062,687.78</b>	<b>(3,510,262.01)</b>	<b>1,516,775.78</b>	<b>5,027,037.79</b>	
<b>Fund Balances at beginning of year</b>	<b>\$ 19,226,478.08</b>	<b>\$ 19,226,478.08</b>	<b>\$ -</b>	<b>\$ 4,873,747.97</b>	<b>\$ 4,873,747.97</b>	<b>\$ -</b>	
<b>Fund Balances at end of year</b>	<b>\$ 17,908,025.44</b>	<b>\$ 23,970,713.22</b>	<b>\$ 6,062,687.78</b>	<b>\$ 1,363,485.96</b>	<b>\$ 6,390,523.75</b>	<b>\$ 5,027,037.79</b>	



COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL—GENERAL, SPECIAL REVENUE, DEBT SERVICE  
AND CAPITAL PROJECTS FUND TYPES  
For the Fiscal Year Ended September 30, 1991

	Capital Projects Funds				Debt Service Fund				
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>									
<b>Taxes</b>									
Licenses and Permits	7,000.00	-	(7,000.00)	-	-	-	-	-	-
Intergovernmental Revenues	-	367,993.00	367,993.00	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	2,810,000.00	2,612,950.65	(197,049.35)	278,541.36	556,537.29	277,995.93			
<b>Total Revenues</b>	<b>2,817,000.00</b>	<b>2,980,943.65</b>	<b>163,943.65</b>	<b>278,541.36</b>	<b>556,537.29</b>	<b>277,995.93</b>			
<b>Expenditures</b>									
<b>Current</b>									
General Government	845,365.09	1,210,975.51	(365,610.42)	1,102,975.00	-	1,102,975.00			1,102,975.00
Public Safety	-	-	-	-	-	-			-
Highways and Streets	3,275,962.47	9,148,581.43	(5,872,618.96)	-	-	-			-
Sanitation	14,621,290.41	-	14,621,290.41	-	-	-			-
Education	-	-	-	-	-	-			-
Capital Outlay	4,893,007.17	4,456,259.04	436,748.13	-	-	-			-
Debt Services:									
Issuance Costs	-	-	-	-	-	-			-
Principal Retirement	-	-	-	-	-	-			-
Interest and Fiscal Charges	-	-	-	-	-	-			-
<b>Total Expenditures</b>	<b>23,635,625.14</b>	<b>14,815,815.98</b>	<b>8,819,809.16</b>	<b>17,109,314.49</b>	<b>6,462,187.02</b>	<b>10,646,127.47</b>			
Excess (deficiency) of revenues over expenditures	(20,818,625.14)	(11,834,872.33)	8,983,752.81	(16,829,773.13)	(5,905,649.73)	10,924,123.40			
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	30,425,652.33	6,634,184.46	(23,792,467.87)	23,371,279.60	15,959,694.14	(7,411,585.46)			
Operating Transfers Out	(2,529,113.08)	(2,459,593.08)	69,520.00	-	(17,566.71)	-			
Proceeds from Bond Issue	38,943,488.53	38,943,488.53	-	-	-	-			-
Discount on Bonds Sold	-	-	-	(876,104.55)	(876,104.55)	-			-
<b>Total Other Financing Sources (Uses)</b>	<b>66,841,027.78</b>	<b>43,118,079.91</b>	<b>(23,722,947.87)</b>	<b>22,495,175.05</b>	<b>15,066,022.88</b>	<b>(7,429,152.17)</b>			
Excess (deficiency) of revenues over expenditures and other sources (uses)	46,022,402.64	31,283,207.58	14,739,195.06	5,665,401.92	9,160,373.15	3,494,971.23			
Fund Balances at beginning of year as Restated	\$ 16,378,783.45	\$ 16,378,783.45	\$ -	\$ -	\$ 21,260,276.03	\$ -			
Residual Equity Transfers In/(Out)	\$ 62,401,186.09	\$ 47,661,991.03	\$ 14,739,195.06	\$ 26,925,677.95	\$ 23,873,273.18	\$ (3,052,404.77)			
Fund Balances at end of year									

The accompanying Notes to the Financial Statements are an integral part of this statement.

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS  
 For the Fiscal Year Ended September 30, 1991

Jefferson  
 County Commission

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only) Current Year
	Enterprise Funds	Internal Service Funds	Pension Trust Fund		
<b>Operating Revenues</b>	\$ 2,201,219.09	\$ -	\$ -	\$ -	2,201,219.09
Taxes	6,675.50	-	-	-	6,675.50
Licenses and Permits	-	1,384,576.27	-	-	1,384,576.27
Intergovernmental Revenues	42,051,533.69	19,795,944.96	-	-	61,847,478.65
Charges for Services	3,603,705.15	722,485.50	-	-	4,326,190.65
Miscellaneous Revenues	46,390,620.92	-	-	-	46,390,620.92
Patient Revenue	(3,588,882.67)	-	-	-	(3,588,882.67)
Less: Deductions	(2,934,859.51)	-	-	-	(2,934,859.51)
Third Party Contractual Allowance	(634,267.50)	-	-	-	(634,267.50)
Bad Debts	(20,012,399.44)	-	-	-	(20,012,399.44)
Other Deductions	(27,170,409.12)	-	-	-	(27,170,409.12)
Classified Indigent Care	19,220,211.80	-	-	-	19,220,211.80
Total Deductions From Revenue	29,603,804.00	-	-	-	29,603,804.00
Net Patient Revenue	2,458,685.48	-	-	-	2,458,685.48
Medicaid Disproportionate Share	-	-	4,715,854.00	-	4,715,854.00
Other Operating Revenue	-	-	4,703,747.00	-	4,703,747.00
Contributions-Employer	-	-	12,785,350.00	-	12,785,350.00
Contributions-Employees	-	-	3,263,056.00	-	3,263,056.00
Interest on Investments	-	-	3,899,487.00	-	3,899,487.00
Dividends on Investments	-	-	240,844.00	-	240,844.00
Net Gain on Sale of Investments	-	-	-	-	-
Other Revenue	-	-	-	-	-
<b>Total Operating Revenues</b>	99,145,834.71	21,903,006.73	29,608,338.00	-	150,657,179.44
<b>Operating Expenses</b>	35,821,872.14	10,377,639.32	67,153.00	-	46,266,664.46
Salaries and Wages	2,731,316.18	1,135,731.29	-	-	3,867,047.47
Contract Services	8,521,518.48	2,543,637.62	-	-	11,065,156.10
Fringe Benefits	4,601,510.15	1,985,824.69	-	-	6,587,334.84
Utilities	9,378,058.52	91,053.38	-	-	10,069,111.90
Depreciation	7,186,776.00	1,105,691.99	-	-	8,292,467.99
Outside Services	3,195,063.83	-	-	-	3,195,063.83
Services from Other Hospitals	6,186,066.00	-	-	-	6,186,066.00
Jefferson Clinic	2,899,779.19	532,765.97	-	-	3,432,545.16
County Maintenance	2,370,645.85	991,317.54	-	-	3,361,963.39
Office Expenses	8,828,687.86	5,381,824.54	-	-	14,210,512.40
Supplies	3,218,803.07	2,164,252.77	-	-	5,499,965.84
All Other	-	-	116,910.00	-	116,910.00
Investment Manager Fees	-	-	747,619.00	-	747,619.00
Pension Benefits	-	-	4,648,489.00	-	4,648,489.00
Refunds of Employees Contributions	-	-	916,521.00	-	916,521.00
Interest Paid on Refunds	-	-	168,532.00	-	168,532.00
<b>Total Operating Expenses</b>	95,540,097.27	26,309,739.11	6,665,224.00	-	128,515,060.38
<b>Operating Income/(Loss) Forward to Sheet 2</b>	3,605,737.44	(4,406,732.38)	22,943,114.00	-	22,142,119.06

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS  
For the Fiscal Year Ended September 30, 1991

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only) Current Year
	Enterprise Funds	Internal Service Funds	Pension Trust Fund		
Operating Income/(Loss) Forward from Sheet 1	3,605,737.44	(4,406,732.38)	22,943,114.00		22,142,119.06
<u>Non-Operating Revenues (Expenses)</u>					
Miscellaneous Revenues	\$ 63,917.73				63,917.73
Proceeds from Sale of Fixed Assets	22,111.50				22,111.50
Interest Payments	(5,398,536.80)	(58,031.56)	-		(5,456,568.36)
Excess of Non-Operating Revenues Over/(Under) Non-Operating Expenses	(5,312,507.57)	(58,031.56)	-		(5,370,539.13)
Income/(Loss) Before Operating Transfers	(1,706,770.13)	(4,464,763.94)	22,943,114.00		16,771,579.93
Operating Transfers In/(Out)	1,320,974.25	(1,561,441.91)	-		(240,467.66)
Net Income/(Loss)	(385,795.88)	(6,026,205.85)	22,943,114.00		16,531,112.27
Retained Earnings/Fund Balance, Beginning of year as Restated	60,773,024.85	11,986,085.02	212,654,466.00		285,413,575.87
Retained Earnings/Fund Balance, end of year	\$ 60,387,228.97	\$ 5,959,879.17	\$ 235,597,580.00	\$	\$ 301,944,688.14

The accompanying Notes to the Financial Statements are an integral part of this statement.

COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS  
 For the Fiscal Year Ended September 30, 1991

Jefferson  
 County Commission

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only) Current Year
	Enterprise Funds	Internal Service Funds	Pension Trust Fund		
<u>Cash Flows From Operating Activities:</u>					
Cash received from customers	59,905,824.22	21,648,168.19	8,816,782.00		81,553,992.41
Cash received from contributions					8,816,782.00
Cash payments to suppliers for goods and services	(40,650,123.06)	(13,118,486.91)	(4,734,401.00)		(58,503,010.97)
Cash payments to employees for services	(44,353,451.77)	(12,858,861.45)	(814,772.00)		(58,027,085.22)
Other operating revenues	8,270,285.22	722,835.50	240,844.00		9,233,964.72
Cash received from Medicaid	29,603,804.00				29,603,804.00
Net Cash Provided By Operating Activities	12,776,338.61	(3,606,344.67)	3,508,453.00		12,678,446.94
<u>Cash Flows From Noncapital Financing Activities:</u>					
Operating transfers in(out)	1,320,974.25	(1,561,441.91)			(240,467.66)
Net Cash Provided By (Used For) Noncapital Financing Activities	1,320,974.25	(1,561,441.91)	0.00		(240,467.66)
<u>Cash Flows From Capital and Related Financing Activities:</u>					
Acquisition of capital assets	(30,743,075.18)	(831,748.71)			(31,574,823.89)
Capital contributed by government	6,547,376.00				6,547,376.00
Principal paid on warrants/leases	(1,040,000.00)				(1,040,000.00)
Proceeds from sale of equipment	349,162.53				349,162.53
Net Cash Provided By (Used For) Capital and Related Financing Activities	(24,886,536.65)	(831,748.71)	0.00		(25,718,285.36)
<u>Cash Flows From Investing Activities:</u>					
Interest/dividends on investments	23,497.69	(6,520.67)			16,977.02
Gain on sale of investments		3,351,387.68			3,351,387.68
Purchase of investment securities	10,856,884.46				(11,956,883.54)
Interest paid on refunds					(168,532.00)
Interest paid on warrants/leases	(5,398,536.80)	(58,031.56)			(5,456,568.36)
Net Cash Provided By (Used For) Investing Activities	5,481,845.35	3,286,835.45	(3,034,407.00)		5,734,273.80
Net Increase(Decrease) in Cash and Cash Equivalents	(5,307,378.44)	(2,712,699.84)	474,046.00		(7,546,032.28)
Cash and Cash Equivalents-Beginning of Year	15,803,760.09	5,998,490.01	(464,917.00)		21,337,333.10
Cash and Cash Equivalents-End of Year	10,496,381.65	3,285,790.17	9,129.00		13,791,300.82

COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS  
For the Fiscal Year Ended September 30, 1991

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only) Current Year
	Enterprise Funds	Internal Service Funds	Pension Trust Fund		
<u>Reconciliation of Operating Income To Net Cash Provided By (Used for) Operating Activities</u>					
Operating Income (Loss)	3,605,737.44	(4,406,732.38)	22,943,114.00		22,142,119.06
<u>Adjustments to reconcile operating income to net cash provided by (used for) operating activities:</u>					
Depreciation expense	9,978,058.52	91,053.38			10,069,111.90
Decrease in prepaid items	8,704.92				8,704.92
(Increase)decrease in accounts receivable	(1,365,921.27)	467,724.96	313,702.00		(584,494.31)
(Increase)decrease in inventories	164,603.74	2,197.42			166,801.16
Increase(decrease)in accounts payable	579,116.06	472,825.62	30,998.00		1,082,939.68
Increase(decrease)in accrued payroll and taxes	151,362.40				151,362.40
Increase(decrease)in deposits payable		272.00			272.00
Increase(decrease)in compensated absences	(10,061.15)	62,415.49			52,354.34
Increase(decrease)in capital lease payable	(335,262.05)	(296,101.16)			(631,363.21)
Interest on Investments			(12,785,350.00)		(12,785,350.00)
Interest paid on refunds			168,532.00		168,532.00
Dividends			(3,263,056.00)		(3,263,056.00)
Loss (gain) on sale of assets			(3,899,487.00)		(3,899,487.00)
Total Adjustments	9,170,601.17	800,387.71	(19,434,661.00)		(9,463,672.12)
Net cash provided by (used for) operating activities	12,776,338.61	(3,606,344.67)	3,508,453.00		12,678,446.94

The accompanying Notes to the Financial Statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The component unit financial statements of the Jefferson County Commission, the oversight unit, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the County Commission, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic--but not the only--criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following agency was found to be a component unit of the Jefferson County Commission's reporting entity.

The General Retirement System for the Employees of Jefferson County (GRS) benefits the employees and is governed by a five member pension board. An election committee named by the GRS members nominate two potential board members that the active pension members elect. The board operates the pension plan in accordance with Act No. 497, Acts of Alabama, 1965, and its amendments.

The Jefferson County Commission, a three member body, was established on December 13, 1819. Beginning January 20, 1987, the Commission body changed to five members pursuant to the consent settlement in United States District Court case number CV-84-C-1730-S. The County operates under a commission form of government and provides the following services: Public Safety; Highways and Streets; Sanitation, Health and Social Services; Culture-Recreation; Public Improvement; Planning and Zoning; and General Administrative Services.

B. Fund Accounting

The Jefferson County Commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general fixed assets (Capital Projects Funds), and the servicing of general long-term debt (Debt Service Funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

General Fund

The Jefferson County Commission primarily received revenues from collections of an occupational tax, property taxes, county sales taxes, and revenues collected by the State of Alabama and shared with the County.

Special Revenue Funds

These funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, the County's general long-term debt principal and interest.

NOTES TO THE FINANCIAL STATEMENTS  
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Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Trust Funds).

Proprietary Funds - Proprietary Funds are used to account for the activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services for such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the County (Internal Service Funds).

Enterprise Funds - These funds are used to account for activities where the intent of the County 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 county decided that periodic income determination is appropriate for capital maintenance, public policy, management control accountability or other purposes.

Internal Service Funds - These funds are used to account for the financing of goods and services provided by a county department or agency to other county departments and agencies or to other governmental units on a cost reimbursement basis.

Fiduciary Fund Types

Fiduciary fund types are used to account for resources held by the County in a trustee capacity or as an agent for other organizations or individuals. Assets of fiduciary fund types do not belong to the County; the County has a liability to disburse those assets to specific individuals or organizations.

Expendable Trust Funds

These funds are used to account for the assets held in trust by the County and disbursed at the direction of law, a specific individual or an organization.

