



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

JEFFERSON COUNTY COMMISSION
JEFFERSON COUNTY, ALABAMA
OCTOBER 1, 1992 THROUGH SEPTEMBER 30, 1993

Filed: NOV 04 1994

RONALD L. JONES
CHIEF EXAMINER

94-473

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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, 1992 through September 30, 1993.

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. The 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 basic financial statements (Exhibits 1 through 5); Notes to the Financial Statements; financial information supplemental to the basic financial statements (Exhibits 6 through 18); a Schedule of Federal Financial Assistance (Exhibit 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 26), 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 27) 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 Financial Statements Performed in Accordance with Government Auditing Standards (Exhibit 28) - 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 29) - 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 30) - 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 31) - 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 Program Transactions (Exhibit 32) - 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.

Schedule of Findings and Questioned Costs (Exhibit 33) - a report on the findings and questioned costs involving federal financial assistance programs.

Single Audit Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs - (Exhibit 34) - a report on internal controls used to administer federal financial assistance programs.

Auditee Response (Exhibit 35) - 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.

AUDIT FINDINGS

13th Accounting Period

The Commission utilizes an accounting software program ("TAG") which allows journal entries to be made in a "thirteenth period" after the fiscal year end close, while allowing current year transactions to also be processed. Such procedure should be used to facilitate adjustments due to unanticipated information received subsequent to the year end close for a limited period of time. However, the Commission continued to make numerous material adjustments in the thirteenth period to the general ledger for the fiscal year ending September 30, 1993, as late as July 1994, when our audit field work was discontinued. This procedure interferes with our verification of management's assertions regarding the existence and completeness of the balance sheet and related nominal account balances. It also impairs the effectiveness of the budgetary control process, as material adjustments to expenditures made in the 1992-93, "thirteenth period", ten months after fiscal year end close would also materially affect the current year's budgeted resources and obligations.

Receivables

The County Home Fund's allowance for doubtful accounts was calculated without the use of historical data and was based on an estimated percentage. This journal entry was booked by the Commission in the thirteenth period and was given to us on June 27, 1994.

Inventories

Traffic Engineering inventory in the Road Fund was erroneously omitted from the September 30, 1992, balances in the amount of \$350,473.05. This information was received from the Commission on June 2, 1994, and was adjusted by us to prior year balances.

Property, Equipment and Capital Outlay

Inventory records of fixed assets, including those purchased in whole or in part with federal funds, were not updated on a timely basis with regard to additions, transfers and deletions. Assets costing \$55,976 were deleted from inventory records and assets costing \$43,596 were added to inventory records by the Commission to correct errors found during audit tests. Adjustments totaling \$101,620,909 were made to properly record capital projects. Documentation for these adjustments was not received from the Commission until after completion of the audit field work. An accurate physical inventory of fixed assets had not been recently performed. The Commission sent each department an asset listing for department heads to review and approve. Accuracy of inventory records was not tested by someone independent of the departments. Asset identification numbers did not always agree with the number recorded on the fixed asset

listing. The Commission did not properly record all purchases of general fixed assets as capital outlay during the audit period. Therefore, additions to fixed assets could not be reconciled to capital outlay. The subsidiary listing of fixed assets was not reconciled to the general ledger on a regular basis. Accumulated depreciation increased by over \$80,000,000 from the 1992 fiscal year to the 1993 fiscal year. This increase resulted from the Commission adding previously unrecorded assets which were fully depreciated to the inventory during the 1993 fiscal year. Fixed assets purchased for and located with federal subrecipients were not included on the fixed asset inventory listing, nor had these items been properly identified as Commission property. Depreciation expense was not computed correctly during the audit period. Adjustments totaling \$118,005,754 were made to properly record depreciation expense.

Liabilities

Numerous material adjustments were made by the Commission during our audit to correct accounts payable and expenditures at year end. A \$46,005,000 Sewer Revenue Warrant issue dated March 1, 1993, was not recorded on the county's records until June 7, 1994. A second issue dated August 1, 1993, for \$64,940,000 in General Obligation Warrants was not recorded until May 4, 1994. In making these adjustments, the Commission made additional errors, which also required adjustment. The process of correcting these errors and reconciling the year end accounts payable balances was completed by the Commission on June 2, 1994.

Numerous adjustments were necessary to correct payroll withholdings payable in the Cooper Green Hospital Fund. Two material adjustments of \$1,571,593 and \$949,106 were necessary in the General Fund to correct health insurance payable. Also, it was necessary to adjust life insurance payable by \$294,424, which was a reserve for previous years of self-insurance. We adjusted this amount to prior year balances.

Expenditures

In July 1993, a software program change was made to the Commission's computer system that created errors in the system that were not recognized until after the end of the fiscal year, when the general ledger was out of balance by approximately \$65 million. General ledger control accounts for expenditures, encumbrances and accounts payable were also out of balance with the subsidiary ledgers. An additional error was made after year end close when a program called "P.O. Delete" was run, which transferred Encumbrances-Current Year to Encumbrances-Prior Year. After this program was run, when an invoice which was encumbered in the prior (1992-93) fiscal year was paid in the current (1993-94) fiscal year, the system charged the expenditure to the

1992-93 fiscal year. As a result of these errors, the Commission performed one-sided journal entries in the thirteenth period. These entries left the trial balance in balance, but additional entries were made by the Commission to the thirteenth period on June 2, 1994, to reverse the original one-sided entries and adjusted expenditures so that subsidiaries would balance with the control accounts.

Many claims were paid from photo copies of invoices, and some petty cash items were paid from packing slips and were divided to avoid Commission's policy limits.

Payroll/Personnel

Overpayments made to thirteen employees at Cooper Green Hospital totaling \$10,104.70, and many payroll exceptions noted in a surprise payroll audit conducted by the Finance Department revealed an overall weakness in interfacing Cooper Green Hospital's payroll procedures with the Commission's payroll policies. \$3,016.56 of these overpayments remain uncollected from personnel as of the end of the audit field work. \$1,706.49 of this amount is due from individuals who have left employment with the county.

I-9 Forms were not properly maintained on applicable employees hired after November 1986.

Other

As of September 30, 1993, the following funds had deficit fund balances/retained earnings:

<u>Special Revenue Funds</u>		<u>Enterprise Funds</u>	
Indigent Care Fund	15,749	County Home Fund	1,686,205
Road Fund	2,629,605		
Senior Citizens'		<u>Internal Service Funds</u>	
Activities Fund	465,749	Personnel Board Fund	803,113
Community Development Fund	18,149	Elections Fund	42,378
		Building Services Fund	1,079,770

STATUS OF PRIOR AUDITS

The findings contained in the prior audit have not been resolved and are reiterated as follows:

The Commission's general fixed asset inventory records were not updated in a timely manner.

Several adjustments were necessary to properly state the accounting records related to the debt transactions of the County.

Some federal financial reports were not compared with the accounting records on a regular basis.

SUMMARY OF FEDERAL COMPLIANCE AND INTERNAL CONTROL STRUCTURE

Compliance with laws, regulations, contracts, and grants applicable to the Jefferson County Commission is the responsibility of management.

The Director of Jefferson County Commission's Office of Senior Citizens Activities, a County employee responsible for monitoring the activities of the Title III and UMTA Section 18 programs, was discovered to be a member of the Board of Directors of independent, nonprofit organizations with which the Commission had contracted to provide services related to these programs. This meets the definition of a conflict of interest as defined by the Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreement with State and Local Governments (Common Rule). The employee resigned from these boards on July 8, 1994. This finding is included on Exhibit 33, Schedule of Findings and Questioned Costs.

The Commission advanced county funds to contractors prior to the performance of services related to the Title III and UMTA Section 18 programs. The agreements between the County and these contractors stated that they would be reimbursed for services performed. The Constitution of Alabama 1901, Amendment No. 112 of Section 94, does not allow any county to "lend its credit, or to grant public money or anything of value in aid of, or to any individual, association, or corporation whatsoever."

The Commission claimed reimbursement from Title III, Parts B, C, G and UMTA Section 18 programs for local funds advanced to contractors. These contractors failed to provide the County with required documentation of services performed in the amount of \$6,081.93. The federal portion of this amount (\$5,031.75) is included on Exhibit 33, Schedule of Findings and Questioned Costs.

The Commission did not record the value of non-cash federal revenue for Title III meals and USDA Commodities or in-kind matching services received for federally-funded programs. An audit adjustment was made to correct the meal and commodity revenue, but an adjustment was not made to include the unrecorded in-kind match because its exclusion would not materially affect the fair presentation of the County's financial position for the fiscal year ended September 30, 1993.

Management is responsible for establishing and maintaining the internal control structure which provides reasonable assurance that assets are safeguarded from loss or unauthorized use, that all transactions are properly recorded and executed as authorized by management and that transactions are executed in accordance with applicable legal requirements including applicable federal legal requirements. Records should show evidence of the operations of these controls. The following reportable conditions were noted which reduce the effectiveness of the internal control structure of the Jefferson County Commission:

Immaterial:

The cost of fixed assets located with subrecipients, and the fair market value of assets donated to the County were not always included on the Commission's fixed asset inventory listing, nor had these items been properly identified as County property. The Commission did not record either the value of non-cash federal revenue for Title III meals and USDA commodities, or the value of non-cash, in-kind matching services received for federally funded programs. A perpetual inventory was not properly maintained on USDA commodities received at Cooper Green Hospital cafeteria in accordance with an agreement with the State Department of Education. Many expenditure claims for Cooper Green Hospital did not have adequate documentation. Bad debt write-offs at Cooper Green Hospital were not always reconciled to authorizing documentation.

Material:

The Commission does not have a written policy regarding the conduct of employees involved in the award or administration of contracts supported with federal funds. Adequate controls do not exist to sufficiently monitor the performance of contractors engaged by the Commission to provide Title III and UMTA Section 18 services. Adequate segregation of duties did not exist in receipting of cash, preparing deposits, posting of the receivable subsidiary ledger, and billing at the County Nursing Home and Environmental Services Administration-Landfill. Adequate controls over cash receipts were not in place in the pharmacy at Cooper Green Hospital. Adequate reporting and follow-up procedures were not in place for delinquent accounts receivable at Environmental Services Administration-Landfill. Controls did not exist to verify physical inventory counts in a timely manner. There was inadequate maintenance of additions, transfers, and deletions to the nonfederal general fixed asset inventory listing, and reconciliation of this listing to the general fixed asset account group was not performed periodically. An accurate physical inventory of general fixed assets has not recently been performed. Reconciliation of subsidiary ledgers to control accounts was not performed timely for accounts payable, expenditures, encumbrances, the County Nursing Home accounts receivable, and all balance sheet accounts at Cooper Green

Hospital. Controls did not exist to effectively capture short-term liabilities in a timely manner. Reconciliation of debt service transactions to the general long-term debt account group was not performed in a timely manner. Controls did not exist to prevent "one-legged" entries into the electronic data processing system. Federal financial reports were not reconciled to the general ledger.

RECOMMENDATIONS

The Commission's policy of allowing adjustments to the general ledger in the "thirteenth period" should be limited to adjustment of unanticipated information received subsequent to the year end close for a reasonable period of time.

Allowance for doubtful accounts should be calculated using historical data.

Controls should be established to verify physical inventory counts in a timely manner.

An accurate physical inventory of general fixed assets should be performed.

Additions, transfers, and deletions to the general fixed asset inventory listing should be adequately maintained, and a reconciliation of this listing to the general fixed asset account group should be performed periodically.

Fixed assets purchased for federal subrecipients should be included on the general fixed asset inventory listing and should be properly identified as property of the Commission.

Depreciation expense should be properly calculated for fixed assets in the proprietary fund types.

Controls should be established to effectively capture short-term liabilities in a timely manner.

Care should be taken to ensure that software program changes are properly authorized and controlled, and results are monitored timely.

Expenditure claims should be documented with original invoices, and petty cash policies should be reassessed.

Procedures should be established to interface Cooper Green Hospital's payroll procedures with the Commission's payroll policies.

Payroll overpayments totaling \$3,016.56 to employees at Cooper Green Hospital should be collected.

Employee personnel files should contain I-9 Forms, if applicable, and should be properly secured.

Deficit fund balances should be alleviated.

Reconciliation of debt service transactions to the general long-term debt account group should be performed in a timely manner.

Federal financial reports should be reconciled to the general ledger.

Advance payments of local funds to independent contractors prior to the receipt of goods or services should not be made.

Claims for reimbursement from federal programs should be supported by adequate documentation.

The value of non-cash federal revenue for Title III meals, USDA Commodities and in-kind matching services should be recorded.

A written policy regarding the conduct of employees involved in the award or administration of contracts supported with federal funds should be made.

Controls should be implemented to sufficiently monitor the performance of contractors engaged by the Commission to provide services supported with federal funds.

Procedures should be implemented to ensure adequate segregation of duties in the receipting of cash, preparing deposits, posting of the receivable subsidiary ledger, and billings at the County Nursing Home and Environmental Services Administration-Landfill.

Procedures should be implemented to ensure adequate controls over cash receipts in the pharmacy at Cooper Green Hospital.

Procedures should be implemented to ensure adequate reporting and follow-up procedures on delinquent accounts receivable at Environmental Services Administration-Landfill.

Reconciliation of subsidiary ledgers to control accounts should be performed timely for accounts payable, expenditures, encumbrances, the County Nursing Home's accounts receivable, and all balance sheet accounts at Cooper Green Hospital.

Controls should be implemented to prevent "one-legged" entries into the electronic data processing system.

Sworn to and subscribed
before me this the 28th
day of October, 1994.

Linda M. Hurst
Notary Public

Respectfully submitted,

Linda Barrontine
Linda Barrontine
Examiner of Public Accounts

Sworn to and subscribed
before me this the 27
day of Oct, 1994.

Karen Cash
Notary Public

Kathleen V. Brown

Kathleen V. Brown
Examiner of Public Accounts

Sworn to and subscribed
before me this the 27
day of Oct, 1994.

Karen Cash
Notary Public

Kimberly Brown

Kimberly Brown
Examiner of Public Accounts

Sworn to and subscribed
before me this the 27
day of Oct, 1994.

Karen Cash
Notary Public

Gary A. Pitts

Gary A. Pitts
Examiner of Public Accounts

Sworn to and subscribed
before me this the 28th
day of October, 1994.

Katie G. White
Notary Public

Teresa Durrett

Teresa Durrett
Examiner of Public Accounts

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INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying primary government financial statements of Jefferson County Commission as of and for the year ended September 30, 1993, 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 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.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units.

In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government, Jefferson County Commission, as of September 30, 1993, and the results of its operations and cash flows of its proprietary fund types and similar trust funds for the year then ended, in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of Jefferson County, as discussed in Note 1, do not purport to, and do not, present fairly the financial position of Jefferson County, as of September 30, 1993, and the results of its operations and cash flows of its proprietary fund types and similar trust funds 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 primary government financial statements referred to above taken as a whole. The accompanying supplemental (Exhibits 6 through 18) and supplementary (Exhibits 19 through 26) information is presented for purposes of additional analysis and is not a required part of the primary government financial statements of the Jefferson County Commission. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly stated in all material respects in relation to the primary government financial statements of the Jefferson County Commission taken as a whole.