Pension Trust Fund - This fund is used to account for the assets of the General Retirement System for Employees of Jefferson County.

Agency Funds - These funds are used to account for the assets which belong to other organizations and individuals. The County collects these assets and transfers them to the proper parties.



Account groups are used to establish accounting control and accountability for the County's general fixed assets and the unmatured principal of its general long-term debt. These account groups are not funds. They do not reflect available financial resources and related liabilities - but are accounting records of the general fixed assets and general long-term debt and certain associated information.

ACCOUNT GROUPS

General Fixed Assets Account Group - This account group is used to account for all County fixed assets except those related to specific Proprietary Funds or Trust Funds.

General Long-Term Debt Account Group - This account group is used to account for all unmatured long-term liabilities of the County except for the long-term liabilities of Proprietary Fund and Trust Funds.

C. Basis of Accounting

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Funds, Nonexpendable Trust Funds and Pension Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, Expendable Trust Funds and Agency Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

NOTES TO THE FINANCIAL STATEMENTS  
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The accrual basis of accounting is utilized by proprietary fund types, Pension Trust Funds and Nonexpendable Trust Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

D. Budgets and Encumbrances

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue, Capital Projects, Proprietary and Debt Service Funds. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting -- under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation -- is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the County Commission to invest in obligations of the U. S. Treasury and securities of federal agencies.

Investments are stated at cost or amortized cost, except for investments in the deferred compensation agency fund which are reported at market value.

F. Accounts Receivable

Accounts receivables for governmental and fiduciary fund types consist primarily of amounts due from other governmental units/departments. Accounts receivables in the proprietary fund type are those receivables for Cooper Green Hospital. The receivables from patients, insurance companies and third party reimbursement contractual agencies are recorded at regular patient services rates. Indigent patients' accounts are discounted based on the patients' financial classification. Certain third-party insured accounts (such as Blue Cross, Medicare, and Medicaid) are based on cost reimbursement agreements which generally result in the Hospital's collecting less than the established charge rates. Final determination of the settlement is subject to review by appropriate authorities. Adequate allowances have been provided for doubtful accounts, charity, and contractual adjustments. Doubtful accounts are written off against the allowance after adequate collection effort is exhausted.

G. Short-Term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or service rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

H. Inventories

Inventories are carried on the books at cost, which approximates market, using the last invoice price method. Inventories in the General and Special Revenue funds consist of expendable supplies held for consumption. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Reported inventories are offset by fund balance reserves, which indicate that they do not constitute available spendable resources.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 1991, are recorded as prepaid items.

J. Fixed Assets

Governmental Funds -- General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

Accumulated depreciation is recorded in the General Fixed Assets Account Group for management cost finding analysis. Depreciation [expense] is not recorded or provided on general fixed assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Proprietary Funds -- Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation of buildings, equipment, and vehicles in the proprietary fund types is computed using the straight-line method over the estimated useful lives.

NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 1991

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County Commission

K. Other Debits

The general long-term debt account group reflects an account entitled "Amount to be Provided for Payment of General Long-Term Debt." This account has a debit balance and is an off-set to the general obligation payable. It does not constitute an asset of the county.

L. Accumulated Unpaid Annual and Sick Pay

The Jefferson County Commission has a standard leave policy for its full time employees as to sick and annual leave.

Vacation Leave - An employee holding a regular position shall earn vacation leave in accordance with his longevity of service as follows:

- 0 to 12 years.....1 day per month of service
- 12 to 25 years.....1-1/2 days per month of service
- Over 25 years.....2 days per month of service

Vacation earned but not used during the calendar year may be accumulated up to a maximum of forty (40) days. Vacation leave earned in excess of the maximum accumulation stipulated must be used by December 31 or it shall be forfeited.

Sick Leave - Sick leave shall be earned at the rate of one (1) work day for each month of service. Sick leave earned during the calendar year but not used may be accumulated up to a maximum of sixty (60) days. Sick leave earned in excess of the maximum shall be held in a special reserve and may be granted as supplementary sick leave in accordance with Rule 7.23. On September 29, 1992 the County adopted a "wellness program" to convert unused sick leave to retirement credit. The program does not affect the financial statements for the fiscal year ended September 30, 1991.

A permanent employee separating or retiring from the service in good standing shall receive terminal pay for his accrued vacation not to exceed forty (40) days. A permanent employee who resigns or retires for the service in good standing after five (5) years of service may, subject to the approval of the appointing authority, receive terminal pay for fifty (50) percent of his accrued sick leave not to exceed fifty (50) percent of sixty (60) days.

The Financial Accounting Standards Board (FASB) requires the accrual of a liability for future vacation, sick, or other leave benefits that meet all of the following conditions:

a. The employer's obligation relating to employees' right to receive compensation for future absences is attributable to employees' services already rendered.

b. The obligation relates to rights that vest or accumulate.

c. Payment of the compensation is probable.

d. The amount can be reasonably estimated.

The amount of the liability accrued for all full time employees of the County as of September 30, 1991 was \$9,589,417.46

M. Accounts Payable

A liability of \$ 758,335.00 is included in Accounts Payable in the Enterprise Fund (Cooper Green Hospital). This liability is in dispute with the Hospital's former computer system - McAuto Company. The McAuto Company promised that this system would perform certain functions which the Hospital says it did not do. As a result, the Hospital refused to pay the remainder of the contract and McAuto has refused to release the Hospital from the liability.

N. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in those funds.

The long-term liability of Cooper Green Hospital consists of a liability for payment of a new energy efficient system and installation and implementation of the system. The liability will be paid through the shared-savings program whereby 75 percent of the cost savings between the current energy cost and the historical energy cost will be paid to the contractor.

O. Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Contributed capital is recorded in Proprietary Funds that have received capital contributions from other funds.

NOTES TO THE FINANCIAL STATEMENTS  
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P. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period.

Q. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

R. Memorandum Only - Total Columns

Total Columns on the component unit financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - Budgets and Appropriations

The State Legislature enacted the County Financial Control Act of 1935 which is the present statutory basis for county budgeting operations. Under the terms of the County Financial Control Act, each county commission, at some meeting in September of each year, but in any event not later than the first meeting in October must estimate the county's revenues and expenditures and appropriate for the various purposes the respective amounts that are to be used for each purpose. The appropriations must not exceed the total revenues available for appropriation. Expenditures may not legally exceed appropriations.

The budget is usually divided into two parts - an operating budget and a capital budget. The operating budget addresses the immediate problems of providing services, paying personnel, travel and equipment. The capital budget address major equipment, furniture purchases, and public works projects. Budgets may be adjusted during the fiscal year when approved by the County Commission. Any changes must be within the revenues and reserves estimated to be available.

Note 3 - Deposits and Investments

As of September 30, 1991, the carrying amount of the County's deposits, including Cooper Green Hospital and the General Retirement System was \$(1,834,938.22) and the bank balance was \$ 5,281,764.62. The County's deposits at year end were entirely covered by federal depository insurance or by collateral held by the County's agent in the County's name.

Investments

The County is legally authorized to invest in obligations of the U.S. Treasury and securities of federal agencies. The County's investments at year end are shown below at cost, which approximates market. All of the U. S. Government securities were held by the County's agent in the County's name.

	<u>Carrying Amount (Cost)</u>
U.S. Government Securities	\$132,300,990.69
Repurchase Agreements	21,020,000.00
Pension Trust Funds (See Note 19)	235,423,567.00
Total	\$388,744,557.69

Cash and Cash Equivalents

Cash consists of amounts in checking accounts, savings accounts, petty cash, amounts held by others, and investments which are available for daily operations. The cash balance as reflected on the financial statements consisted of the following:

Cash in checking	\$(5,679,938.22)
Short-Term Investments	28,926,302.09
Petty Cash	49,591.19
Cash held by Southern Risk Services	<u>50,000.00</u>
Total	\$23,345,955.06

Note 4 - Due From Other Governmental Units

Amount due from other governments total \$ 1,290,882.81. This amount represents \$ 886,913.76 due from federal agencies, \$ 393,897.72 due from state agencies, and \$ 10,071.33 due from local government agencies. These amounts are expected to be received by December 31, 1991.

Note 5 - Changes in General Fixed Assets

A summary of changes in the County's general fixed assets is as follows:

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	Balance at 10-1-90	Additions	Deletions	Balance at 9-30-91
Land	7,352,201.68			7,352,201.68
Buildings	79,175,026.51	654.00		79,175,680.51
Improvements Other Than Buildings	2,903,678.81	21,507.42		2,925,186.23
Office Equipment and Furniture	3,880,472.53	67,416.68	(64,121.02)	3,883,768.19
Maintenance Equipment	590,662.65	3,285,957.94	(47,800.53)	3,828,820.06
Motor Vehicles	24,062,523.71	1,601,454.88	(2,286,227.17)	23,377,751.42
Miscellaneous Equipment	5,732,609.14	885,045.26	(39,511.52)	6,578,142.88
Construction in Progress	7,719,864.71			7,719,864.71
Equipment Under Capital Lease	218,683.98			218,683.98
Totals	131,635,723.72	5,862,036.18	(2,437,660.24)	135,060,099.66

Note 7 - Unemployment Compensation

The County contracts with a private insurance carrier to handle unemployment compensation. The County pays a set fee per quarter for services rendered.

Note 8 - Operating Leases

The Jefferson County Commission has entered into lease agreements for various equipment on an annual basis. The leases are considered for accounting purposes to be operating leases. Rent expense for fiscal year 1991 was \$ 936,384.49.

Note 9 - Capital Lease-Purchase Contracts

The County has acquired various equipment by lease-purchase agreements. Following is a schedule by years of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of September 30, 1991:



Fiscal Year Ending September 30	General		Enterprise		Internal Service	
	Long-Term Debt	Fund	Fund	Fund	Fund	Fund
1992	51,661.08	278,233.39		354,132.72		
1993	12,915.27	194,697.40		84,841.65		
1994		14,348.40		84,841.65		
1995				6,500.76		
Johnson Controls			413,687.90			
Total Minimum Lease Payments	64,576.35	900,967.09		530,316.78		
Less: Amount Representing Interest	2,818.04	120,611.61		49,385.16		
Present Value of Net Minimum Lease Payments	\$ 61,758.31	\$ 780,355.48		\$ 480,931.63		

Note 10 - County Appropriation Agreement

During the 1988-89 fiscal year, the Birmingham-Jefferson County Civic Center Authority issued \$ 132,380,000.00 principal amount of Capital Outlay Bonds. The Bonds will be limited obligations of the Authority, payable solely out of certain tax proceeds to be received by the Authority pursuant to separate Pledge and Appropriation Agreements between the City of Birmingham and the Authority and between the Jefferson County Commission and the Authority.

The County levies a special privilege or license tax (the "County Occupational Tax") at the rate of one-half of one percent of the gross receipts of each person following a vocation, occupation, calling or profession within the County. In the County Appropriation Agreement, the County agreed to pay the Authority, out of proceeds of the County Occupational Tax, the first \$ 10,000,000.00 collected in 1989 and in each calendar year thereafter until and including 2008.

Note 11 - Segment Information-Enterprise Funds

The Jefferson County Commission maintains six Enterprise Funds. Financial segment information as of and for the year ended September 30, 1991 is presented below.

NOTES TO THE FINANCIAL STATEMENTS  
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	Cooper Green Hospital	County Home	Landfill Operations	Sanitary Operations	Parking Deck	Cafeteria	Total
Operating Revenues	51,282,701.28	7,456,298.48	6,147,901.53	33,840,407.23	155,919.75	262,606.44	99,145,834.71
Depreciation Expense	1,474,045.32	45,361.68	147,703.75	8,309,134.03	-	1,813.74	9,978,058.52
Operating Income(Loss)	(615,668.05)	(6,406,715.03)	2,062,339.50	8,751,727.73	(3,541.87)	(182,404.84)	3,605,737.44
Net income	(5,986,806.86)	191,744.95	2,062,339.50	3,353,190.93	(3,541.87)	(2,722.53)	(385,795.88)
<u>Current Capital:</u>							
Contributions		-	-	6,547,376.00	-	-	6,547,376.00
Transfers In/Out(-)	(5,457,168.04)	6,598,459.98	-	-	-	179,682.31	1,320,974.25
<u>Property, Plant and Equipment:</u>							
Additions	1,884,161.17	225,870.32	-	28,598,141.67	4,772.50	-	30,712,945.66
Deletions			(429,013.12)				(429,013.12)
Net Working Capital	2,526,597.83	16,579.89	3,220,950.88	37,093,856.23	131,826.17	(361.87)	42,989,349.13
Total Assets	17,756,687.36	597,249.93	4,184,942.92	291,004,505.90	159,244.20	12,322.80	313,714,953.11
Bonds and Warrants Payable	-	-	-	74,575,000.00	-	-	74,575,000.00
Total Equity	11,014,412.76	(63,706.21)	3,948,031.05	210,949,815.92	135,411.69	(11,071.57)	225,966,893.64

Note 12 - Contributed Capital

During the year, contributed capital increased by the following amounts:

Fund	Balance 10-01-90	Source-Government Initial Capital	Balance 9-30-91
Sanitary Operations	\$ 127,983,727.46	\$ 35,822,910.65	\$ 163,806,638.11

Note 13 - Contingent Liabilities

Under the provisions of Section 36-22-60 of the Code of Alabama 1975, the Jefferson County Sheriff is eligible to become a supernumerary sheriff upon retirement after sixteen (16) years of service credit as a law enforcement officer, twelve(12) of which as a sheriff, and who has reached the age of fifty-five (55) years. The Jefferson County Sheriff, who has elected to participate in this retirement plan, makes monthly contributions out of his salary as required by law. Should the Sheriff decide to withdraw from the plan for whatever reason, the County is obligated to refund the total amount he has contributed toward his retirement. At September 30, 1991, the Sheriff's contributions totalled \$ 48,750.04.

The County is a defendant in a lawsuit pending in the U.S. District Court which seeks to declare the County's Occupational Tax unconstitutional. The County's estimated exposure in this case is \$ 29 million plus future lost revenue.

The County is also a defendant in various other lawsuits pending with an estimated exposure of approximately \$ 2 million.

Note 14 - Changes in General Long-Term Debt

The following is a summary of general long-term debt transactions for Jefferson County for the year ended September 30, 1991:

	General Obligation	Revenue Warrants	Capital Lease- Purchase Agreements	Compensated Absences	Total
Debt Outstanding at Oct. 1, 1990	\$ 106,586,940.75	\$ 75,215,000.00	\$ 107,553.75	\$ 4,640,484.34	\$ 186,549,978.84
Increase in Accreted Interest	5,297,824.25				5,297,824.25
Accumulated Vacation and Sick Leave				245,119.26	245,119.26
Warrants Transferred to Proprietary Funds		(75,215,000.00)			(75,215,000.00)
Warrants Issued	38,755,000.00				38,755,000.00
Warrants Retired Through Principal Retirement or Refunding	(4,784,999.55)				(4,784,999.55)
Capital Lease-Purchase Payments			(45,795.44)		(45,795.44)
Debt Outstanding at Sept. 30, 1991	\$145,854,765.45	\$ 0.00	\$ 61,758.31	\$ 4,885,603.60	\$ 150,802,127.36

NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 1991

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County Commission

Accreted Interest applies to the following warrant issues:

1985 Series B General Obligation Tax Pledge Warrants	\$15,001,213.60
1988 Series General Obligation Warrants	<u>5,020,532.00</u>
Total Accreted Interest	\$20,021,745.60
	=====

Accreted interest occurs when bonds/warrants are issued at stated interest rates that are significantly below their effective interest rate, resulting in a deep discount when the securities are issued. The implicit interest (i.e., discount) is generally paid as the bonds mature. Therefore, the net value of the bonds should be accreted ( i.e., the discount reduced) over the life of the bonds. The County amortizes the discount using the interest method on a semi-annual basis.