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

July 25, 1994

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
ASSETS						
Cash and Investments	\$ 17,053,578	\$ 859,089	\$ 11,947,572	\$ 50,118,029	\$ 92,984,205	\$ 19,181,168
Accounts Receivable, Net	49,559	22,960			1,293,936	9,246
Patient Accounts Receivable, Net					5,391,608	
Due From Contractual Agencies						
Loans Receivable, Net		4,368,196				
Interest Receivable		12,735	608,003	2,842,608	67,987	
Contributions Receivable						
Due From Other Funds	1,571,593	29,997			191,267	1,207,454
Due From Other Governmental Units	5,837,119	4,687,251			287,388	65,934
Inventories	235,073	1,315,520			1,442,518	1,094,925
Prepaid Expenses					27,257	
Warrant Issuance Cost					4,312,909	
Fixed Assets, Net Where Applicable					296,375,285	11,261,264
Property and Rights Held Under						
Deferred Compensation Plan						
Accreted Interest in General						
Obligation Warrants						
Amounts Available in						
Debt Service Fund						
Amounts to be Provided for Retirement						
of General Long-Term Debt						
TOTAL ASSETS	\$ 24,766,922	\$ 11,289,748	\$ 12,555,575	\$ 52,960,637	\$ 402,374,360	\$ 32,819,991

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 1993

	Fiduciary Fund Types		Account Groups		Totals	
	Trust and Agency		General		(Memorandum Only)	
			Fixed Asset	Long-Term Debt	Current Year	Prior Year
ASSETS						
Cash and Investments	\$	287,660,036	\$		479,797,677	\$ 493,788,965
Accounts Receivable, Net					1,375,701	821,976
Patient Accounts Receivable, Net					5,391,608	4,116,248
Due From Contractual Agencies						878,420
Loans Receivable, Net					4,368,196	5,043,725
Interest Receivable					3,531,333	1,856,969
Contributions Receivable		34,514			34,514	350,775
Due From Other Funds					3,000,311	236,690
Due From Other Governmental Units		14,573			10,912,265	11,013,831
Inventories					4,088,036	3,564,820
Prepaid Expenses					27,257	39,643
Warrant Issuance Cost			244,292,058		4,312,909	3,161,864
Fixed Assets, Net Where Applicable					551,928,607	507,034,043
Property and Rights Held Under						
Deferred Compensation Plan		10,988,259			10,988,259	9,560,801
Accrued Interest in General						
Obligation Warrants				28,353,704	28,353,704	48,481,740
Amounts Available in Debt Service Fund				12,345,666	12,345,666	11,476,687
Amounts to be Provided for Retirement						
of General Long-Term Debt				161,791,113	161,791,113	154,866,821
TOTAL ASSETS	\$	298,697,382	\$	244,292,058	\$ 1,282,247,156	\$ 1,256,294,018

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 1993

Jefferson County
Commission

	Governmental Fund Types			Proprietary Fund Types		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Cash Deficit	\$					1,690,186
Accounts Payable	780,139	\$ 4,906,382	\$		3,384,182	\$ 825,407
Interest Payable		4,231,561		1,451,317	7,469,167	
Accrued Payroll and Taxes			209,909		366,213	
Due to Other Funds	4,554,714				827,486	
Due to Other Governmental Units	1,140,373	29,997			1,829,941	
Retainage Payable	265,516					
Superannuation Retirement	56,850				534,000	
Deposits Payable	4,137			59,774		3,358
Accrued Vacation and Sick Leave		38,816			3,285,959	1,447,678
Arbitrage Rebate Payable		261,620				173,904
Bonds and Warrants Payable	682,069				160,595,000	
Capital Lease					14,263	
Purchase Contracts Payable						86,189
Obligations to Employees Under Deferred Compensation Plan						
TOTAL LIABILITIES	7,463,798	9,468,376	209,909	1,511,091	178,306,211	4,226,722
FUND EQUITY						
Investment in General Fixed Assets						11,239,987
Contributed Capital						
Retained Earnings:						
Reserved for Professional Liability						17,353,282
Unreserved						
Fund Balance:						
Reserved For:	1,866,914	5,052,288		7,927,218		
Encumbrances	235,073	1,315,520				
Inventories			12,345,666			
Debt Service						
Petty Cash	53,175	200				
Contingent Refunds						
Retirement/Disability Benefits		4,368,196				
Loans Receivable		(8,914,832)				
Undesignated	15,147,962	1,821,372		43,522,328		
TOTAL FUND EQUITY	17,303,124	1,821,372	12,345,666	51,449,546	224,068,149	28,593,269
TOTAL LIABILITIES AND FUND EQUITY	\$ 24,766,922	\$ 11,289,748	\$ 12,555,575	\$ 52,960,637	\$ 402,374,360	\$ 32,819,991

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 1993

	Fiduciary Fund Types		Account Groups		Totals	
	Trust and Agency	General Fixed Asset	General Long-Term Debt	Current Year	(Memorandum Only)	Prior Year
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Cash Deficit	\$ 34,123	\$	\$	10,014,873	\$	2,818,305
Accounts Payable	196,132	\$	\$	14,953,723	\$	15,744,478
Interest Payable				576,122		3,063,201
Accrued Payroll and Taxes				5,382,200		1,124,176
Due to Other Funds				3,000,311		236,690
Due to Other Governmental Units				265,516		101,727
Retainage Payable				534,000		823,000
Superannuation Sheriff Retirement				56,850		52,800
Deposits Payable				4,137		7,401
Deferred Revenues				101,948		87,180
Accrued Vacation and Sick Leave	1,662		5,760,483	11,419,471		10,825,091
Arbitrage Rebate Payable				173,904		512,396
Bonds and Warrants Payable			196,730,000	357,325,000		380,860,000
Capital Lease-Purchase Contracts Payable				100,452		623,713
Obligations to Employees Under Deferred Compensation Plan	10,988,259			10,988,259		9,560,801
TOTAL LIABILITIES	11,220,176		202,490,483	414,896,766		426,440,959
FUND EQUITY						
Investment in General Fixed Assets		244,292,058		244,292,058		209,465,557
Contributed Capital				186,261,546		186,261,545
Retained Earnings:						
Reserved for Professional Liability				747,595		727,853
Unreserved				65,652,277		67,121,691
Fund Balance:						
Reserved For:						
Encumbrances				14,846,420		413,603
Inventories				1,550,593		1,158,608
Debt Service				12,345,666		11,476,687
Petty Cash				53,375		72,625
Contingent Refunds	39,135,638			39,135,638		35,770,583
Retirement/Disability Benefits	248,362,780			248,362,780		223,133,773
Loans Receivable				4,368,196		5,043,725
Undesignated	(21,212)			49,734,246		89,206,809
TOTAL FUND EQUITY	287,477,206	244,292,058		867,350,390		829,853,058
TOTAL LIABILITIES AND FUND EQUITY	\$ 298,697,382	\$ 244,292,058	\$ 202,490,483	\$ 1,282,247,156	\$	\$ 1,256,294,018

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 Year Ended September 30, 1993