Note 15 - General Long-Term Debt

On December 27, 1990, the County issued \$38.755 million in General Obligation Warrants with interest rates ranging from 6.0 to 7.05 percent for the purpose of various capital projects such as the construction of a new building for the Jefferson County Family Court and the construction and improvement of facilities for the Ketona Nursing Home.

Note 16 - Defeasance of Prior Debt

In prior years, the County Commission defeased certain outstanding warrants by placing the proceeds of new warrants in an irrevocable trust to provide for all future debt service payments on the old warrants. Accordingly, the trust accounts and the defeased warrants are not included in the County Commission's financial statements. The following warrants are considered defeased:

1977 Sewer Warrants	\$ 7,785,000
1978 Sewer Refunding Warrants	15,530,000
1984 Series A G.O. Tax Pledge Warrants	\$27,990,000
1984 Series B G.O. Tax Pledge Warrants	\$14,656,495

Note 17 - Bonds and Warrants Payable

A. The 1964 Sanitary Warrants are payable from and secured by an ad valorem tax.

B. The 1988 Series Sewer Revenue Warrants are secured by a pledge of the revenues derived from the operation of the County's sewer system after payment of the costs of its operation and maintenance.

C. The 1985 Series B Warrants are general obligations of Jefferson County. A portion of the County's Sales and Use Tax is pledged to pay principal and interest.

D. The 1988 Series Warrants are general obligations of Jefferson County.

E. The 1989 Series Warrants are general obligations of Jefferson County.

F. The 1990 Series Warrants are general obligations of Jefferson County.

Note 18 - Debt Principal and Interest Requirements to Maturity

The following is a schedule of debt principal, interest and other requirements to maturity for Jefferson County for the year ended September 30, 1991:

Fiscal Year Ending September 30,	General Obligation Serial, Term Warrants & Bonds Payable		Revenue Warrants Payable From Special Revenue Funds		Capital Leases		Total Principal Interest and Interest
	Principal	Interest	Principal	Interest	Principal	Interest	
1992	3,017,916.55	7,232,344.76	1,095,000.00	5,307,530.00	48,987.10	2,673.98	16,704,452.39
1993	2,745,730.50	7,499,530.76	1,730,000.00	5,240,150.00	12,771.21	144.06	16,958,326.53
1994	5,101,335.20	7,702,575.36	1,830,000.00	5,132,300.00			19,766,210.56
1995	6,489,404.00	8,544,609.26	1,850,000.00	5,019,070.00			21,902,083.26
1996	7,734,260.70	9,587,124.86	1,970,000.00	4,894,120.00			24,185,505.56
1997	7,487,473.50	9,787,377.91	2,105,000.00	4,760,160.00			24,140,011.41
1998	7,307,412.80	9,945,742.96	2,250,000.00	4,614,915.00			24,118,070.76
1999	7,162,781.95	10,072,472.51	2,405,000.00	4,457,415.00			24,097,669.46
2000	7,055,163.70	10,155,592.06	2,580,000.00	4,286,660.00			24,077,415.76
2001	7,012,053.15	10,191,018.43	2,760,000.00	4,100,900.00			24,063,971.58

NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 1991

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Fiscal Year Ending	General Obligation		Revenue Warrants Payable		Capital Leases		Total Principal and Interest
	Serial, Term Warrants & Bonds Payable	Interest	From Special Revenue Funds	Interest	Principal	Interest	
September 30, 2002	7,011,639.50	10,178,061.75	2,970,000.00	3,899,420.00			24,059,121.25
2003	7,037,908.35	10,131,844.30	3,180,000.00	3,681,125.00			24,030,877.65
2004	7,109,202.50	10,025,237.50	3,420,000.00	3,445,805.00			24,000,245.00
2005	7,226,143.00	9,866,554.50	3,675,000.00	3,191,015.00			23,958,712.50
2006	6,546,778.45	4,137,387.05	3,950,000.00	2,915,390.00			17,549,555.50
2007	13,367,816.00	4,298,713.75	4,245,000.00	2,617,165.00			24,528,694.75
2008	6,120,000.00	891,944.38	4,570,000.00	2,294,545.00			13,876,489.38
2009	6,560,000.00	470,390.63	4,920,000.00	1,947,225.00			18,917,615.63
2010	3,670,000.00	126,156.25	5,215,000.00	1,652,025.00			10,663,181.25
2011			5,525,000.00	1,339,125.00			6,864,125.00
2012			5,945,000.00	924,750.00			6,869,750.00
2013			6,385,000.00	478,875.00			6,863,875.00
<b>Sub-Totals</b>	<b>125,763,019.85</b>	<b>140,844,678.98</b>	<b>74,575,000.00</b>	<b>76,198,685.00</b>	<b>61,758.31</b>	<b>2,818.04</b>	<b>422,095,960.18</b>
<b>Accreted Interest</b>	<b>20,091,745.60</b>	<b>(20,091,745.60)</b>					
<b>Total</b>	<b>145,854,765.45</b>	<b>120,752,933.38</b>	<b>74,575,000.00</b>	<b>76,198,685.00</b>	<b>61,758.31</b>	<b>2,818.04</b>	<b>422,095,960.18</b>

Note 19 - Defined Benefit Pension Plan

A. Plan Description

The General Retirement System for Employees of Jefferson County is the administrator of a single-employer, defined benefit pension plan (Plan) covering substantially all employees of Jefferson County, Alabama. The Plan was established by Act 497 of the Regular Session of the Alabama Legislature and provides guidelines for benefits to retired and disabled employees of the County.

Plan membership is mandatory for all regular Jefferson County civil service employees upon commencement of employment if not covered by another retirement plan established by Alabama law. All remaining employees, excluding temporary or part-time employees who are ineligible, may make an irrevocable election to participate. At September 30, 1991 and 1990, membership in the plan consisted of the following:

	<u>1991</u>	<u>1990</u>
<u>Current Active Members:</u>		
Vested Members	1,246	1,289
Nonvested Members	<u>2,194</u>	<u>2,033</u>
Total Current Active Members	3,440	3,322
Retirees and Beneficiaries Currently Receiving		
Benefits	620	594
Terminated Employees Electing Deferred		
Benefits	16	18

Plan benefits are determined by various criteria including, but not limited to, age, years of service and basic average salary. Basic average salary is defined as the average salary for the highest consecutive thirty-six month period of employment, excluding overtime and longevity pay. Benefits are limited to a maximum of seventy-percent of a member's basic average salary and vest after ten years of paid service. Upon member election, benefit payments may be received in a lump-sum distribution or in monthly payments over the remaining life of the member. Benefits may be received under the following conditions:

Normal Retirement - A member may retire regardless of age after completing thirty years of paid membership time with the County. Otherwise, the member must have attained age sixty with a minimum of ten years of paid service.

Early Retirement - A member may elect early retirement after completing thirty years of service with the County (or a municipality or agency subject to the County's civil service law), of which at least ten years are paid service time under the current Plan. Benefits for early retirement are reduced in accordance with age unless the member has reached age fifty-five and completed twenty years of paid service time.

Deferred Retirement - Members that have completed the minimum requirements for vesting (10 years of service credits with the County) have the right to defer pension benefits if employment with the County is terminated. The benefits are payable at age sixty and are computed using the pension law in effect at the time the member was terminated.

Disability Benefits - Disability benefits are available to all members regardless of age and accumulated service if injury is work-related. Members are eligible for non-service connected disability benefits if they have completed a minimum of ten years of paid service time. Disability benefits are computed at sixty percent of the monthly salary the member was receiving at the time disability occurred. If the member is partially disabled, the benefit is reduced according to the percent of disability.

NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 1991

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Funding - The Plan is funded by payroll deductions equal to six percent of the participants' gross salaries, with the County contributing amounts equal to participant contributions. The Plan also receives from the County a percentage of the proceed from the sale of pistol permits.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The accrual basis of accounting is followed in all material respects. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

Investments - Equity securities are presented at amortized cost, subject to adjustment for market declines that are determined to be other than temporary. Debt securities are presented at amortized cost as of the balance sheet date, with the discount and premium being amortized using the effective interest rate method, subject to adjustment for market declines determined to be other than temporary. Investment income is recognized as earned. Accrued interest purchased on the acquisition of debt securities is charged to investment income at date of acquisition. Gains and losses on sales and exchanges of securities are recognized on the transaction trade date. The Retirement System has agreements with various investment advisors who have authority to purchase and sell securities. The securities are held by various banks which serve as custodians. Federal insurance coverage is provided each participant to the maximum amount allowed by law. At September 30, 1991 and 1990, no single investments were held which were greater than five percent of net assets available for benefits.

Reserves for Contingent Refunds and Retirement and Disability Benefits - Contingent refunds represent all contributions made by members into the Plan until refunded or transferred to the reserve for retirement and disability benefits. Such transfers occur when benefit payments equal or exceed the amount of member contributions, or when a terminated employee has not requested a refund of his personal contributions within five years of termination.

C. Funding Status and Progress

The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the funding status of the Plan on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among public employee retirement systems. The Retirement System does not use an actuarial funding method to determine contributions to the fund; rather, a fixed rate is deducted from gross wages and matched by the County as stipulated by law. Periodic actuarial studies are made as part of a valuation to determine if contributions are sufficient to meet the cost of benefits provided and the administration expense of the Retirement System.



The pension benefit obligation at September 30, 1991 and 1990 was determined based on the actuarial valuation as of September 30, 1991 and 1990, respectively. It was calculated on a projected benefit method, using a rate of return of 7% and taking into account projected salary increases.

At September 30, 1991 and 1990, the assets in excess of pension benefit obligation were \$45.4 and \$43.7 million, respectively, as follows:

	(In Millions)	
	<u>1991</u>	<u>1990</u>
<u>Pension Benefit Obligation:</u>		
Retirees and Beneficiaries Currently		
Receiving Benefits and Terminated		
Employees Not Yet Receiving Benefits . . .	\$ 45.0	\$ 42.5
<u>Current Employees:</u>		
Accumulated Employee Contributions . . .	33.1	27.7
Other Vested Benefits . . . . .	35.2	31.2
Nonvested Benefits . . . . .	65.5	60.2
Total Pension Benefit Obligation . . .	178.8	161.6
Net Assets Available for Benefits, Actuarial		
Value (Market Value of \$249.5 and \$204.3 in		
1991 and 1990, Respectively) . . . . .	224.2	205.3
Assets in Excess of Pension Benefit		
Obligation . . . . .	\$ 45.4	\$ 43.7

D. Historical Trend Information

Historical trend information designed to provide information about the Retirement System's progress made in accumulating sufficient assets to pay benefits when due is as follows. As permitted by GASB 5 during the transition period when ten years of the standardized measure of the pension obligation is unavailable, the Analysis of Funding Progress is presented only for the years in which that measure is available.

NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 1991

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Analysis of Funding Progress  
(In Millions of Dollars)

Fiscal Year Ended	(1) Net Assets Available for Benefits*	(2) Pension Benefit Obligation	(3) Pension Percentage Funded	(4) Assets in Excess of		(5) Pension Benefit Obligation as a Percentage of Covered Annual Payroll	(6) Assets in Excess of Pension Benefit Obligation as a Percentage of Covered Annual Payroll
				(1) - (2)	(2) / (3)		
Sept 30							
1987	\$138.3	\$105.1	131.6%	\$33.2	\$52.0	64.0%	55.0
1988	158.3	123.6	128.0	34.7	62.6	68.0	56.0
1989	182.9	136.7	134.0	46.2	77.7	82.1	64.0
1990	205.3	161.7	129.0	43.6	82.1	82.1	56.0
1991	224.2	178.8	125.0	45.4	82.1	82.1	55.0

\*actuarial value

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the retirement system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the System's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the retirement system.

NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 1991

Revenues by Source and Expenses by Type  
Revenues by Source

Fiscal Year Ended	Employee Contributions	Employer Contributions	Investment Income	Other Income	Total
Sept 30					
1983	\$2,737,632	\$2,738,646	\$ 9,634,973	\$215,275	\$15,326,526
1984	2,861,888	2,862,636	9,418,302	213,066	15,355,892
1985	2,996,455	2,995,973	11,726,254	232,818	17,951,500
1986	3,021,412	3,012,412	20,314,957	217,278	26,575,059
1987	3,113,172	3,112,746	25,232,552	218,709	31,677,179
1988	3,505,451	3,505,308	15,123,782	259,910	22,394,451
1989	3,841,155	3,840,652	16,285,363	230,061	24,197,231
1990	4,268,801	4,268,635	19,994,864	248,756	28,781,056
1991	4,703,747	4,715,854	19,200,274	240,844	28,860,719

Expenses by Type

Fiscal Year Ended	Benefite	Administrative Expenses	Refunds	Interest on Contributions Withdrawn	Total
Sept 30					
1983	\$1,488,881	\$ 166,442	\$ 956,358	\$ 77,311	\$ 2,688,992
1984	1,676,772	141,578	911,880	133,301	2,863,531
1985	1,945,363	197,759	1,067,883	138,726	3,349,731
1986	2,221,384	232,967	1,241,255	182,059	3,877,665
1987	2,696,180	112,678	984,871	207,273	4,001,002
1988	3,275,373	95,830	962,290	177,297	4,510,790
1989	3,668,923	171,643	847,038	173,997	4,861,601
1990	4,165,645	131,053	763,882	123,193	5,183,773
1991	4,648,489	184,063	916,521	168,532	5,917,605

NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 1991

SCHEDULES OF RESERVE FOR CONTINGENT REFUNDS  
 FOR THE YEARS ENDED

	1991	1990
<b>ADDITIONS:</b>		
Employee Contributions . . . . .	\$4,703,747	\$4,268,801
<b>DEDUCTIONS:</b>		
Transfers to Reserve for Retirement and Disability Benefits . . . . .	928,716	916,332
Refunds of Employee Contributions . . . . .	916,521	763,882
Total Deductions . . . . .	<u>1,845,237</u>	<u>1,680,214</u>
<b>EXCESS OF ADDITIONS OVER DEDUCTIONS . . . . .</b>	<b>2,858,510</b>	<b>2,588,587</b>
<b>BALANCE, BEGINNING OF YEAR . . . . .</b>	<b><u>29,728,498</u></b>	<b><u>27,139,911</u></b>
<b>BALANCE, END OF YEAR . . . . .</b>	<b><u>\$32,587,008</u></b>	<b><u>\$29,728,498</u></b>

SCHEDULES OF RESERVE FOR RETIREMENT AND DISABILITY BENEFITS  
FOR THE YEARS ENDED

	1991	1990
ADDITIONS:		
Employer Contributions . . . . .	\$ 4,715,854	\$ 4,268,635
Investment Income . . . . .	19,200,274	19,994,864
Pistol Permits . . . . .	238,154	245,056
Transfers from Reserve for Contingent		
Refunds . . . . .	928,716	916,332
Deficient and Installment Interest . .	2,690	3,700
Total Additions . . . . .	25,085,688	25,428,587

DEDUCTIONS:		
Benefits Paid to Participants . . . . .	4,648,489	4,165,645
Interest Paid on Refunds of Employee		
Contributions . . . . .	168,532	123,193
Administrative Expenses . . . . .	184,063	131,053
Total Deductions . . . . .	5,001,084	4,419,891
EXCESS OF ADDITIONS OVER DEDUCTIONS . .	20,084,604	21,008,696
BALANCE, BEGINNING OF YEAR . . . . .	182,925,968	161,917,272
BALANCE, END OF YEAR . . . . .	\$203,010,572	\$182,925,968

NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 1991

Jefferson  
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Note 20 - Other Postemployment Benefits

In addition to the pension benefits described in Note 19, the County provides postretirement health care benefits. To be eligible for the continued coverage, a retiree must be covered by the Jefferson County group health plan at the time of retirement, and immediately upon retirement begin receiving a retirement pension under the rules and regulations of the General Retirement System for the Employees of Jefferson County, and the amount of pension must be sufficient to cover the required retiree contributions, be under 65 years of age, and not be eligible for Medicare. Dependents can be covered under an eligible retiree's family plan if the dependents meet the definition of "who can be covered" in each option's contract, are under 65 years of age, and not eligible for Medicare. Coverage ends for retirees and dependents when they become eligible for Medicare or reach age 65. When a retiree with dependent coverage ends coverage, the dependent/dependents may continue coverage until they reach 65 or become eligible for Medicare. The rate of one dependent continuing will be reduced to the single rate; however, the full family rate will apply to two or more dependents. Currently 142 retirees meet those eligibility requirements. The retiree is allowed to purchase family or single health care insurance on the County's policies with Complete Health Services, Partners Health Plan of Alabama, or Southeast Health Plan. The County pays a portion of the premium. The County portion of the retiree's health care benefit premium is based on the retiree's number of years of service, age at retirement, whether family or single, and the insurer chosen. Expenditures for postretirement health care benefits are recognized as premiums are paid. During the year expenditures of \$ 137,369.19 were recognized for postretirement health care. Subsequent to the fiscal year end the County allowed retirees not covered by the General Retirement System to participate in the postemployment benefits.