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES				
Taxes	\$ 40,718,152	\$ 51,257,173	\$	\$
Licenses and Permits	40,217,974			
Intergovernmental Revenues	10,772,701	13,267,814		620,966
Charges for Services	11,494,019	666,299	5,031	85,187
Indirect Cost Recovery	1,821,899			
Miscellaneous Revenues	700,104	1,560,481	1,183,577	3,997,667
TOTAL REVENUES	105,724,849	66,751,767	1,188,608	4,603,820
EXPENDITURES				
Current:				
General Government	39,456,646	15,403,464		12,897,838
Public Safety	34,060,649			
Highways and Streets		26,603,866		5,445,760
Sanitation				378,380
Health and Welfare	800,390	2,209,859		66,401
Culture and Recreation	11,914,534			
Education	276,735			
Capital Outlay	1,199,403	2,668,435		724,454
Debt Service:				
Issuance Costs	8,538		1,898,186	
Principal Retirement	72		4,995,000	
Interest and Fiscal Charges			5,644,284	
Indirect Cost		127,769		
TOTAL EXPENDITURES	87,716,967	47,013,393	12,537,470	19,512,833
Excess (deficiency) of revenues over expenditures	18,007,882	19,738,374	(11,348,862)	(14,909,013)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	13,611,700	10,585,856	20,634,107	
Operating Transfers Out	(31,966,767)	(40,390,460)	(10,177,634)	
Proceeds from Bond Issue			64,940,000	
Proceeds from Sale of Fixed Assets				
Payment to Escrow Agent			(63,178,633)	
TOTAL OTHER FINANCING SOURCES (USES)	(18,355,067)	(29,804,604)	12,217,840	
Excess (deficiency) of revenues over expenditures and other sources (uses)	(347,185)	(10,066,230)	868,978	(14,909,013)
Fund Balances at beginning of year as restated	17,650,309	11,887,602	11,476,687	66,358,559
Fund Balances at end of year	17,303,124	1,821,372	12,345,665	51,449,546

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Year Ended September 30, 1993

	Fiduciary Fund Types Trust and Agency		Totals (Memorandum Only)	
		Current Year		Prior Year
<u>REVENUES</u>	\$	\$	\$	\$
Taxes		91,975,325		86,590,053
Licenses and Permits		40,217,974		37,508,813
Intergovernmental Revenues	71,290	24,732,771		22,855,243
Charges for Services	4,106	12,254,642		14,693,316
Indirect Cost Recovery		1,821,899		
Miscellaneous Revenues		7,341,828		12,638,774
TOTAL REVENUES	75,396	178,344,439	174,286,199	
<u>EXPENDITURES</u>				
Current:				
General Government	85,948	67,843,896	72,949,050	
Public Safety		34,060,649	31,331,198	
Highways and Streets		32,049,626	28,280,492	
Sanitation		378,380		
Health and Welfare		3,010,249		
Culture and Recreation		11,980,935	2,051,359	
Education		276,735	9,635,606	
Capital Outlay		4,592,292		
Debt Service:				
Issuance Costs		1,898,186	903,107	
Principal Retirement		5,003,538	4,903,987	
Interest and Fiscal Charges		5,644,356	5,325,390	
Indirect Cost	9,560	137,329		
TOTAL EXPENDITURES	95,508	166,876,171	155,380,189	
Excess (deficiency) of revenues over expenditures	(20,112)	11,468,268	18,906,010	
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In		44,831,663	59,587,233	
Operating Transfers Out		(82,534,861)	(84,463,387)	
Proceeds from Bond Issue		64,940,000	37,261,838	
Proceeds from Sale of Fixed Assets			204,130	
Payment to Escrow Agent		(63,178,633)	(26,871,702)	
TOTAL OTHER FINANCING SOURCES (USES)		(35,941,831)	(14,281,888)	
Excess (deficiency) of revenues over expenditures and other sources (uses)	(20,112)	(24,473,563)	4,624,122	
Fund Balances at beginning of year as restated	(1,100)	107,372,057	102,747,935	
Fund Balances at end of year	(21,212)	82,898,494	107,372,057	

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 - ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended September 30, 1993

	General		Special Revenue	Variance Favorable (Unfavorable)
	Budget	Actual		
REVENUES				
Taxes				
Licenses and Permits	39,345,952	40,718,152	\$	1,372,200
Intergovernmental Revenues	38,502,435	40,217,974		1,715,539
Charges for Services	10,095,358	10,772,701		677,343
Indirect Cost Recovery	10,597,301	11,494,019		896,718
Miscellaneous Revenues	5,289,184	1,821,899		(3,467,285)
		700,104		(4,589,080)
TOTAL REVENUES	103,830,230	105,724,849		1,894,619
			66,751,767	(3,252,416)
EXPENDITURES				
Current:				
General Government	38,175,136	39,456,646		(1,281,510)
Public Safety	34,238,128	34,060,649		177,479
Highways and Streets				
Sanitation				
Health and Welfare	852,683	800,390		52,293
Culture and Recreation	12,306,311	11,914,534		391,777
Education	2,331,491	276,735		2,054,756
Capital Outlay	1,494,801	1,199,403		295,398
Debt Service:				
Principal Retirement		8,538		(8,538)
Interest and Fiscal Charges		72		(72)
Indirect Cost				
TOTAL EXPENDITURES	89,398,550	87,716,967		1,681,583
			47,013,393	2,164,868
Excess (deficiency) of revenues over expenditures	14,431,680	18,007,882		3,576,202
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	15,571,789	13,611,700		(1,960,089)
Operating Transfers Out	(49,632,161)	(31,966,767)		17,665,394
Proceeds From Sale of Fixed Assets				250,000
TOTAL OTHER FINANCING SOURCES (USES)	(34,060,372)	(18,355,067)		15,705,305
			(29,804,604)	(10,439,003)
Excess (deficiency) of revenues over expenditures and other sources (uses)	(19,628,692)	(347,185)		19,281,507
Fund Balances at beginning of year	\$ 17,650,309	\$ 17,650,309	\$	\$
As Restated				
Fund Balances at end of year	\$ (1,978,383)	\$ 17,303,124	\$	\$ 19,281,507
			11,887,602	(11,526,551)
			1,821,372	(11,526,551)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended September 30, 1993

Jefferson County
Commission

	Budget	Debt Service Actual	Variance Favorable (Unfavorable)	Budget	Capital Projects Actual	Variance Favorable (Unfavorable)
REVENUES						
Intergovernmental Revenues				950,262	620,966	(329,296)
Charges for Services	5,031	5,031			85,187	85,187
Miscellaneous Revenues	1,207,777	1,183,577	(24,200)	1,702,319	3,897,667	2,195,348
TOTAL REVENUES	1,207,777	1,188,608	(19,169)	2,652,581	4,603,820	1,951,239
EXPENDITURES						
Current:						
General Government		1,898,186	(1,898,186)	3,743,852	12,897,838	(9,153,986)
Highways and Streets		4,995,000		5,365,437	5,445,760	(80,323)
Sanitation		5,372,161	(272,123)	378,380	378,380	
Culture and Recreation				126,830	66,401	60,429
Capital Outlay				9,710,771	724,454	8,986,317
Debt Service:						
Issuance Costs						
Principal Payments						
Interest Payments						
TOTAL EXPENDITURES	10,367,161	12,537,470	(2,170,309)	19,325,270	19,512,833	(187,563)
Excess (deficiency) of revenues over expenditures	(9,159,384)	(11,348,862)	(2,189,478)	(16,672,689)	(14,909,013)	1,763,676
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	20,136,561	20,634,107	497,546			
Operating Transfers Out		(10,177,634)	(10,177,634)	177,000		(177,000)
Proceeds from Bond Issue		64,940,000	64,940,000	725,000		(725,000)
Proceeds from Sale of Fixed Assets		(63,178,633)	(63,178,633)			
Payment to Escrow Agent						
TOTAL OTHER FINANCING SOURCES (USES)	20,136,561	12,217,840	(7,918,721)	902,000		(902,000)
Excess (deficiency) of revenues over expenditures and other sources (uses)	10,977,177	868,978	(10,108,199)	(15,770,689)	(14,909,013)	861,676
Fund Balances at beginning of year	\$	\$	\$	\$	\$	\$
As Restated						
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/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the Fiscal Year Ended September 30, 1993