Note 21 - Deferred Compensation

The County offers all employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer Federal income taxation on a portion of their compensation until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors.

Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant. The plan assets and liabilities are accounted for in the Deferred Compensation Fund and reported with the Agency funds.

Note 22 - Individual Fund Disclosures

Deficit Cash Balances

The Jefferson County Commission maintains an operating bank account which contains most funds. The operating account had a positive bank balance at year end however, deficit cash book balances existed in the funds listed below. Certain funds had receivables which were collected shortly after year end and others had investments which significantly offset the cash deficits. Charges to other governmental agencies will be determined in the next fiscal year to reimburse the Personnel Board fund. In addition, transfers from the General Fund will be made in the next fiscal year to offset deficits in the remaining funds.

	Cash	Deficit	Receivables	Investments
Road Fund	\$	305.84	\$ 393,897.72	\$
Senior Citizens Activities		537,253.81	449,286.28	
Community Development		328,093.74	377,658.43	
Cooper Green Hospital		218,119.21		1,196,870.50
County Home		1,010.89		
Cafeteria Fund		12.75		
Personnel Board Fund		1,641,122.89		
Information Services Fund		1,593.48		
Pension Fund		5,303.41		
Total		\$ 2,803,692.72	\$ 1,220,842.43	\$ 1,196,870.50

Negative Fund Balances/Retained Earnings

The Commission had negative fund balances as of September 30, 1991 in the following funds:

NOTES TO THE FINANCIAL STATEMENTS  
 For the Fiscal Year Ended September 30, 1991

Jefferson  
 County Commission

Road Fund	\$ 653,807.73
Senior Citizens Activities	201,278.20
County Home	63,706.21
Cafeteria Fund	11,071.57
Risk Management Fund	4,588.72
Personnel Board Fund	1,629,079.19
Pension Fund	6,800.20
	-----
Total	\$ 2,570,331.82
	-----

The Commission intends on reducing the deficits by transferring funds from the General Fund.

Note 23 - Subsequent Event(s)

On March 2, 1992, the County sold \$43 million of Short-Term Sewer Revenue Warrants, Series 1992 for the purpose of providing financing for a number of capital improvements heretofore made to the system. The principal of the Warrants was paid on September 1, 1992. The Warrants will bear interest from the date of issuance until maturity at the rate of 4.7 percent per annum.

On July 14, 1992, the County sold \$ 37.261 million of General Obligation Warrants for the purposes of (i) refunding those of the 1985 Series B General Obligation Tax Pledge Warrants that mature subsequent to April 1, 1997, (ii) refunding substantially all of the principal and interest maturing and becoming due with respect to the Series 1990 General Obligation Warrants on each of the debt service payment dates from April 1, 1998, to April 1, 2000, inclusive, and (iii) financing the costs of purchasing various items of capital equipment needed by various departments of the County. The Current Interest Warrants will bear interest ranging from 3.0 to 5.55 percent per annum payable on October 1, 1992, and semiannually thereafter on each April 1 and October 1. The Capital Appreciation Warrants will bear interest payable only at maturity or upon redemption prior to maturity in rates ranging from 5.45 to 6.35 percent.

On August 31, 1992, the County borrowed \$59.34 million from the Alabama Water Pollution Control Authority with an average interest rate of 4.05 percent. On this date, the County withdrew \$ 31,095,431.46 for the purpose of reimbursing itself for capital expenditures previously made to the sewer system.

On August 31, 1992, the County sold \$ 14 million of Short-Term Sewer Revenue Warrants, Series 1992-A for the purpose of paying off the balance outstanding on the 1992 Short-Term Sewer Revenue Warrants. The principal of the Warrants will be payable on December 1, 1992. The Warrants will bear interest from the date of issuance until maturity at the rate of 3.1 percent per annum.



On August 31, 1992, the County entered into a Escrow Trust Agreement to legally defease the Series 1988 Sewer Revenue Term Warrants dated November 15, 1988. The principal amount of the Series 1988 Term Warrants was \$ 27.99 million. The Escrow Trust Agreement created an irrevocable trust fund for the purpose of providing full payment of the principal of and interest on the Series 1988 Term Warrants. The County deposited the sum of \$ 26,672,156.66 with the Escrow Trustee to purchase the Initial Escrow Fund Investments.

On September 30, 1992, the County issued \$ 53.88 million in 1992 Sewer Revenue Warrants for the purpose of permanently financing the \$ 14 million maturing on the 1992-A Short-Term Sewer Warrants and for the purpose of financing various sewer projects with interest rates ranging from 2.75 to 6.3 percent.

Subsequent to year end, the County settled several lawsuits which were deemed material to the financial statements. On March 3, 1992, the County entered into a settlement agreement on a civil action lawsuit whereby the County had to refund \$ 309,000.00 in liquor taxes to various individuals. On September 25, 1992, the County settled a civil damage lawsuit for \$ 130,000.00.

Note 24 - Restatement of Prior Period Fund Balance

The Environmental Services Construction Fund was erroneously presented in prior years as a Capital Projects Fund. Due to the nature of this fund, it has been reclassified as an Enterprise Fund and has been combined with the Sanitary Operations Fund. This involves changing the fund from a modified accrual basis of accounting to the accrual basis of accounting. Fund balance in the amount of \$19,751,534.88 has been restated as retained earnings in the financial statements.

**SUPPLEMENTAL INFORMATION**

	Indigent Care Fund	Road Fund	Senior Citizens Activities Fund	Bridge and Public Building Fund	Community Development Fund	Total Current Year
<b>Assets</b>						
Cash and Cash Equivalents	\$ 254,859.03	\$ -	\$ -	\$ 125,753.72	\$ -	\$ 380,612.75
Investments	1,764,767.85	-	-	870,779.93	-	2,635,547.78
Interest Receivable	-	-	-	-	13,305.11	13,305.11
Accounts Receivable	1,919,688.30	645,682.36	13,421.17	608,102.17	7,671.90	3,194,565.90
Loans Receivable	-	-	-	-	1,855,341.54	1,855,341.54
Due From Other	-	-	-	-	-	-
Governmental Units	-	393,897.72	449,286.28	-	377,658.43	1,220,842.43
Inventories	-	996,024.72	-	-	-	996,024.72
<b>Total Assets</b>	\$ 3,939,315.18	\$ 2,035,604.80	\$ 462,707.45	\$ 1,604,635.82	\$ 2,253,976.98	\$ 10,296,240.23
<b>Liabilities and Fund Equity</b>						
<b>Liabilities</b>						
Cash Deficit	\$ -	\$ 305.84	\$ 537,253.81	\$ -	\$ 328,093.74	\$ 865,653.39
Accounts Payable	-	1,139,704.96	122,580.85	-	216,020.41	1,478,306.22
Accrued Vacation & Sick Leave	-	261,276.11	4,150.99	-	7,911.80	273,338.90
Due to Other Funds	-	-	-	-	292.35	292.35
Due to Other	-	-	-	-	-	-
Governmental Units	-	1,288,125.62	-	-	-	1,288,125.62
<b>Total Liabilities</b>	-	2,689,412.53	663,985.65	-	552,318.30	3,905,716.48
<b>Fund Equity</b>						
<b>Fund Balances</b>						
Reserve for Encumbrances	-	161,221.45	11,215.08	-	140,620.68	313,057.21
Reserve for Inventories	-	996,024.72	-	-	-	996,024.72
Reserve for Petty Cash	-	150.00	50.00	-	-	200.00
Unreserved	3,939,315.18	(1,811,203.90)	(212,543.28)	1,604,635.82	1,561,038.00	5,081,241.82
<b>Total Fund Balances</b>	3,939,315.18	(653,807.73)	(201,278.20)	1,604,635.82	1,701,658.68	6,390,523.75
<b>Total Liabilities and Fund Equity</b>	\$ 3,939,315.18	\$ 2,035,604.80	\$ 462,707.45	\$ 1,604,635.82	\$ 2,253,976.98	\$ 10,296,240.23

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL SPECIAL REVENUE FUNDS  
 For the Fiscal Year Ended September 30, 1991

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	Indigent Care Fund	Road Fund	Senior Citizens Activities Fund	Bridge and Public Building Fund	Community Development Fund	Total Current Year
<b>Revenues</b>						
Taxes	\$ 24,290,236.99	\$ 7,331,818.93	-	\$ 15,844,881.66	\$ -	\$ 47,466,937.58
Licenses and Permits	-	12,964.63	-	-	-	12,964.63
Intergovernmental Revenues	-	6,759,401.74	2,744,717.77	-	3,500,620.90	13,004,740.41
Charges for Services	-	1,416,456.78	114,617.65	-	7,698.95	1,538,773.38
Miscellaneous Revenues	242,753.11	152,355.94	186,707.57	1,024,620.20	961.56	1,607,398.38
<b>Total Revenues</b>	<b>24,532,990.10</b>	<b>15,672,998.02</b>	<b>3,046,042.99</b>	<b>16,869,501.86</b>	<b>3,509,281.41</b>	<b>63,630,814.38</b>
<b>Expenditures</b>						
Current						
General Government	20,561,901.98	-	3,435,238.49	-	3,181,902.01	27,179,042.48
Highways and Streets	-	29,245,607.21	-	-	-	29,245,607.21
Capital Outlay	-	588,030.00	4,950.00	-	-	592,980.00
Debt Service	-	-	-	5,938.35	-	5,938.35
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>20,561,901.98</b>	<b>29,833,637.21</b>	<b>3,440,188.49</b>	<b>5,938.35</b>	<b>3,181,902.01</b>	<b>57,023,568.04</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,971,088.12</b>	<b>(14,160,639.19)</b>	<b>(394,145.50)</b>	<b>16,863,563.51</b>	<b>327,379.40</b>	<b>6,607,246.34</b>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	19,801,901.98	13,485,031.57	-	-	-	33,286,933.55
Operating Transfers Out	(19,300,949.98)	-	-	(18,845,593.03)	(237,138.60)	(38,383,681.61)
Proceeds from Sale of Fixed Assets	-	-	5,208.00	-	1,069.50	6,277.50
<b>Total Other Financing Sources (Uses)</b>	<b>500,952.00</b>	<b>13,485,031.57</b>	<b>5,208.00</b>	<b>(18,845,593.03)</b>	<b>(236,069.10)</b>	<b>(5,090,470.56)</b>
<b>Excess (deficiency) of revenues over expenditures and other sources (uses)</b>	<b>4,472,040.12</b>	<b>(675,607.62)</b>	<b>(388,937.50)</b>	<b>(1,982,029.52)</b>	<b>91,310.30</b>	<b>1,516,775.78</b>
<b>Fund Balances at beginning of year</b>	<b>(532,724.94)</b>	<b>21,799.89</b>	<b>187,659.30</b>	<b>3,586,665.34</b>	<b>1,610,348.38</b>	<b>4,873,747.97</b>
<b>Fund Balances at end of year</b>	<b>\$ 3,939,315.18</b>	<b>\$ (653,807.73)</b>	<b>\$ (201,278.20)</b>	<b>\$ 1,604,635.82</b>	<b>\$ 1,701,658.68</b>	<b>\$ 6,390,523.75</b>

COMBINING BALANCE SHEET-CAPITAL PROJECTS FUNDS  
September 30, 1991

	Capital Improvements Fund	Road Construction Fund	Total Current Year
<b>Assets</b>			
Cash	\$ 1,408,337.34		\$ 7,074,318.12
Investments	37,492,833.52	\$ 5,665,980.78	43,135,315.27
Accounts Receivable	3,883.29	-	3,883.29
<b>Total Assets</b>	<b>\$ 38,905,054.15</b>	<b>\$ 11,308,462.53</b>	<b>\$ 50,213,516.68</b>
<b>Liabilities and Fund Equity</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 758,383.43	\$ 634,303.80	\$ 1,392,687.23
Arbitrage Rebate Payable	-	158,838.42	158,838.42
Deferred Revenues	-	1,000,000.00	1,000,000.00
<b>Total Liabilities</b>	<b>758,383.43</b>	<b>1,793,142.22</b>	<b>2,551,525.65</b>
<b>Fund Equity</b>			
Fund Balances			
Reserve for Encumbrances	483,679.63	625,096.89	1,108,776.52
Unreserved	37,662,991.09	8,890,223.42	46,553,214.51
<b>Total Fund Balances</b>	<b>38,146,670.72</b>	<b>9,515,320.31</b>	<b>47,661,991.03</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 38,905,054.15</b>	<b>\$ 11,308,462.53</b>	<b>\$ 50,213,516.68</b>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL CAPITAL PROJECTS FUNDS

For the Fiscal Year Ended September 30, 1991

	Capital Improvements Fund	Road Construction Fund	Total Current Year
<u>Revenues</u>			
Intergovernmental Revenues	\$ -	\$ 367,993.00	\$ 367,993.00
Miscellaneous Revenues	1,606,934.26	1,006,016.39	2,612,950.65
<u>Total Revenues</u>	1,606,934.26	1,374,009.39	2,980,943.65
<u>Expenditures</u>			
<u>Current</u>			
General Government	1,210,975.51	-	1,210,975.51
Highways and Streets	-	9,148,581.43	9,148,581.43
Capital Outlay	4,456,259.04	-	4,456,259.04
<u>Total Expenditures</u>	5,667,234.55	9,148,581.43	14,815,815.98
Excess (deficiency) of revenues over expenditures	(4,060,300.29)	(7,774,572.04)	(11,834,872.33)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	6,634,184.46	-	6,634,184.46
Operating Transfers Out	(2,459,593.08)	-	(2,459,593.08)
Proceeds from Bond Issue	38,943,488.53	-	38,943,488.53
<u>Total Other Financing Sources (Uses)</u>	43,118,079.91	-	43,118,079.91
Excess (deficiency) of revenues over expenditures and other sources (uses)	39,057,779.62	(7,774,572.04)	31,283,207.58
<u>Fund Balances at beginning of year as restated</u>	(911,108.90)	17,289,892.35	16,378,783.45
<u>Fund Balances at end of year</u>	\$ 38,146,670.72	\$ 9,515,320.31	\$ 47,661,991.03

COMBINING BALANCE SHEET - ALL ENTERPRISE FUNDS  
September 30, 1991

	Cooper Green Hospital	County Home	Landfill Operations Fund	Sanitary Operations Fund	Parking Deck Fund	Cafeteria Fund	Total Current Year
<u>Current Assets</u>							
Cash and Cash Equivalents	\$ -	\$ -	\$ 316,001.64	\$ 10,379,890.09	\$ 19,632.77	\$ -	\$ 10,715,524.50
Investments	1,196,870.50	-	2,188,149.00	30,862,761.87	134,838.93	-	34,382,620.30
Receivables:							
Accounts Receivable	-	-	691,144.50	86,812.17	-	664.00	778,620.67
Patients	18,959,581.51	-	-	-	-	-	18,959,581.51
Contractual Agencies	4,679.95	-	-	-	-	-	4,679.95
Miscellaneous	152,972.83	-	-	-	-	-	152,972.83
Allowance for Uncollectible Accounts	(13,195,073.34)	-	-	-	-	-	(13,195,073.34)
Net Receivables	5,922,160.95	-	691,144.50	86,812.17	-	664.00	6,700,781.62
Due From Other Funds	-	-	61,200.00	5,490.00	-	-	66,690.00
Due From Other	-	-	-	-	-	-	-
Governmental Units	-	-	-	621.71	-	-	621.71
Inventories	572,144.68	239,683.32	-	58,482.81	-	5,493.94	875,804.75
Prepaid Items	87,258.55	-	-	-	-	-	87,258.55
Total Current Assets	7,778,434.68	239,683.32	3,256,495.14	41,394,058.65	154,471.70	6,157.94	52,829,301.43
<u>Property, Plant and Equipment</u>							
Land	-	-	-	-	-	-	-
Buildings	1,122,084.24	-	351,000.00	148,350.00	-	-	1,621,434.24
Sanitary Sewer Infrastructure	10,346,505.88	-	3,265.60	263,927,631.05	-	-	274,277,402.53
Improvements Other than Land	-	-	-	33,534,275.04	-	-	33,534,275.04
Equipment and Furniture	5,439,809.26	11,045.00	3,503.50	3,993.47	-	-	5,458,351.23
Maintenance Equipment	10,166,940.08	-	-	-	-	-	10,166,940.08
Motor Vehicle	-	13,979.32	5,732.40	690,385.01	4,772.50	-	714,869.23
Office Furniture & Fixture	-	61,146.15	1,522,597.19	3,939,208.89	-	-	5,522,932.23
Miscellaneous Equipment	-	306,965.28	8,030.50	424,252.52	-	8,147.00	747,435.30
Construction in Progress	-	235,940.57	424,923.00	1,074,099.39	-	25,959.58	1,760,922.54
Assets Under Capital Lease	1,540.00	-	-	-	-	-	1,540.00
Less: Accumulated Depreciation	2,095,328.68	-	-	-	-	-	2,095,328.68
Net Property, Plant and Equipment	(19,193,955.46)	(271,509.71)	(1,390,604.41)	(54,131,788.12)	-	(27,941.72)	(75,015,799.42)
Total Assets	\$ 9,978,252.68	\$ 357,566.61	\$ 928,447.78	\$ 249,610,447.25	\$ 4,772.50	\$ 6,164.86	\$ 260,885,651.68
	\$ 17,756,687.36	\$ 597,249.93	\$ 4,184,942.92	\$ 291,004,505.90	\$ 159,244.20	\$ 12,322.80	\$ 333,714,993.11

	Cooper Green Hospital	County Home	Landfill Operations Fund	Sanitary Operations Fund	Parking Deck Fund	Cafeteria Fund	Total Current Year
<b>Liabilities and Fund Equity</b>							
<b>Liabilities</b>							
Cash Deficit	\$ 218,119.21	\$ 1,010.89	\$ -	\$ -	\$ -	\$ 12.75	\$ 219,142.85
Accounts Payable	909,028.87	222,092.54	30,154.26	4,239,002.42	22,645.53	6,507.06	5,429,430.68
Accounts Payable-Contractual	2,005,196.53	-	-	-	-	-	2,005,196.53
Accounts Payable-Other	1,413,177.27	-	-	-	-	-	1,413,177.27
Accrued Payroll and Taxes	706,314.97	-	-	-	-	-	706,314.97
Due to Other Funds	-	-	5,490.00	61,200.00	-	-	66,690.00
Accrued Vacation and Sick Leave	710,082.27	437,852.71	201,267.61	1,119,393.72	1,186.98	16,874.56	2,486,557.85
Arbitrage Rebate Payable	-	-	-	66,093.84	-	-	66,093.84
Bonds and Warrants Payable	-	-	-	74,575,000.00	-	-	74,575,000.00
Capital Lease-	-	-	-	-	-	-	-
Purchase Contracts Payable	780,355.48	-	-	-	-	-	780,355.48
<b>Total Liabilities</b>	\$ 6,742,274.60	\$ 660,956.14	\$ 236,911.87	\$ 80,060,689.98	\$ 23,832.51	\$ 23,394.37	\$ 87,748,059.47
<b>Fund Equity</b>							
Contributed Capital	-	437,155.80	1,323,026.95	163,806,638.11	160.00	12,683.81	165,579,664.67
Retained Earnings:							
Reserve for Encumbrances	566.00	43,424.31	18,968.15	3,991,744.92	-	1,500.00	4,056,203.38
Reserve for Inventories	572,144.68	239,683.32	-	58,482.81	-	5,493.94	875,804.75
Reserve for Petty Cash	-	250.00	-	-	160.00	150.00	560.00
Reserve for Professional Liab.	724,336.16	-	-	-	-	-	724,336.16
Unreserved	9,717,365.92	(784,219.64)	2,606,035.95	43,086,950.08	135,091.69	(30,899.32)	54,730,324.68
Total Retained Earnings	11,014,412.76	(500,862.01)	2,625,004.10	47,137,177.81	135,251.69	(23,755.38)	60,387,228.97
<b>Total Fund Equity</b>	\$ 11,014,412.76	\$ (63,706.21)	\$ 3,948,031.05	\$ 210,943,815.92	\$ 135,411.69	\$ (11,071.57)	\$ 225,966,893.64
<b>Total Liabilities and Fund Equity</b>	\$ 17,756,687.36	\$ 597,249.93	\$ 4,184,942.92	\$ 291,004,505.90	\$ 159,244.20	\$ 12,322.80	\$ 313,714,953.11



COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
ALL ENTERPRISE FUNDS  
For the Fiscal Year Ended September 30, 1991

	Cooper Green Hospital	County Home	Landfill Operations Fund	Sanitary Operations Fund	Parking Deck Fund	Cafeteria Fund	Total Current Year
<b>Operating Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ 2,201,219.09	\$ -	\$ -	2,201,219.09
Licenses and Permits	-	-	-	6,675.50	-	-	6,675.50
Charges for Services	-	7,456,298.48	6,124,143.57	28,058,798.10	149,687.10	262,606.44	42,051,533.69
Miscellaneous Revenues	-	-	23,757.96	3,573,714.54	6,232.65	-	3,603,705.15
Patient Revenue	46,390,620.92	-	-	-	-	-	46,390,620.92
Less: Deductions							
Third Party	(3,588,882.67)	-	-	-	-	-	(3,588,882.67)
Contractual Allowance	(2,934,859.51)	-	-	-	-	-	(2,934,859.51)
Bad Debts	(634,267.50)	-	-	-	-	-	(634,267.50)
Other Deductions	(20,012,399.44)	-	-	-	-	-	(20,012,399.44)
Classified Indigent Care	(27,170,409.12)	-	-	-	-	-	(27,170,409.12)
Total Deductions From Revenue	19,220,211.80	-	-	-	-	-	19,220,211.80
Net Patient Revenue	29,603,804.00	-	-	-	-	-	29,603,804.00
Medicaid Disproportionate Share	2,458,685.48	-	-	-	-	-	2,458,685.48
Other Operating Revenue							
Total Operating Revenues	51,282,701.28	7,456,298.48	6,147,901.53	33,840,407.23	155,919.75	262,606.44	99,145,834.71
<b>Operating Expenses</b>							
Salaries and Wages	18,595,872.35	7,499,634.42	1,216,956.59	8,299,382.68	13,801.38	196,224.72	35,821,872.14
Contract Services	1,609,736.00	929,218.14	183,036.25	-	-	9,325.79	2,731,316.18
Fringe Benefits	3,654,623.72	2,262,560.67	300,156.54	2,266,507.49	2,583.64	35,086.42	8,521,518.48
Utilities	1,030,988.38	416,211.42	202,743.19	2,926,900.85	24,558.45	107.86	4,601,510.15
Depreciation	1,474,045.32	45,361.68	147,703.75	8,309,134.03	-	1,813.74	9,978,058.52
Outside Services	5,661,440.21	231,240.17	156,765.00	1,131,567.76	5,095.56	667.30	7,186,776.00
Services from Other Hospitals	3,195,063.83	-	-	-	-	-	3,195,063.83
Jefferson Clinic	6,186,066.00	-	-	-	-	-	6,186,066.00
County Maintenance	1,162,482.64	1,003,424.23	249,992.17	430,027.48	-	53,852.67	2,899,779.19
Office Expenses	736,275.52	142,000.50	1,054,987.79	348,186.64	88,184.40	1,011.00	2,370,645.85
Supplies	6,552,664.26	1,091,009.15	236,283.82	785,698.33	25,238.19	137,794.11	8,828,687.86
All Other	2,039,111.10	242,383.13	336,936.93	591,274.24	-	9,127.67	3,218,803.07
Total Operating Expenses	51,898,369.33	13,863,013.51	4,085,562.03	25,088,679.50	159,461.62	445,011.28	95,540,097.27
Operating Income/(Loss)	(615,668.05)	(6,406,715.03)	2,062,339.50	8,751,727.73	(3,541.87)	(182,404.84)	3,605,737.44
Forward to Sheet 2							

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
ALL ENTERPRISE FUNDS  
For the Fiscal Year Ended September 30, 1991

Jefferson  
County Commission

	Cooper Green Hospital	County Home	Landfill Operations Fund	Sanitary Operations Fund	Parking Deck Fund	Cafeteria Fund	Total Current Year
Operating Income/(Loss) Forward from Sheet 1	(615,668.05)	(6,406,715.03)	2,062,339.50	8,751,727.73	(3,541.87)	(182,404.84)	3,605,737.44
<u>Non-Operating Revenues (Expenses)</u>							
Miscellaneous Revenues	63,917.73	-	-	-	-	-	63,917.73
Proceeds from Sale of Fixed Assets	22,111.50	-	-	(5,398,536.80)	-	-	22,111.50 (5,398,536.80)
Interest Payments	-	-	-	-	-	-	-
Excess of Non-Operating Revenues Over/(Under) Non-Operating Expenses	86,029.23	-	-	(5,398,536.80)	-	-	(5,312,507.57)
Income or (Loss) Before Operating Transfers	(529,638.82)	(6,406,715.03)	2,062,339.50	3,353,190.93	(3,541.87)	(182,404.84)	(1,706,770.13)
Operating Transfers In and (Out)	(5,457,168.04)	6,598,459.98	-	-	-	179,682.31	1,320,974.25
Net Income/(Loss)	\$ (5,986,806.86)	\$ 191,744.95	\$ 2,062,339.50	\$ 3,353,190.93	\$ (3,541.87)	\$ (2,722.53)	\$ (385,795.88)
Retained Earnings-beginning of year as restated	17,001,219.62	(692,606.96)	562,664.60	43,783,986.88	138,793.56	(21,032.85)	60,773,024.85
Retained Earnings-end of year	\$ 11,014,412.76	\$ (500,862.01)	\$ 2,625,004.10	\$ 47,137,177.81	\$ 135,251.69	\$ (23,755.38)	\$ 60,387,228.97

COMBINING STATEMENT OF CASH FLOWS  
ALL ENTERPRISE FUNDS  
For the Fiscal Year Ended September 30, 1991

	Cooper Green Hospital	County Home	Landfill Operations	Sanitary Operations	Parking Deck	Cafeteria	Totals Current Year
<u>Cash Flows From Operating Activities:</u>							
Cash received from customers	18,200,734.46	7,456,298.48	5,792,220.42	28,044,757.32	149,687.10	262,126.44	59,905,824.22
Cash payments to suppliers for goods and services	(29,167,484.05)	(4,016,987.14)	(2,463,186.72)	(4,663,924.16)	(127,983.07)	(210,557.92)	(40,650,123.06)
Cash payments to employees for services	(22,255,299.80)	(9,811,472.38)	(1,488,734.52)	(10,511,333.45)	(15,198.04)	(231,413.58)	(44,353,451.77)
Other operating revenues	2,458,685.48		23,757.96	5,781,609.13	6,232.65		8,270,285.22
Cash received from medicaid	29,603,804.00						29,603,804.00
Net Cash Provided By Operating Activities	(1,199,559.91)	(6,372,161.04)	1,864,057.14	18,651,108.84	12,738.64	(179,845.06)	12,776,338.61
<u>Cash Flows From Noncapital Financing Activities:</u>							
Operating transfers in(out)	(5,457,168.04)	6,598,459.98				179,682.31	1,320,974.25
Net Cash Provided By (Used For) Noncapital Financing Activities	(5,457,168.04)	6,598,459.98	0.00	0.00	0.00	179,682.31	1,320,974.25
<u>Cash Flows From Capital and Related Financing Activities:</u>							
Acquisition of capital assets	(1,884,161.17)	(227,559.83)		(28,626,581.68)	(4,772.50)		(30,743,075.18)
Capital contributed by government				6,547,376.00			6,547,376.00
Principal paid on warrants				(1,040,000.00)			(1,040,000.00)
Proceeds from sale of equipment	22,111.50		327,051.03				349,162.53
Net Cash Provided By (Used For) Capital and Related Financing Activities	(1,862,049.67)	(227,559.83)	327,051.03	(23,119,205.68)	(4,772.50)	0.00	(24,886,536.65)
<u>Cash Flows From Investing Activities:</u>							
Interest on investments	63,917.73			(40,420.04)			23,497.69
Purchase of investment securities	6,844,256.36		(1,909,494.58)	5,926,692.27	(4,569.59)		10,856,884.46
Interest paid on warrants/leases				(5,398,536.80)			(5,398,536.80)
Net Cash Provided By (Used For) Investing Activities	6,908,174.09	0.00	(1,909,494.58)	487,735.43	(4,569.59)	0.00	5,481,845.35
Net Increase(Decrease) in Cash and Cash Equivalents	(1,610,603.53)	(1,260.89)	281,613.59	(3,980,361.41)	3,396.55	(162.75)	(5,307,378.44)
Cash and Cash Equivalents-October 1	1,392,484.32	250.00	34,388.05	14,360,251.50	16,236.22	150.00	15,803,760.09
Cash and Cash Equivalents-September 30	(218,119.21)	(1,010.89)	316,001.64	10,379,890.09	19,632.77	(12.75)	10,496,381.65