	Proprietary Fund Types		Fiduciary Fund Type		Totals	
	Enterprise Funds	Internal Service Funds	Trust Fund	Pension	Current Year	(Memorandum Only) Prior Year
OPERATING REVENUES	\$	2,305,275	\$		\$	2,170,195
Taxes		8,705			8,705	9,349
Licenses and Permits						1,804,620
Intergovernmental Revenues		2,161,939			2,161,939	72,331,323
Charges for Services		20,880,017			77,182,427	198,203
Miscellaneous Revenues		139,758			2,242,911	28,253,187
Net Patient Revenue		19,671,039			19,671,039	19,890,090
Medicaid Disproportionate Share		13,776,875			13,776,875	5,056,227
Contributions-Employer				5,124,831	5,124,831	5,049,077
Contributions-Employees				5,123,620	5,123,620	11,478,344
Interest on Investments				10,831,822	10,831,822	3,441,820
Dividends on Investments				3,285,628	3,285,628	5,138,200
Net Gain on Sale of Investment				12,185,916	12,185,916	286,112
Other Revenue		252,243		252,243	252,243	
TOTAL OPERATING REVENUES		94,167,457		23,181,714	36,804,060	155,086,747
OPERATING EXPENSES				72,528	51,229,163	51,744,763
Salaries and Wages		39,459,601		11,697,034	12,941,352	8,588,872
Fringe Benefits		9,868,314		3,073,038	3,337,298	2,902,889
Provision for Bad Debts		3,337,298			6,938,731	4,566,100
Utilities		4,404,677		2,534,054	22,019,913	20,276,027
Depreciation		21,058,011		961,902	10,720,426	6,396,981
Outside Services		8,115,677		2,604,749	4,816,030	6,252,653
Services from Other Hospitals		4,816,030			9,493,053	8,414,232
Jefferson Clinic		9,493,053		1,019,344	2,042,212	8,343,767
Office Expense		1,022,868		5,149,366	15,923,757	17,041,085
Supplies		10,774,391		2,317,854	6,734,702	19,147,126
Other Operating Expenses		4,309,886			106,962	860,963
Investment Manager Fees				759,713	759,713	5,041,827
Pension Benefits				5,988,078	5,988,078	916,470
Refunds of Employers Contributions				1,108,269	1,108,269	191,978
Interest Paid on Refunds				174,448	174,448	
TOTAL OPERATING EXPENSES		116,659,806		29,357,341	8,209,998	160,685,793
Operating income/(loss)		(22,492,349)		(6,175,627)	28,594,062	(5,599,046)
(Forward to Sheet 2)					(73,914)	

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the Fiscal Year Ended September 30, 1993

	Proprietary Fund Types		Fiduciary Fund Type		Totals	
	Enterprise Funds	Internal Service Funds	Pension Trust Fund	Current Year	(Memorandum Only)	Prior Year
Operating income/(loss) (Forward from Sheet 1)	(22,492,349)	(6,175,627)	28,594,062	(73,914)	(5,599,046)	
NONOPERATING REVENUES (EXPENSES)						
Miscellaneous Revenues	2,116,971			2,116,971	4,432,453	
Investment Income	8,539			8,541	1,317,843	
Indirect Cost Recovery	(1,515,586)	(177,525)		(1,693,111)		
Indirect Cost					30,302	
Gain on Sale of Fixed Assets	(53,753)			(53,753)		
Loss from Disposal of Fixed Assets	(4,635,536)			(4,635,536)		
Net Loss from Sale of Investments	5,324,880	526,647		5,851,527	4,423,458	
Interest Income	(12,070,014)	(9,520)		(12,079,534)	(1,293,644)	
Interest Expense						
	(10,824,499)	339,604		(10,484,895)	8,910,412	
TOTAL NONOPERATING REVENUES (EXPENSES)	(33,316,847)	(5,836,023)	28,594,062	(10,558,809)	3,311,366	
Income before operating transfers						
	24,594,962	16,772,902		41,367,864	30,382,767	
	(2,792,060)	(872,606)		(3,664,666)	(5,506,612)	
OPERATING TRANSFERS						
Operating Transfers In						
Operating Transfers Out						
	(11,513,946)	10,064,273	28,594,062	(27,144,389)	28,187,521	
Net Income/(Loss)						
Retained Earnings/Fund Balance, beginning of year	60,560,536	7,289,009	258,904,356	326,753,901	298,566,380	
Retained Earnings/Fund Balance, end of year	\$ 49,046,590	\$ 17,353,282	\$ 287,498,418	\$ 353,898,290	\$ 326,753,901	

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

COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the Fiscal Year Ended September 30, 1993

	Proprietary Fund Types		Viduciary Fund Type Pension Trust Fund	Totals (Memorandum Only)	
	Enterprise Funds	Internal Service Funds		9-30-93	9-30-92
Cash Flows From Operating Activities:					
Operating Income (Loss)	(22,492,349)	(6,175,627)	28,594,062	(73,914)	(5,599,046)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	21,058,011	961,902		22,019,913	20,276,027
Provision for Doubtful Accounts	3,337,298			3,337,298	3,742,284
Adjustments for Physical Inventory	(67,987)			(67,987)	(4,288,941)
(Increase) in Interest Receivable	(768,475)	(4,756)	316,261	(456,970)	(2,111,645)
(Increase)/Decrease in Accounts Receivable	(4,409,129)			(4,409,129)	47,616
(Increase) in Prepaid Items	12,386			12,386	
(Increase)/Decrease in Due From Governmental Units	290,500	96,201		386,701	(577,266)
(Increase)/Decrease in Contractual Agencies Receivable	878,420			878,420	(873,740)
(Increase) in Inventory	(392,524)	(89,180)		(481,704)	(286,200)
Increase/(Decrease) in Accounts Payable	(1,235,151)	(321,142)	14,706	(1,541,587)	2,206,435
Increase/(Decrease) in Accrued Payroll and Taxes	(3,392)			(3,392)	124,563
Increase/(Decrease) in Deposits Payable		(3,264)		(3,264)	254
Increase in Deferred Revenue		3,358		3,358	
(Decrease) in Retainage Payable	(289,000)			(289,000)	
Increase in Interest Payable	114,829			114,829	
(Decrease) in Contracts Payable	(186,430)	(324,059)		(510,489)	(2,075,880)
Increase in Compensated Absences Payable	111,497	58,457		169,954	801,743
Increase/(Decrease) in Arbitrage Rebate Payable	(230,006)	(108,486)		(338,492)	98,046
(Loss) on Disposal of Fixed Assets	(53,653)			(53,653)	
(Loss) on Sale of Investment	(4,635,536)		(12,069,900)	(16,705,436)	
Interest Paid on Refunds			174,448	174,448	191,978
Interest and Dividend Revenue			(14,117,450)	(14,117,450)	(14,920,164)
Investment Revenue					(5,138,200)
Total Adjustments	13,531,658	269,031	(25,683,935)	(11,881,246)	(2,783,090)
Net Cash Provided/(Used) by Operating Activities (Forward to Sheet 2)	(8,960,691)	(5,906,596)	2,912,127	(11,955,160)	(8,382,136)

COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the Fiscal Year Ended September 30, 1993