COMBINING STATEMENT OF CASH FLOWS  
ALL ENTERPRISE FUNDS

For the Fiscal Year Ended September 30, 1991

Jefferson  
County Commission

	Cooper Green Hospital	County Home	Landfill Operations	Sanitary Operations	Parking Deck	Cafeteria	Totals Current Year
Reconciliation Of Operating Income To Net Cash Provided By (Used for) Operating Activities							
Operating income (Loss)	(615,668.05)	(6,406,715.03)	2,062,339.50	8,751,727.73	(3,541.87)	(182,404.84)	3,605,737.44
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:							
Depreciation expense	1,474,045.32	45,361.68	147,703.75	8,309,134.03		1,813.74	9,978,058.52
Decrease in prepaid items	8,704.92						8,704.92
(Increase)decrease in accounts receivable	(1,019,477.34)		(331,923.15)	(14,040.78)		(480.00)	(1,365,921.27)
(Increase)decrease in inventories	(45,346.04)	12,265.55		188,796.76		8,987.47	164,603.74
Increase(decrease)in accounts payable	(773,115.34)	26,204.05	(42,441.57)	1,360,934.38	15,093.53	(7,558.99)	579,116.06
Increase(decrease)in accrued payroll and taxes	151,362.40	(49,277.29)	28,378.61	54,556.72	1,186.98	(102.44)	151,362.40
Increase(decrease)in compensated absences	(44,803.73)						(44,803.73)
Increase(decrease)in capital lease payable	(335,262.05)						(335,262.05)
Total Adjustments	(583,891.86)	34,553.99	(198,282.36)	9,899,381.11	16,280.51	2,559.78	9,170,601.17
Net cash provided by (used for) operating activities	(1,199,559.91)	(6,372,161.04)	1,864,057.14	18,651,108.84	12,738.64	(179,845.06)	12,776,338.61

COMBINING BALANCE SHEET - ALL INTERNAL SERVICE FUNDS  
September 30, 1991

	Risk Management Fund	Personnel Board Fund	Elections Fund	Information Services Fund	Fleet Management Fund
<b>Assets</b>					
Cash and Cash Equivalents	\$ 50,000.00	\$ -	\$ -	\$ -	\$ 6,089.85
Investments	-	-	-	-	38,014.41
Accounts Receivable	-	205.66	-	483.70	30,342.14
Inventories	-	-	-	-	496,274.25
Buildings	-	-	-	-	-
Improvements Other than Land	-	-	-	-	31,704.96
Equipment and Furniture	-	-	1,188.00	-	-
Maintenance Equipment	-	-	28,892.00	-	57,491.73
Motor Vehicle	-	-	11,258.00	-	24,664.11
Office Furniture & Fixture	2,553.00	304,989.36	-	2,972,592.08	-
Miscellaneous Equipment	13,649.00	-	247,302.00	160,116.57	-
Accumulated Depreciation	(1,413.75)	(55,775.05)	(87,163.85)	39,385.57	7,089.00
				(1,061,972.48)	(17,090.55)
<b>Total Assets</b>	<b>\$ 64,788.25</b>	<b>\$ 249,419.97</b>	<b>\$ 201,476.15</b>	<b>\$ 2,110,605.44</b>	<b>\$ 674,579.90</b>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities</b>					
Cash Deficit	-	-	-	-	-
Accounts Payable	37,830.49	1,641,122.99	-	1,593.48	-
Capital Lease-	-	93,845.81	35,794.43	82,399.16	396,458.09
Purchase Contracts Payable	-	31,169.95	-	449,761.68	-
Deposits Payable	-	-	-	-	-
Accrued Vacation and Sick Leave	31,546.48	112,360.41	19,047.02	217,679.26	246,755.51
Arbitrage Rebate Payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>69,376.97</b>	<b>1,878,499.16</b>	<b>54,841.45</b>	<b>751,433.58</b>	<b>643,213.60</b>
<b>Fund Equity</b>					
Contributed Capital	1,160.95	112,572.98	198,401.15	1,195,685.67	529,058.81
Retained Earnings:					
Reserve for Encumbrances	448.19	70,245.28	60,000.00	3,683.03	14,421.41
Reserve for Inventories	-	-	-	-	496,274.25
Reserve for Petty Cash	-	25.00	-	-	200.00
Unreserved	(6,197.86)	(1,811,922.45)	(111,766.45)	159,803.16	(1,008,588.17)
Total Retained Earnings	(5,749.67)	(1,741,652.17)	(51,766.45)	163,486.19	(497,692.51)
<b>Total Fund Equity</b>	<b>(4,588.72)</b>	<b>(1,629,079.19)</b>	<b>146,634.70</b>	<b>1,359,171.86</b>	<b>31,366.30</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 64,788.25</b>	<b>\$ 249,419.97</b>	<b>\$ 201,476.15</b>	<b>\$ 2,110,605.44</b>	<b>\$ 674,579.90</b>

COMBINING BALANCE SHEET - ALL INTERNAL SERVICE FUNDS  
September 30, 1991

	Central Laundry Fund	Printing Fund	Building Services Fund	Equipment Acquisition Fund	Total Current Year
<b>Assets</b>					
Cash and Cash Equivalents	\$ 48,739.94	\$ 13,234.69	\$ 266,247.40	\$ 4,544,194.76	\$ 4,928,506.64
Investments	337,499.02	91,643.46	1,842,241.58	2,374,416.40	4,683,814.87
Accounts Receivable	642.84	4,361.04	28,553.88	-	64,583.26
Inventories	14,540.96	66,149.26	316,770.09	-	893,734.56
Buildings	-	-	83,351.57	509,562.14	592,913.71
Improvements Other than Land	-	1,656.00	-	4,171.33	37,532.29
Equipment and Furniture	-	-	-	17,367,600.94	17,367,600.94
Maintenance Equipment	5,855.40	-	142,868.40	-	207,403.53
Motor Vehicle	1,000.00	60,338.99	174,912.70	-	3,262,399.88
Office Furniture & Fixture	11,556.16	2,937.00	2,937.00	340,182.00	833,592.09
Miscellaneous Equipment	129,319.46	-	360,858.11	5,494.00	803,097.14
Accumulated Depreciation	(29,370.73)	(59,148.42)	(420,051.52)	(1,203,325.65)	(2,935,312.00)
<b>Total Assets</b>	\$ 519,783.05	\$ 178,235.02	\$ 2,798,689.21	\$ 23,942,295.92	\$ 30,739,872.91
<b>Liabilities and Fund Equity</b>					
<b>Liabilities</b>					
Cash Deficit	-	-	-	-	\$ 1,642,716.47
Accounts Payable	26,067.92	37,259.30	327,942.77	700,952.16	1,738,550.13
Capital Lease-	-	-	-	-	480,931.63
Purchase Contracts Payable	-	-	3,010.00	-	3,010.00
Deposits Payable	60,017.92	23,816.92	564,057.07	-	1,275,280.49
Accrued Vacation and Sick Leave	-	-	-	348,255.72	348,255.72
Arbitrage Rebate Payable	-	-	-	-	-
<b>Total Liabilities</b>	86,085.74	61,076.22	895,009.84	1,049,207.88	5,488,744.44
<b>Fund Equity</b>					
Contributed Capital	25,227.28	79,302.61	471,831.09	16,678,008.76	19,291,249.30
Retained Earnings:					
Reserve for Encumbrances	3,505.74	2,003.00	39,581.00	-	193,887.65
Reserve for Inventories	14,540.96	66,149.26	316,770.09	-	893,734.56
Reserve for Petty Cash	-	-	200.00	-	425.00
Unreserved	390,423.33	(30,296.07)	1,075,297.19	6,215,079.28	4,871,831.96
Total Retained Earnings	408,470.03	37,856.19	1,431,848.28	6,215,079.28	5,959,879.17
<b>Total Fund Equity</b>	433,697.31	117,158.80	1,903,679.37	22,893,088.04	25,251,128.47
<b>Total Liabilities and Fund Equity</b>	\$ 519,783.05	\$ 178,235.02	\$ 2,798,689.21	\$ 23,942,295.92	\$ 30,739,872.91

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
ALL INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended September 30, 1991**

	Risk Management Fund	Personnel Board Fund	Elections Fund	Information Services Fund	Fleet Management Fund
<b>Operating Revenues</b>					
Intergovernmental Revenues	\$ -	\$ 1,384,226.27	\$ -	\$ -	\$ -
Charges for Services	266,540.00	-	-	372,180.81	6,389,582.71
Miscellaneous Revenues	606.00	-	3,075.60	-	2,436.58
<b>Total Operating Revenues</b>	<b>267,146.00</b>	<b>1,384,226.27</b>	<b>3,423.60</b>	<b>372,180.81</b>	<b>6,392,019.29</b>
<b>Operating Expenses</b>					
Salaries and Wages	297,793.82	1,184,119.88	331,256.68	1,442,358.12	1,997,214.72
Contract Services	66,658.50	507,045.52	-	32,716.00	6,366.70
Fringe Benefits	66,834.77	260,683.98	35,172.94	311,905.30	533,507.50
Utilities	-	-	24,347.66	10,434.29	108,309.97
Depreciation	21.70	2,867.53	6,492.00	41,004.92	7,841.30
Outside Services	-	62,483.73	36,941.72	306,470.57	36,864.05
County Maintenance	16,388.58	169,506.49	949.00	31,091.77	81,568.46
Office Expenses	101,867.17	154,683.15	231,886.93	125,538.80	138,126.90
Supplies	7,763.82	45,917.48	8,495.97	132,339.27	3,850,141.26
All Other	626.08	5,067.71	19,711.80	42,994.58	400,495.85
<b>Total Operating Expenses</b>	<b>557,954.44</b>	<b>2,392,375.47</b>	<b>695,254.70</b>	<b>2,476,853.62</b>	<b>7,160,436.71</b>
<b>Operating Income or (Loss)</b>	<b>(290,808.44)</b>	<b>(1,008,149.20)</b>	<b>(691,829.10)</b>	<b>(2,104,672.81)</b>	<b>(768,417.42)</b>
<b>Non-Operating Revenues and Expenses</b>					
Interest Payments	-	(2,630.27)	-	(55,401.29)	-
<b>Total Non-Operating Revenue Over/(Under) Non-Operating Expenses</b>	<b>-</b>	<b>(2,630.27)</b>	<b>-</b>	<b>(55,401.29)</b>	<b>-</b>
<b>Income or (Loss) Before Operating Transfers</b>	<b>(290,808.44)</b>	<b>(1,010,779.47)</b>	<b>(691,829.10)</b>	<b>(2,160,074.10)</b>	<b>(768,417.42)</b>
<b>Operating Transfers In and (Out)</b>	<b>241,679.82</b>	<b>65,000.00</b>	<b>647,414.39</b>	<b>2,588,929.19</b>	<b>688,000.00</b>
<b>Net Income/(Loss)</b>	<b>(49,128.62)</b>	<b>(945,779.47)</b>	<b>(44,414.71)</b>	<b>428,855.09</b>	<b>(80,417.42)</b>
<b>Retained Earnings at beginning of year</b>	<b>43,378.95</b>	<b>(795,872.70)</b>	<b>(7,351.74)</b>	<b>(265,368.90)</b>	<b>(417,275.09)</b>
<b>Retained Earnings at end of year</b>	<b>\$ (5,749.67)</b>	<b>\$ (1,741,652.17)</b>	<b>\$ (51,766.45)</b>	<b>\$ 163,486.19</b>	<b>\$ (497,692.51)</b>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
ALL INTERNAL SERVICE FUNDS

For the Fiscal Year Ended September 30, 1991

Jefferson  
County Commission

	Central Laundry Fund	Printing Fund	Building Services Fund	Equipment Acquisition Fund	Total Current Year
<b>Operating Revenues</b>					
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ 1,384,576.27
Charges for Services	912,390.46	512,985.23	5,821,340.75	5,520,925.00	19,795,944.96
Miscellaneous Revenues	12,577.47	-	27,665.00	676,124.85	722,485.50
<b>Total Operating Revenues</b>	<b>924,967.93</b>	<b>512,985.23</b>	<b>5,849,005.75</b>	<b>6,197,049.85</b>	<b>21,903,006.73</b>
<b>Operating Expenses</b>					
Salaries and Wages	410,807.90	178,432.61	4,535,655.59	498,406.97	10,377,639.32
Contract Services	-	41,874.34	24,537.60	-	1,135,731.29
Fringe Benefits	113,913.05	360.02	1,179,745.74	-	2,543,637.62
Utilities	134,587.39	894.71	1,707,785.36	-	1,985,824.69
Depreciation	193.76	10,473.72	31,937.46	-	91,053.38
Outside Services	26,633.61	19,849.86	429,102.59	196,722.00	1,105,691.99
County Maintenance	106,594.42	116,309.43	106,817.39	55,468.77	532,765.97
Office Expenses	21,360.00	222,084.39	46,076.39	-	991,317.54
Supplies	25,761.21	15,634.11	1,089,321.14	1,296,299.17	5,381,824.54
All Other	9,696.99	-	373,726.48	-	2,164,252.77
<b>Total Operating Expenses</b>	<b>849,548.33</b>	<b>605,713.19</b>	<b>9,524,705.74</b>	<b>2,046,896.91</b>	<b>26,309,739.11</b>
<b>Operating Income or (Loss)</b>	<b>75,419.60</b>	<b>(92,727.96)</b>	<b>(3,675,699.99)</b>	<b>4,150,152.94</b>	<b>(4,406,732.38)</b>
<b>Non-Operating Revenues and Expenses</b>					
Interest Payments	-	-	-	-	(58,031.56)
<b>Total Non-Operating Revenues Over/(Under) Non-Operating Expenses</b>					<b>(58,031.56)</b>
<b>Income or (Loss) Before Operating Transfers</b>	<b>75,419.60</b>	<b>(92,727.96)</b>	<b>(3,675,699.99)</b>	<b>4,150,152.94</b>	<b>(4,464,763.94)</b>
<b>Operating Transfers In and (Out)</b>					
Net Income/(Loss)	75,419.60	(84,320.00)	1,752,000.00	(7,628,785.31)	(1,561,441.91)
Retained Earnings at beginning of year	333,050.43	46,264.15	3,355,548.27	9,693,711.65	11,986,085.02
Retained Earnings at end of year	\$ 408,470.03	\$ 37,856.19	\$ 1,431,848.28	\$ 6,215,079.28	\$ 5,959,879.17



COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended September 30, 1991

	Risk Management	Personnel Board	Elections	Information Services	Fleet Management
<u>Cash Flows From</u>					
<u>Operating Activities:</u>					
Cash received	266,540.00	1,385,546.60	16,250.00	373,799.64	6,374,025.39
Cash payments to	(155,678.71)	(920,862.86)	(292,233.39)	(1,118,439.99)	(4,508,049.68)
suppliers for goods					
and services to	(339,498.11)	(1,447,906.45)	(365,289.60)	(1,748,514.16)	(2,528,558.71)
cash payments to	806.00		3,425.60		2,436.58
employees for services					
Other operating revenues					
Net Cash Provided By	(228,030.82)	(983,222.71)	(637,847.39)	(2,493,154.51)	(660,146.42)
Operating Activities					
<u>Cash Flows From Noncapital</u>					
<u>Financing Activities:</u>					
Operating transfers	241,679.82	65,000.00	647,414.39	2,588,929.19	688,000.00
in (out)					
Net Cash Provided By					
(Used For) Noncapital	241,679.82	65,000.00	647,414.39	2,588,929.19	688,000.00
Financing Activities					
<u>Cash Flows From Capital</u>					
<u>and Related Financing</u>					
<u>Activities:</u>					
Acquisition of	(13,649.00)	(80,338.34)	(9,567.00)	(160,116.57)	(30,127.20)
capital assets					
Net Cash Provided By	(13,649.00)	(80,338.34)	(9,567.00)	(160,116.57)	(30,127.20)
(Used For) Capital					
and Related Financing					
Activities					

COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended September 30, 1991

Jefferson  
County Commission

	Central Laundry	Printing	Building Services	Equipment Acquisition	Total Current Year
<b>Cash Flows From Operating Activities:</b>					
Cash received from customers	991,403.41	519,841.93	6,199,836.22	5,520,925.00	21,648,168.19
Cash payments to suppliers for goods and services	(306,723.85)	(361,471.64)	(3,845,283.00)	(1,609,743.79)	(13,118,486.91)
Cash payments to employees for services	(519,682.13)	(218,511.03)	(5,690,901.26)		(12,858,861.45)
Other operating revenues	12,577.47		27,685.00	676,124.85	722,835.50
Net Cash Provided By Operating Activities	177,574.90	(60,140.74)	(3,308,683.04)	4,587,306.06	(3,606,344.67)
<b>Cash Flows From Noncapital Financing Activities:</b>					
Operating transfers in (out)		84,320.00	1,752,000.00	(7,628,785.31)	(1,561,441.91)
Net Cash Provided By (Used For) Noncapital Financing Activities	0.00	84,320.00	1,752,000.00	(7,628,785.31)	(1,561,441.91)
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Acquisition of capital assets	(112,169.16)		(80,105.44)	(345,676.00)	(831,748.71)
Net Cash Provided By (Used For) Capital and Related Financing Activities	(112,169.16)	0.00	(80,105.44)	(345,676.00)	(831,748.71)

COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended September 30, 1991

	Risk Management	Personnel Board	Elections	Information Services	Fleet Management
<u>Cash Flows From</u>					
<u>Investing Activities:</u>					
Interest on investments					
(Purchase) /sale of					
investment securities				105,170.83	3,090.78
Interest paid on				(55,401.29)	
warrants/leases		(2,630.27)			
Net Cash Provided By					
(Used For) Investing					
Activities	0.00	(2,630.27)	0.00	49,769.54	3,090.78
Net Increase(Decrease)					
in Cash and Cash					
Equivalents	0.00	(1,001,191.32)	0.00	(14,572.35)	817.16
Cash and Cash					
Equivalents-					
October 1	50,000.00	(639,931.67)	0.00	12,978.87	5,272.69
Cash and Cash					
Equivalents-					
September 30	50,000.00	(1,641,122.99)	0.00	(1,593.48)	6,089.85
<u>Reconciliation Of Operating Income To</u>					
<u>Net Cash Provided By (Used for)</u>					
<u>Operating Activities</u>					
Operating Income (Loss)	(290,808.44)	(1,008,149.20)	(691,829.10)	(2,104,672.81)	(768,417.42)
Adjustments to reconcile operating					
income to net cash provided by (used for)					
<u>Operating activities:</u>					
Depreciation expense	21.70	2,867.53	6,492.00	41,004.92	7,841.30
(Increase)decrease in accounts receivable		1,320.33	16,250.00	1,618.83	(15,557.32)
(Increase)decrease in inventories					92,523.48
Increase(decrease)in accounts payable	37,625.44	30,960.59	30,099.69	(147,872.92)	21,300.03
Increase(decrease)in deposits payable	25,130.48	(3,102.59)	1,140.02	5,749.26	2,163.51
Increase(decrease)in compensated absences		(7,119.37)		(288,981.79)	
Increase(decrease)in capital lease payable					
Total Adjustments	62,777.62	24,926.49	53,981.71	(388,481.70)	108,271.00
Net cash provided by (used for)					
operating activities	(228,030.82)	(983,222.71)	(637,847.39)	(2,493,154.51)	(660,146.42)

COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended September 30, 1991

Jefferson  
County Commission

	Central Laundry	Printing	Building Services	Equipment Acquisition	Total Current Year
<b>Cash Flows From Investing Activities:</b>					
Interest on investments (purchase) /sales of investment securities	(51,909.67)	(19,809.43)	1,491,435.09	1,823,410.08	3,351,387.68
Interest paid on warrants/leases					(58,031.56)
<b>Net Cash Provided By (Used For) Investing Activities</b>	(51,909.67)	(19,809.43)	1,491,435.09	1,816,889.41	3,286,835.45
<b>Net Increase(Decrease) in Cash and Cash Equivalents</b>	13,496.07	4,369.83	(145,353.39)	(1,570,265.84)	(2,712,699.84)
<b>Cash and Cash Equivalents- October 1</b>	35,243.87	8,864.86	411,600.79	6,114,460.60	5,998,490.01
<b>Cash and Cash Equivalents- September 30</b>	48,739.94	13,234.69	266,247.40	4,544,194.76	3,285,790.17
<b>Reconciliation Of Operating Income To Net Cash Provided By (Used For) Operating Activities</b>	75,419.60	(92,727.96)	(3,675,699.99)	4,150,152.94	(4,406,732.38)
<b>Operating Income (Loss)</b>					
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation expense	193.76	694.71	31,937.46		91,053.38
(Increase)decrease in accounts receivable	79,012.95	6,856.70	378,223.47		467,724.96
(Increase)decrease in inventories	4,358.32	9,591.72	(104,676.10)		2,197.42
Increase(decrease)in accounts payable	13,551.45	13,248.17	36,760.05	437,153.12	472,825.62
Increase(decrease)in deposits payable			272.00		272.00
Increase(decrease)in compensated absences	5,038.82	1,795.92			62,415.49
Increase(decrease)in capital lease payable			24,500.07		(296,181.16)
<b>Total Adjustments</b>	102,155.30	32,587.22	367,016.95	437,153.12	800,387.71
<b>Net cash provided by (used for) operating activities</b>	177,574.90	(60,140.74)	(3,308,683.04)	4,587,306.06	(3,606,344.67)

COMBINING BALANCE SHEET - ALL FIDUCIARY FUND TYPES  
September 30, 1991

	Expendable Trust Funds		Agency Fund		Pension Trust Fund		Total
	Revolving Loan Fund	Pension Fund	Deferred Compensation Fund	Retirement System	General	Current Year	
<u>Current Assets</u>							
Cash	\$ 146,149.07	\$ -	\$ -	\$ -	\$ 9,129.00	\$ 155,278.07	
Investments	1,012,007.21	-	-	-	235,423,567.00	236,435,574.21	
Due From Other Funds	292.35	-	-	-	-	292.35	
Contributions Receivable	-	-	-	-	232,588.00	232,588.00	
Loans Receivable	2,714,903.21	-	-	-	-	2,714,903.21	
Due From Other Governmental Units	60,627.00	-	-	-	-	60,627.00	
Total Current Assets	3,933,978.84	-	-	-	235,665,284.00	239,599,262.84	
<u>Other Assets</u>							
Property and Rights Under Deferred Compensation Plans	-	-	8,160,591.70	-	-	8,160,591.70	
Total Assets	\$ 3,933,978.84	\$ -	\$ 8,160,591.70	\$ 235,665,284.00	\$ -	\$ 247,759,854.54	
<u>Liabilities and Fund Equity</u>							
Liabilities							
Cash Deficit	\$ -	\$ 5,303.41	\$ -	\$ -	\$ -	\$ 5,303.41	
Accounts Payable	32,185.00	8.75	-	-	67,704.00	99,897.75	
Accrued Vacation and Sick Leave Obligations to Employees Under Deferred Compensation Plans	-	1,488.04	-	-	-	1,488.04	
Total Liabilities	32,185.00	6,800.20	8,160,591.70	-	67,704.00	8,267,280.90	
<u>Fund Equity</u>							
Fund Balances							
Reserve for Contingent Refunds	-	-	-	-	32,587,008.00	32,587,008.00	
Reserve for Retirement/Disability Benefits Unreserved	3,901,793.84	(6,800.20)	-	-	203,010,572.00	203,010,572.00	
Total Fund Balances	3,901,793.84	(6,800.20)	-	-	235,597,580.00	239,492,573.64	
Total Liabilities and Fund Equity	\$ 3,933,978.84	\$ -	\$ 8,160,591.70	\$ 235,665,284.00	\$ -	\$ 247,759,854.54	

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL EXPENDABLE TRUST FUNDS  
 For the Fiscal Year Ended September 30, 1991

Jefferson  
 County Commission

	CDBG/EDA	Pension Fund	Total
	Revolving Loan Fund		Current Year
<u>Revenues</u>			
Intergovernmental Revenues	\$ 336,006.00	\$ 62,097.97	\$ 398,103.97
Charges for Services	258.23	-	258.23
Miscellaneous Revenues	228,670.77	-	228,670.77
Total Revenues	564,935.00	62,097.97	627,032.97
<u>Expenditures</u>			
Current			
General Government	-	69,393.35	69,393.35
Total Expenditures	-	69,393.35	69,393.35
Excess (deficiency) of revenues over expenditures	564,935.00	(7,295.38)	557,639.62
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	237,138.60	-	237,138.60
Total Other Financing Sources (Uses)	237,138.60	-	237,138.60
Excess (deficiency) of revenues over expenditures and other sources (uses)	802,073.60	(7,295.38)	794,778.22
Fund Balances at beginning of year	3,099,720.24	495.18	3,100,215.42
Fund Balances at end of year	\$ 3,901,793.84	\$ (6,800.20)	\$ 3,894,993.64

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 1991

	Balance 10-1-90	Additions	Deductions	Balance 9-30-91
<u>Deferred Compensation Fund</u>				
<u>Other Assets</u>				
Property and Rights Held Under Deferred Compensation Plan	6,978,491.12	1,621,955.74	(439,855.16)	8,160,591.70
Total Assets	6,978,491.12	1,621,955.74	(439,855.16)	8,160,591.70
<u>Liabilities</u>				
Obligations to Employees Under Deferred Compensation Plan	6,978,491.12	1,621,955.74	(439,855.16)	8,160,591.70
Total Liabilities	6,978,491.12	1,621,955.74	(439,855.16)	8,160,591.70

**SUPPLEMENTARY INFORMATION**



**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
For the Fiscal Year Ended September 30, 1991**

Federal Grantor/ Pass-Through Grantor/ Program Title	Identification Number	Pass Through Grantor's Number	Assistance Period	Budget		Accrued or (Deferred) Revenue at 10-1-90	Accrued or (Deferred) Revenue at 9-30-91
				Total	Federal Share		
<b>Department of Agriculture</b>							
Passed Through Alabama							
Department of Education							
School Breakfast Program	10.553	344284	1989-90				4,098.89
School Breakfast Program	10.553	344284	1990-91				17,818.24
National School Lunch Program	10.555	344084	1989-90				791.71
National School Lunch Program	10.555	344084	1990-91				3,429.84
National School Lunch Program	10.555	344184	1989-90				6,571.11
National School Lunch Program	10.555	344184	1990-91				28,512.73
Total Department of Agriculture				0.00	0.00	0.00	61,222.52
<b>Department of Commerce</b>							
Direct Programs							
Economic Development-							
Business Development Assistance	11.301	04-39-03391	1990-91				
Federal Emergency Management Agency							
Passed Through State of Alabama							
Emergency Management Agency	83.516	073-00000	1990-91	560,892.00	423,663.25		213,557.50
Disaster Assistance Funds							
Department of Justice							
Passed through Alabama							
Department of Economic and Community Affairs							
Drug Control and System Improvement - Formula Grant	16.579	DB-90-03-0010	1990-91	257,138.00	192,853.00		28,259.93
Department of Health and Human Services							
Passed-Through State Commission on Aging							
Title IIIA (M)	93.633	03-01-09-03a	1990-91	129,350.00	97,012.85	20,876.75	75,655.16
Title IIIB (M)	93.633	03-01-09-03a	1990-91	628,200.00	565,380.41	91,517.00	364,997.04
Title IIIC-1 (M)	93.635	03-01-09-03a	1990-91	1,133,630.00	838,628.21	78,061.06	809,989.65
Title IIIC-2 (M)	93.635	03-01-09-03a	1990-91	583,648.00	245,500.00	(10,725.66)	228,966.27
Title IIID	93.641	03-01-09-03a	1990-91	15,385.00	13,385.00	5,428.46	13,385.00
Title IIIG	93.552	03-01-09-03a	1990-91	6,690.00	6,017.00		
Medicaid Waiver (M)	93.714	03-01-09-03a	1990-91	815,750.00		96,611.13	464,677.67
Title IV - A101 Model Project	93.668	90AWO433/01	1990-92	111,920.00	73,470.00		45,954.35
Total Department of Health and Human Services				3,424,573.00	1,839,393.47	281,768.74	2,003,625.14
Sub-Total to Sheet 2				4,242,603.00	2,455,909.72	281,768.74	2,367,546.12
							451,725.93

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
For the Fiscal Year Ended September 30, 1991

Jefferson  
County Commission

Federal Grantor/ Pass-Through Grantor/ Program Title	Identification Number	Pass Through Grantor's Number	Assistance Period	Budget		Accrued or (Deferred) Revenue at 10-1-90	Revenue Recognized	Accrued or (Deferred) Revenue at 9-30-91
				Total	Federal Share			
Sub-Total from Sheet 1				4,242,603.00	2,455,909.72	281,768.74	2,367,546.12	451,725.93
Department of Housing and Urban Development								
Direct Programs								
Community Development Block Grants (M)								
14.218	B-86-UC-01-0001	1990-91	1990-91	2,851,000.00	2,851,000.00			4,218.20
14.218	B-87-UC-01-0001	1990-91	1990-91	2,859,000.00	2,859,000.00			3,600.02
14.218	B-88-UC-01-0001	1990-91	1990-91	2,703,000.00	2,703,000.00		1,098,000.00	307,423.12
14.218	B-89-UC-01-0001	1990-91	1990-91	2,811,000.00	2,811,000.00	495,157.86	1,851,262.41	1,248,181.60
14.218	B-90-UC-01-0001	1990-91	1990-91	2,588,000.00	2,588,000.00			1,385,839.47
14.230	R-87-UC-01-0201	1990-91	1990-91	174,000.00	174,000.00		20,000.00	20,000.00
14.230	R-88-UC-01-0201	1990-91	1990-91	173,000.00	173,000.00			
14.230	R-89-UC-01-0201	1990-91	1990-91	130,000.00	130,000.00			48,757.90
14.230	R-90-UC-01-0201	1990-91	1990-91	106,000.00	106,000.00			66,862.00
14.230	R-91-UC-01-0201	1990-91	1990-91	58,000.00	58,000.00			34,505.10
14.231	S-90-UC-01-0006	1990-91	1990-91	70,000.00	70,000.00	5,421.34		9,135.21
23.001	A-89-UC-01-0001	1990-91	1990-91	129,450.00	129,450.00			20,597.03
23.001	A-90-UC-01-0001	1990-91	1990-91	160,000.00	160,000.00			119,817.47
Appalachian Regional Commission								
Emergency Shelter								
Appalachian Regional Commission								
Passed Through Alabama Department of Economic and Community Affairs Emergency Shelter								
14.231	HL-90-002	1990-91	1990-91	99,000.00	99,000.00	25,775.00	63,365.95	42,688.45
Total Department of Housing and Urban Development				14,977,450.00	14,977,450.00	526,354.20	3,387,745.90	377,658.43
17.235	99-0-0737-11-086	1990-91	1990-91	320,824.00	288,742.00		288,341.00	288,341.00
Department of Labor Passed Through National Council of Senior Citizens Senior Aides-Title V								
20.509	RPT-37(6)	1990-91	1990-91	353,250.00	181,500.00	48,862.50	182,241.41	182,241.41
Department of Transportation Passed Through Alabama Highway Department Public Transportation for Non-Urbanized Areas								
Total				19,894,127.00	17,903,601.72	856,985.44	6,225,874.43	866,913.76

(M) Denotes a Major Program

SCHEDULE OF REVENUES AND EXPENDITURES--BUDGET AND ACTUAL  
ADECA CONTRACT NUMBER HL-90-002  
For the Fiscal Year Ended September 30, 1991

	Total Budget Grant Funds	Current Year Activity Grant Funds	Prior Year Total Grant Funds	Cumulative Totals	
				Actual	Budget
Revenues					
Federal Funds					
Received from					
ADECA	99,000.00	63,365.95	25,775.00	89,140.95	99,000.00
					(9,859.05)
Expenditures By Budget					
Cost Category					
Emergency Shelter	99,000.00	63,365.95	25,775.00	89,140.95	99,000.00
					9,859.05