	Proprietary Fund Types		Fiduciary Fund Type	Totals	
	Enterprise Funds	Internal Service Funds		9-30-93 (Memorandum Only)	9-30-92
Net Cash Provided/(Used) by Operating Activities (Forward from Sheet 1)	(8,960,691)	(5,906,596)	2,912,127	(11,955,160)	(8,382,136)
Cash Flows From Non-Capital Financing Activities:					
Operating Transfers In	24,594,962	16,772,902		41,367,864	30,382,767
Operating Transfers Out	(2,792,060)	(872,606)		(3,664,666)	(5,506,612)
Payments to Other Funds	(427,957)	(1,207,454)		(1,635,411)	
Received from Other Funds	1,896,631			1,896,631	170,000
Increase/(Decrease) in Cash Deficit	3,312,603	(682,818)		2,629,785	582,737
Received from Auxiliary Services	2,116,872	(177,523)		2,116,872	
Indirect Cost	(1,507,047)			(1,684,570)	
Net Cash Provided by Non-Capital Financing Activities	27,194,004	13,832,501		41,026,505	25,628,892
Cash Flows From Capital and Related Financing Activities:					
Capital Contributed by Government					1,235,201
Interest Paid	(12,070,015)	(9,520)		(12,079,535)	(1,293,648)
Acquisition of Fixed Assets	(29,974,548)	(2,113,429)		(32,087,977)	(33,495,483)
Proceeds from Sale of Fixed Assets	(17,040,000)			(17,040,000)	1,549,206
Principal Payments					94,224,520
Proceeds from Issuance of Debt	(1,339,983)			(1,339,983)	
Warrant Issuance Costs	188,939			188,939	
Amortization of Warrant Issuance Costs	46,005,000			46,005,000	
Proceeds from Issuance of Debt	(40,080,000)			(40,080,000)	
Payment for Advance Refunding of Bonds					
Net Cash Provided/(Used) by Capital and Related Financing Activities	(54,310,607)	(2,122,949)		(56,433,556)	62,219,796
Cash Flows From Investing Activities:					
Interest and Dividend Income	5,324,880	526,647	14,117,450	19,968,977	19,449,413
Proceeds from Gain on Sale of Investment Securities					1,200,745
Sale/(Purchase) of Investments	13,585,215	7,095,544	(16,457,466)	4,223,293	(55,231,506)
Interest paid on Refunds			(174,448)	(174,448)	(191,978)
Net Cash Provided/(Used) by Investing Activities	18,910,095	7,622,191	(2,514,464)	24,017,822	(34,773,126)
Net Increase/(Decrease) in Cash and Cash Equivalents	(17,167,199)	13,425,147	397,663	(3,344,389)	44,693,426
Cash and Cash Equivalents, October 1	55,489,336	4,857,251		60,346,587	15,653,161
Cash and Cash Equivalents, September 30	38,322,137	18,282,398	397,663	57,002,198	60,346,587

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

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Jefferson County Commission, except for the exclusion of the component units discussed below, 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

Generally accepted accounting principles (GAAP) require that the financial statements present the Jefferson County Commission (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting the following criteria: 1) the primary government appoints a voting majority of the organization's governing body and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government or 2) the potential component unit is fiscally dependent on the primary government. A potential component unit is considered fiscally dependent if it does not have the authority to do all three of the following: 1) determine its own budget without another government having the authority to approve and modify that budget, 2) levy taxes or set rates or charges without approval by another government, and 3) issue bonded debt without approval by another government.

Based on the application of the above criteria, the following entities are component units of the Jefferson County Commission: Jefferson County Tax Collector--Birmingham and Bessemer Division, Tax Assessor--Birmingham and Bessemer Division, Revenue Commission, Probate Judge--Birmingham and Bessemer Division, Sheriff, Treasurer--Birmingham Division and Deputy Treasurer--Bessemer Division.

The accompanying financial statements reflect the activity of the Jefferson County Commission (the primary government), and do not include all of the financial activities of the component units listed above as required by generally accepted accounting principles.

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.

JEFFERSON COUNTY COMMISSION

Sheet #2

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

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

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 property taxes and revenues collected by the State of Alabama and shared with the County.

Special Revenue Funds

The Jefferson County Commission used the following Special Revenue Funds:

Indigent Care Fund - This fund accounts for the expenditure of beverage and sales taxes designated for indigent county residents.

Road Fund - This fund is used to account for the County's share of the following taxes: 7 cent and 4 cent per gallon gasoline tax, the 5 cent per gallon supplemental excise tax, the 2 cent per gallon inspection fee, motor vehicle and truck license taxes and fees, and drivers' license revenue. Revenues are earmarked for building and maintaining county roads and bridges.

Senior Citizens' Activities Fund - This fund is used to account for the expenditure of federal and county funds to provide social, nutritional, transportation, and other services to elderly residents of Jefferson County.

Bridge and Public Building Fund - This fund is used to account for the expenditure of special county property taxes for building and maintaining public buildings, roads and bridges.

Community Development Fund - This fund is used to account for the expenditure of federal block grant funds.

CDBG/EDA Revolving Loan Fund - This fund accounts for the County's administration of various loan programs for rental housing rehabilitation and economic development.

JEFFERSON COUNTY COMMISSION

Sheet #3

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

Home Grant Fund - This fund is used to account for the expenditure of funds received under Community Development from the U.S. Department of Housing and Urban Development for the Home Program.

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. During the fiscal year ended September 30, 1993, the Jefferson County Commission had one debt service fund.

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 funds).

Capital Improvements Fund - This fund accounts for the financial resources used in the improvement of major capital facilities.

Road Construction Fund - This fund accounts for the financial resources used in the construction of roads.

Proprietary Funds

Proprietary funds are used to account for 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.

The Jefferson County Commission operates the following Enterprise Funds:

Cooper Green Hospital Fund - accounts for the operations of the Cooper Green Hospital. Operating revenues are derived from net patient charges and reimbursements from third parties including Medicare and Medicaid.

JEFFERSON COUNTY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

County Home Fund - accounts for the operations of in-patient nursing facilities. Net revenues are received from patient charges and reimbursements from third parties, principally Medicaid.

Landfill Operations Fund - accounts for the operations of the County's landfill systems. Revenues are generated primarily through user charges.

Sanitary Operations Fund - accounts for the operations of the County's sanitary sewer systems. Revenues are generated primarily through user charges, impact fees and designated ad valorem taxes.

Parking Deck Fund - accounts for the operations of the County parking deck. Revenues are generated through user charges.

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. For fiscal year 1993, the Jefferson County Commission had nine Internal Service Funds:

Equipment Acquisition Fund - accounts for the accumulation and allocation of costs to provide equipment to the various County departments.

Risk Management Fund - accounts for the accumulation and allocation of costs to provide insurance needs to County departments.

Personnel Board Fund - accounts for the accumulation and allocation of costs for providing personnel to County departments and other governmental units by the Jefferson County Personnel Board.

Elections Fund - accounts for the accumulation and allocation of costs for holding County elections.

Information Service Fund - accounts for the accumulation and allocation of costs for providing data processing, microfilming and related services to the various County departments.

Fleet Management Fund - accounts for the accumulation and allocation of costs for providing and maintaining vehicles to County departments.

Central Laundry Fund - accounts for the accumulation and allocation of costs for providing laundry services to County departments.

Printing Fund - accounts for the accumulation and allocation of costs for providing printing, postage and related services to County departments.

JEFFERSON COUNTY COMMISSION

Sheet #5

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

Building Services Fund - accounts for the accumulation and allocation of costs for providing building maintenance and other related services for the County.

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 assets held in trust by the County and disbursed at the direction of law, a specific individual, or an organization. The Jefferson County Commission has the following Expendable Trust Funds:

Pension Fund - to account for the reimbursements of expenditures made by the County on behalf of the General Retirement System (GRS).

Pension Trust Fund

This fund is used to account for all transactions related to resources held in trust for the General Retirement System for Employees of Jefferson County (GRS).

Agency Funds

These funds are used to account for assets which belong to other organizations and individuals. The County collects these assets and transfers them to the proper parties. The Jefferson County Commission has one Agency Fund:

Deferred Compensation Fund - this fund is used to account for assets which belong to employees who have deferred income under provisions of Internal Revenue Code, Section 457.