Jefferson  
County Commission

SCHEDULE OF REVENUES AND EXPENDITURES--BUDGET AND ACTUAL  
ADECA CONTRACT NUMBER DB-90-03-0010  
For the Fiscal Year Ended September 30, 1991

	Total Budget		Current Year Activity		Prior Year Total		Cumulative Totals		
	Grant Funds	Local Match	Grant Funds	Local Match	Grant Funds	Local Match	Actual	Budget	
<b>Revenues</b>									
Federal Funds									
Received from									
ADECA	192,853.00	64,285.00	28,259.93	9,419.97	0.00	0.00	28,259.93	192,853.00	(164,593.07)
Local Contribution							9,419.97	64,285.00	(54,865.03)
<b>Totals</b>	192,853.00	64,285.00	28,259.93	9,419.97	0.00	0.00	37,679.90	257,138.00	(219,458.10)
<b>Expenditures By Budget</b>									
Cost Category									
Contractual Services	193,904.00	64,634.00	26,887.95	8,962.65			26,887.95	258,538.00	231,650.05
Equipment	39,779.00	13,261.00	649.79	216.59			649.79	53,040.00	52,390.21
Operating Expenses	3,240.00	1,080.00	600.23	200.08			600.23	4,320.00	3,719.77
Personnel Cost	(44,820.00)	(14,940.00)					0.00	(59,760.00)	(59,760.00)
Travel	750.00	250.00	121.96	40.65			121.96	1,000.00	878.04
<b>Totals</b>	192,853.00	64,285.00	28,259.93	9,419.97	0.00	0.00	37,679.90	257,138.00	228,878.07

SCHEDULE OF REVENUES AND EXPENDITURES—BUDGET AND ACTUAL  
ADECA CONTRACT NUMBER PE-91-14  
For the Fiscal Year Ended September 30, 1991

	<u>Total Budget</u> Grant Funds	<u>Current Year</u> Activity Grant Funds	<u>Prior Year</u> Total Grant Funds	<u>Cumulative Totals</u>	
				<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>					
State Funds					
Received from					
ADECA	96,910.00	96,910.00	0.00	96,910.00	0.00
<u>Expenditures By Budget</u>					
<u>Cost Category</u>					
Promotion	96,910.00	96,910.00	0.00	96,910.00	0.00

SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL  
ADECA CONTRACT NUMBER SPEC-90-14  
For the Fiscal Year Ended September 30, 1991

	<u>Total Budget</u>		<u>Current Year</u>		<u>Prior Year</u>		<u>Cumulative Totals</u>	
	<u>Grant</u>	<u>Funds</u>	<u>Activity</u>	<u>Grant</u>	<u>Grant</u>	<u>Funds</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>Revenues</u>								
State Funds								
Received from								
ADECA	24,400.00		24,400.00		0.00		24,400.00	0.00
<u>Expenditures By Budget</u>								
<u>Cost Category</u>								
Equipment and Construction	24,400.00		24,400.00		0.00		24,400.00	0.00



**ADDITIONAL INFORMATION**



Jefferson  
County Commission

MEMBERS OF THE COUNTY COMMISSION AND FINANCE DIRECTOR  
October 1, 1990 through September 30, 1991

Exhibit #25

<u>Commission Members</u>		<u>Term Expires</u>
Hon. David Orange	President	1991
Hon. Reuben Davis	Member	1991
Hon. John Katopodis, Ph.D.	Member	1991
Hon. Mary M. Buckelew	President	1995
Hon. Gary White	Member	1995
Hon. Jeff Germany	Member	1995
Hon. Chris McWair	Member	1995
Hon. Jim Gunter	Member	1995
Mr. Steve Saylor	Finance Director	1995

2106 Rock Mountain Circle Bessemer, AL 35023		
1724 99th Street, North Birmingham, AL 35217		
1101 28th Place, South Birmingham, AL 35205		
7895 Kimbrell Road McCalla, AL 35111		
414 Yorkshire Drive Rosewood, AL 35209		
1101 Circle Trail Birmingham, AL 35214		
2940 Molton Gray Drive Birmingham, AL 35020		
1721 Big Mountain Circle Birmingham, AL 35235		
2417 Walking Fern Lane Birmingham, AL 25244		

COMPLIANCE REPORT BASED ON AN AUDIT OF COMPONENT  
UNIT FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Jefferson  
County Commission

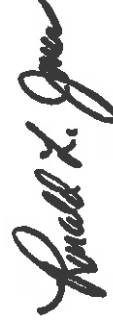
We have audited the financial statements of the Jefferson County Commission as of and for the year ended September 30, 1991, and have issued our report thereon dated October 20, 1992.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Jefferson County Commission is the responsibility of Jefferson County Commission's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Jefferson County Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Jefferson County Commission complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Jefferson County Commission had not complied, in all material respects, with those provisions.

This report is intended for the information of management, other state officials, and the cognizant agency. However, this report is a matter of public record and its distribution is not limited.



Ronald L. Jones  
Chief Examiner  
Department of Examiners of Public Accounts

October 20, 1992

REPORT ON THE INTERNAL CONTROL STRUCTURE  
IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

Exhibit #27

We have audited the financial statements of the Jefferson County Commission as of and for the year ended September 30, 1991, and have issued our report thereon dated October 20, 1992.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of the Jefferson County Commission for the year ended September 30, 1991, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the Jefferson County Commission is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories: cash, investments, receivables, inventories, property, equipment, payables and accrued liabilities, revenues, payroll, and expenditures.

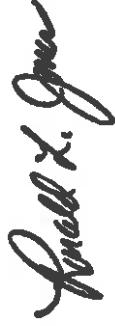
For all the internal control structure categories listed above, we obtained an understanding of the design of relative policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

REPORT ON THE INTERNAL CONTROL STRUCTURE  
IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

Jefferson  
County Commission

This report is intended for the information of management, other state officials, and the cognizant agency. However, this report is a matter of public record and its distribution is not limited.



Ronald L. Jones  
Chief Examiner  
Department of Examiners of Public Accounts

October 20, 1992

Jefferson  
County Commission

SINGLE AUDIT OPINION ON COMPLIANCE WITH  
SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Exhibit #28

We have audited the financial statements of the Jefferson County Commission as of and for the year ended September 30, 1991, and have issued our report thereon dated October 20, 1992.

We also have audited the Jefferson County Commission's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; reporting; federal personnel; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended September 30, 1991. The management of the Jefferson County Commission is responsible for the Commission's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Jefferson County Commission's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Jefferson County Commission complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; reporting; federal personnel; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended September 30, 1991.

This report is intended for the information of management, other state officials, and the cognizant agency. However, this report is a matter of public record and its distribution is not limited.



Ronald L. Jones  
Chief Examiner

Department of Examiners of Public Accounts

October 20, 1992

SINGLE AUDIT REPORT ON COMPLIANCE WITH  
THE GENERAL REQUIREMENTS APPLICABLE TO  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Jefferson  
County Commission

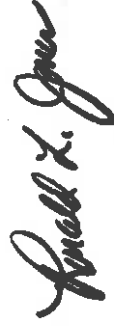
We have audited the financial statements of the Jefferson County Commission as of and for the year ended September 30, 1991, and have issued our report thereon dated October 20, 1992.

We have applied procedures to test Jefferson County Commission's compliance with the following requirements applicable to federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended September 30, 1991: Political Activity, Davis-Bacon Act, Civil Rights, Federal Financial Reports, Allowable Costs/Cost Principles, Drug Free Workplace, and Administrative Requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Jefferson County Commission's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Jefferson County Commission had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of management, other state officials and the cognizant agency. However, this report is a matter of public record and its distribution is not limited.



Ronald L. Jones  
Chief Examiner

Department of Examiners of Public Accounts

October 20, 1992

SINGLE AUDIT REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS TRANSACTIONS

Exhibit #30

We have audited the financial statements of the Jefferson County Commission as of and for the year ended September 30, 1991, and have issued our report thereon dated October 20, 1992.

In connection with our audit of the financial statements of the Jefferson County Commission, and with our consideration of the Jefferson County Commission's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended September 30, 1991. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Jefferson County Commission's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Jefferson County Commission had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of management, other state officials, and the cognizant agency. However, this report is a matter of public record and its distribution is not limited.



Ronald L. Jones  
Chief Examiner

Department of Examiners of Public Accounts

October 20, 1992

SINGLE AUDIT REPORT ON THE INTERNAL CONTROL STRUCTURE  
USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Jefferson  
County Commission

We have audited the financial statements of the Jefferson County Commission as of and for the year ended September 30, 1991, and have issued our report thereon dated October 20, 1992. We have also audited Jefferson County's Commission compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October 20, 1992.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Jefferson County Commission complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended September 30, 1991, we considered the Jefferson County Commission's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Commission's financial statements and on its compliance with requirements applicable to major federal financial assistance programs and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated October 20, 1992.

The management of the Jefferson County Commission is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:



General Requirements

Political Activity  
Davis-Bacon Act  
Civil Rights  
Federal Financial Reports  
Allowable Costs/Cost Principles  
Drug-Free Workplace  
Administrative Requirements

Specific Requirements

Types of Services Allowed or Unallowed  
Eligibility  
Matching, Level of Effort, Earmarking  
Reporting  
Federal Personnel  
Claims for Advances and Reimbursements  
Amounts Claimed or Used for Matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1991, the Jefferson County Commission expended 78.6 percent of its total federal financial assistance under major federal financial assistance programs.

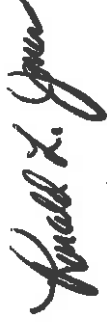
We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Jefferson County Commission's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

SINGLE AUDIT REPORT ON THE INTERNAL CONTROL STRUCTURE  
USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Jefferson  
County Commission

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management, other state officials, and the cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Ronald L. Jones  
Chief Examiner

Department of Examiners of Public Accounts

October 20, 1992

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 1991

<u>Program</u>	<u>Finding/Noncompliance</u>	<u>Questioned Costs</u>
<u>Nonmajor</u> <u>Emergency Shelter Program</u> <u>(CFDA Number 14.231)</u>	Proper procurement procedures were not followed in the rehabilitation of three houses. The amount was immaterial to the program.	\$ 5,709.00*
<u>Nonmajor</u> <u>Rental Rehabilitation Program</u> <u>(CFDA No. 14.230)</u>	Expenditures involving the rehabilitation of two houses were deemed ineligible. The amount was immaterial to the program.	\$13,530.00*

\*This amount was reimbursed to the County by the contracting agency and put back into the program.

**AUDITEE RESPONSE**

## JEFFERSON COUNTY COMMISSION



**JIM GUNTER**

COMMISSIONER OF COMMUNITY & ECONOMIC  
DEVELOPMENT

203-A Courthouse, Birmingham, Alabama 35263-0072  
Telephone (205) 325-5070

December 16, 1992

Ronald L. Jones, Chief Examiner  
Department of Examiners of Public Accounts  
50 North Ripley Street, Room 3201  
Montgomery, Alabama 36130-2251

Dear Mr. Jones:

This is in response to Mr. Doug Clark's letter of December 14 regarding a Finding in your audit of the Jefferson County Commission for the period October 1, 1990 through September 30, 1991.

We have reviewed your finding in the 1990-1991 audit. The facts of the situation are as follows:

On July 15-24, 1991, HUD conducted its regular annual monitoring visit of the Jefferson County Community Development Block Grant program. This program is administered by the Jefferson County Office of Community Development. As a part of that monitoring visit, HUD representatives and representatives of Community Development performed a joint on-site review of the Jefferson County Housing Authority with respect to rehabilitation of eight houses leased from HUD. At that review, the matter upon which you have raised your finding was discovered. The matter was at that time raised by HUD as a finding in a letter of August 23, 1991.

Mr. Jim Fenstermaker, the Director of Planning and Community Development requested his staff to thoroughly review the contracts between the County and the Housing Authority. On September 11-12, 1991, the Office of Community Development conducted its annual sub-recipient review of the Jefferson County Housing Authority. As part of that review, the Office analyzed all contracts and fiscal relationships between the two organizations.

Ronald L. Jones  
Audit Finding Response  
December 16, 1992

The Community Development review concluded that the Housing Authority failed to follow proper procurement procedures when requesting bids for four of the eight leased houses. According to Community Development's analysis, the Housing Authority owed \$5,709 due to a failure of its procurement procedures. In a monitoring letter dated September 18, 1991, the County requested repayment in this amount from the Housing Authority.

On September 20, 1991, Mr. Jim Fenstermaker responded to the Department of Housing and Urban Development, noting that the County had requested repayment from the Housing Authority of the \$5,709 discovered through the County's analysis. On October 1, 1991, HUD cleared their finding, subject to their review of the County's analysis of the amount to be repaid. During their regular annual monitoring visit on June 29 through July 17, 1992, HUD reviewed the County's analysis and agreed with the County's conclusions.

In a letter dated October 8, 1991, Mr. Eric Strong, the Chief Operating Officer of the Jefferson County Housing Authority noted that proper procurement process and policy had been in effect at the Authority since the fall of 1990. He also noted that "appropriate personnel disciplinary action" had been taken with respect to the "poor decision making and sloppy project management" in the case of the rehabilitation of the leased houses. On December 18, 1991, the Jefferson County Housing Authority reimbursed Jefferson County \$5,709.00.

On July 17-19 and July 30-August 2, 1991, HUD also monitored the Jefferson County Rental Rehabilitation Program administered by the Jefferson County Housing Authority.

In a letter dated August 30, 1991, HUD noted that the construction of two single car garages and a storage room on one home and the construction of a bedroom, bathroom, storage room and carport on another house were ineligible expenses under the regulations of the Rental Rehabilitation program.

The County noted in further correspondence and meetings with HUD that all of the expenses had occurred early in the Rental Rehabilitation program when Housing Authority staff were unfamiliar with the program regulations, and had approved the construction of the garages in error.

Also, the rehabilitation had been done as a loan to the owner. The funds would therefore be repaid to the program over time.

HUD verbally sympathized, but informed the County that the expenses would have to be repaid immediately.

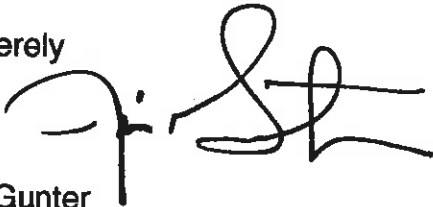
Ronald L. Jones  
Audit Finding Response  
December 16, 1992

In a letter dated December 10, 1991, the County informed the Jefferson County Housing Authority that the Authority must reimburse the County for all ineligible expenditures. After verification of expenses, the Authority reimbursed the County in the amount of \$13,530 on March 12, 1992. On April 1, 1992, HUD cleared the Findings.

Jefferson County monitors subrecipients of CDBG and other grant funds regularly for regulatory compliance. Jefferson County also requires subrecipients to have a single audit performed annually. The procurement and regulatory errors noted in your finding were located by the regularly scheduled reviews of the CDBG and Rental Rehabilitation Grant programs conducted by Jefferson County and HUD. They were available for inspection by your audit team because they were documented as a result of that regular review program. They were so clearly evident because of the fact that we do a thorough job of self-monitoring. Your closing comment that..."The County Commission should closely monitor services performed under contracts to ensure that all laws and regulations are complied with..." is inappropriate.

The events you cite in your finding represent neither continuing noncompliance with applicable laws or regulations nor uncorrected weaknesses in internal controls. Both events were essentially isolated errors which were discovered and corrected by us prior to your audit.

Sincerely

A handwritten signature in black ink, appearing to be 'Jim Gunter', written over a horizontal line.

Jim Gunter  
Commissioner of Economic and Community Development