ACCOUNT GROUPS

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

General Fixed Asset Account Group

This account group is used to account for all County fixed assets except those related to specific proprietary 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 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 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.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

Those revenues that were accrued are those due from the federal government; State of Alabama; Jefferson County Revenue Department, Jefferson County Tax Collector, Jefferson County Probate Court, and various other Jefferson County agencies; municipalities; County Home residents; landfill customers; clients of Cooper Green; and interest revenue. Other revenues are not material or generally susceptible to accrual because they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types and pension trust fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The County Commission reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special, debt service and capital project 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 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. The balance in the general fund reported as cash and investments represents the net of cash and cash deficits along with investments.

State statutes authorize the county commission to invest in obligations of the U. S. Treasury, securities of federal agencies and certificates of deposit.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

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

F. Due To/From Other Funds

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

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 1993, are recorded as prepaid items.

I. 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 asset 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.

Depreciation 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.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

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 has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

	<u>Years</u>
Buildings	28 - 50
Improvements	28
Equipment	5 - 30

J. 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.

K. Accounts Payable

A liability of \$758,335 is included in Accounts Payable in the Cooper Green Hospital Enterprise Fund. This liability is in dispute with the Hospital's former computer vendor, McAuto Company. The McAuto Company promised that their 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.

L. Compensated Absences

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

<u>Length of Service</u>	<u>Vacation Leave Earned (Per Month)</u>
0 - 12 years	1 day
12 - 25 years	1 and 1/2 days
Over 25 years	2 days

JEFFERSON COUNTY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

Vacation earned but not used during the calendar year may be accumulated up to a maximum of forty days. Vacation leave earned in excess of the maximum accumulation must be used by December 31 of each year or it shall be forfeited. A permanent employee terminating from County service in good standing shall be compensated by unused earned vacation not to exceed 40 days.

Sick leave shall be earned at the rate of one day for each month of service. Sick leave earned but not used during the calendar year may be accumulated to a maximum of sixty days. Sick leave earned in excess of the maximum is held in a special reserve and may be granted as supplemental sick leave subject to certain provisions. A permanent employee who resigns or retires from the county in good standing after five years of service may, subject to the approval of the appointing authority, receive pay for fifty percent of the accumulated sick leave not to exceed 30 days.

A "wellness program" has been adopted in which retiring employees in good standing with a minimum of 15 years of service shall have an option of converting unused sick leave to retirement service credit. The dollar amount of this program has not been calculated and is not included on the financial statements.

The Governmental Accounting Standards Board (GASB) requires the accrual of a liability for vacation leave as the benefits are earned by employees if both of the following conditions are met: 1) the employees' rights to receive compensation are attributable to services already rendered and 2) it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The GASB requires the accrual of a liability for sick leave using one of two termination approaches - termination payments or the vesting method. The Jefferson County Commission uses the termination method. Under this method an accrual for earned sick leave is made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

As of September 30, 1993, the liability for accrued annual and sick leave is approximately \$11,419,471. The amounts applicable to the Proprietary Funds of \$4,733,637 have been recorded in those funds. Only the current portion of \$923,689 and \$1,662 has been reported as liabilities in the Governmental Funds and the Fiduciary Fund, respectively. The remainder of \$5,760,483 has been recorded in the General Long-Term Debt Account Group (GLTDAG).

M. 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.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

N. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

O. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

P. 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.

Q. Memorandum Only - Total Columns

Total columns on the 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.

R. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

S. Property Taxes

Millage rates are levied at the first regular meeting of the Commission in February of each year. Property taxes are assessed for property as of October 1 of the preceding year based on the millage rates established by the County Commission. Property taxes are due and payable October 1 and are delinquent after December 31.

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 addresses 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, 1993, the carrying amount of the county's deposits, including Cooper Green Hospital and the General Retirement System, was \$(1,455,090.17) and the bank balance was \$5,123,670.28. Of the bank balance, \$763,712.68 was covered by federal depository insurance; \$4,359,957.60 was in collateral held by the pledging financial institution's trust department or agent in the institution's name and pledged to the county.

Investments

State statutes authorize the county to invest in obligations of the U.S. Treasury, federal agency securities and certificates of deposit. The county's investments are categorized below to give an indication of the level of risk assumed by the entity at year end. Category 1 includes investments that are insured or registered or securities held by the county or its agent in the county's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the county's name. Category 3 includes uninsured and unregistered investments for which securities are held by the counter party or its trust department or agent but not in the county's name.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

	Category			Carrying Amount	Market Value
	1	2	3		
U.S. Government Securities	259,469,147			259,469,147	269,468,233
Repurchase Agreements	35,005,000			35,005,000	35,007,983
Corporate Obligations	41,256,713			41,256,713	44,500,864
Corporate Stocks	119,426,286			119,426,286	145,491,355
Other	15,391,956			15,391,956	15,391,956
Total Investments	470,549,102			470,549,102	508,860,391

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

Note 4 - Due From Other Governments

Amounts due from other governments are as follows:

Federal	\$ 1,323,495
State	911,671
Municipal	164,503
County	<u>9,512,596</u>
	\$10,912,265

Note 5 - Receivables

Account Receivables

Amounts recorded as accounts receivable for governmental fund types and proprietary fund types consist primarily of amounts due from individuals less an allowance account for amounts estimated to be uncollectible. The balances for accounts receivable at September 30, 1993, are listed as follows:

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>		<u>Grand Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Internal Service</u>	
Accounts Receivable	49,559	22,960	2,104,533	9,246	2,186,298
Allowance Account	-----	-----	(810,597)	-----	(810,597)
Net Accounts Receivable	49,559	22,960	1,293,936	9,246	1,375,701

Patient Receivables

Receivables in the proprietary funds are from patients, insurance companies and third-party reimbursement contractual agencies and are recorded less an allowance for uncollectible accounts, charity accounts and other uncertainties. Certain third-party insured accounts (Blue Cross, Medicare, and Medicaid) are based on contractual agreements which generally result in collecting less than the established rates. Final determination of payments under these agreements are subject to review by appropriate authorities. Doubtful accounts are written off against the allowance as deemed uncollectible and recorded as recoveries of bad debts if subsequently collected.

JEFFERSON COUNTY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

	<u>Enterprise Funds</u>
Patient Receivables	21,121,831
Allowance Account	(15,730,223)
Net Patient Receivables	5,391,608

Loan Receivables

Jefferson County issues long-term loans through the Community Development Office for (1) house repairs of low and moderate income homeowners and (2) for firms that may not have access to sufficient long-term capital financing. These loans (net an allowance account) totaled \$4,368,196 at September 30, 1993.

Note 6 - Interfund Receivables and Payables

	<u>Due To</u>				<u>Grand Total</u>
	<u>Special Revenue Funds</u>	<u>Subtotal</u>	<u>Enterprise Fund</u>	<u>Cooper Green</u>	
	<u>General Fund</u>	<u>Road Fund</u>	<u>CDBG Fund</u>	<u>Special Revenue</u>	<u>Fund</u>
<u>Due From</u>					
General Fund				1,571,593	1,571,593
Special Revenue Funds					
Bridge and Public Building Fund		24,997		24,997	24,997
Community Development Fund			5,000	5,000	5,000
Subtotal Special Revenue Funds		24,997	5,000	29,997	29,997
Enterprise Fund	191,267				191,267
Sanitary Operations Fund					
Internal Service Funds					
Risk Management Fund	949,106			258,348	949,106
Personnel Board Fund				258,348	258,348
Subtotal Internal Service Funds	949,106			258,348	1,207,454
Grand Total	1,140,373	24,997	5,000	29,997	3,000,311

JEFFERSON COUNTY COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended September 30, 1993

Note 7 - Changes in General Fixed Assets

Adjustments were made to correct errors that occurred while recording the September 30, 1992, physical inventory count. These corrections are noted as "adjustments to prior year" in the General Fixed Asset Account Group and the Proprietary Fund sections.

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

	Adjustments		Adjusted		Balance 9/30/93
	Balance 10/1/92	to Prior Year	Prior Year	Reductions	
Land	\$ 6,366,464	\$ (40,146)	\$ 6,326,318	\$ 467,103	\$ 6,793,421
Buildings	167,311,447	(106,306)	167,205,141	6,094,711	173,299,852
Improvements Other Than Buildings	393,270	(16,100)	377,170	2,373,766	2,750,936
Equipment and Furniture	39,821,385	(4,843,486)	34,977,899	11,020,785	45,998,684
Construction in Progress	856,224		856,224	17,373,979	15,857,441
Total	\$214,748,790	\$(5,006,038)	\$209,742,752	\$37,330,344	\$244,292,058

JEFFERSON COUNTY COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

The Proprietary Fund's fixed assets at September 30, 1993 are summarized below:

	Enterprise Funds					
	Balance 10/1/92	Adjustments to Prior Year	Adjusted Prior Year	Additions	Reductions	Balance 9/30/93
Land	\$ 1,500,188		\$ 1,500,188	\$ 956,375	\$	\$ 2,456,563
Buildings	170,531,084		170,531,084	27,622,650		198,153,734
Improvements Other Than Buildings	187,139,770		187,139,770	8,486,207		195,625,977
Equipment and Furniture	19,655,866		19,655,866	1,892,461	(58,368)	21,489,959
Construction in Progress		2,544,270	2,544,270	56,033,595	(19,150,344)	39,427,521
	\$378,826,908	2,544,270	\$381,371,178	\$94,991,288	\$(19,208,712)	\$457,153,754
Accumulated Depreciation						(160,778,469)
Net Assets						\$296,375,285

JEFFERSON COUNTY COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended September 30, 1993

Internal Service Funds						
	Balance	Adjustments	Adjusted	Additions	Reductions	Balance
	10/1/92	to Prior	Prior Year			9/30/93
		Year				
Improvements Other Than Buildings	\$ 28,991		\$ 28,991	\$ 87,374	\$ (26,712)	\$ 89,653
Equipment and Furniture	15,909,793	\$(1,167,661)	14,742,132	3,087,727	(465,802)	17,364,057
Construction in Progress				26,712		26,712
Accumulated Depreciation	\$15,938,784	\$(1,167,661)	\$14,771,123	\$3,201,813	\$(492,514)	\$17,480,422
Net Assets						(6,219,158)
						11,261,264

Note B - Operating Leases

The Jefferson County Commission has entered into lease agreements for facilities and equipment. The leases are considered for accounting purposes to be operating leases. Rent expense for fiscal year 1993 was \$652,783.

JEFFERSON COUNTY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

Note 9 - Capital Leases

The county acquired the equipment listed below through lease-purchase agreements:

<u>Equipment</u>	<u>Payment Amount</u>	<u>Lease Dates</u>
Dupont Clinical Analyzer	\$ 2,273.42/monthly	11/01/88 - 10/01/93
Data Processing Phase II	12,074.98/monthly	11/01/88 - 10/01/93
Copier	812.47/monthly	6/18/90 - 6/18/95
Data Processing Peripheral	75,092.01/annually	2/01/90 - 1/01/94

Following is a schedule by years of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of September 30, 1993:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Grand Total</u>
September 30			
1994	14,348	84,842	99,190
1995		6,499	6,499
Total Minimum Lease Payments	14,348	91,341	105,689
Less Amounts Representing Interest	85	5,152	5,237
Present Value of the Net Minimum Lease Payments	14,263	86,189	100,452

Note 10 - Leveraged Leases

The county issued \$10,000,000 in Special Obligation School Warrants, Series 1992, to acquire certain public school facilities. The facilities were leased to the Board of Education in a leveraged lease agreement (from September 1, 1992 through October 1, 2002) which provides for rental payments at times and in amounts sufficient to pay debt service when due on the warrants.

The Board of Education of Jefferson County will enter into a credit agreement with the bank to provide, among other things, reimbursement to the bank by the Board of amounts paid by the bank for debt service of the warrants. Pursuant to the credit agreement, the Board will pledge and assign certain ad valorem tax proceeds as security for the Board's obligation under the credit agreement.

JEFFERSON COUNTY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

The warrants are limited obligations of Jefferson County payable solely out of (1) payments by the Board pursuant to the lease agreement (2) any other revenues, rentals or receipts derived by the issuer from the leasing or sale of the project and (3) money received by the bank from a draw on the letter of credit.

The lease agreement grants to the Board options to (1) terminate the lease after the warrants are fully paid for or provisions for payment have been made; and (2) purchase the school facilities for \$1 after all warrants have been paid or provisions for payment have been made.

Note 11 - County Appropriation Agreement

During the 1989 fiscal year, the Birmingham-Jefferson Civic Center Authority (Authority) issued \$132,380,000 in Capital Outlay Special Tax Bonds, Series 1989. The bonds are limited obligations of the Authority, payable solely out of certain tax proceeds to be received by the Authority pursuant to the separate Pledge and Appropriation Agreements between the City of Birmingham and the Authority and Jefferson County and the Authority.

The County levies a special privilege or license tax (in 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, from proceeds of the County Occupation Tax, the first \$10,000,000 collected in 1989 and in each year thereafter until and including 2008.

Note 12 - Contingent Liabilities

Under the provisions of Act 79-357, Acts of Alabama, a 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 have been as a sheriff, and who has attained 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. The County has a responsibility to properly manage these funds in order to provide the necessary monthly payments to the sheriff when he retires. Should the sheriff decide to withdraw from the plan for whatever reason, the County is obligated to refund the sheriff's total contribution which at September 30, 1993, amounted to \$56,850.

Note 13 - Arbitrage Rebate Payable

Under the 1986 Tax Reform Act, government entities that issue tax exempt bonds and warrants are subject to rebate excess interest earnings on deposits of bonds and warrant proceeds. Net interest earnings consist of interest income on proceeds less interest payments to bondholders under debt service requirements.

JEFFERSON COUNTY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

Because of possible changes in Treasury regulations, the current estimate of interest rebate liability may change and, accordingly, the actual rebate due the IRS may change. The arbitrage rebate payable at September 30, 1993, is estimated as follows:

1988 General Obligation Warrants \$173,904

Note 14 - Changes in Long-Term Debt

The following is a summary of long-term debt transactions for the Jefferson County Commission for the year ended September 30, 1993:

	General Obligation Warrants	Revenue Warrants	Arbitrage Rebate Payable	Capital Lease Absences	Compensated Absences	Total
Debt Outstanding at October 1, 1992	\$209,150,000	\$171,710,000	\$512,396	\$623,714	\$10,226,159	\$392,222,269
Obligations Incurred	64,940,000	46,005,000				110,945,000
Warrants Retired	(4,995,000)	(17,040,000)				(22,035,000)
Warrants Refunded	(72,365,000)	(40,080,000)				(112,445,000)
Arbitrage Rebate Payments			(338,492)			(338,492)
Lease Principal Repaid				(519,028)		(519,028)
Adjustment to Capital Lease Increase (Decrease) in Estimated Liabilities for Compensated Absences				(4,234)		(4,234)
Debt Outstanding at September 30, 1993	\$196,730,000	\$160,595,000	\$173,904	\$100,452	\$10,494,120	\$368,093,476

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

Refunding Issues

On August 1, 1993, the County issued \$64,940,000 in General Obligation Warrants with an average interest rate of 5 percent to advance refund \$53,812,875.85 of the following outstanding warrants: 1988 General Obligation Warrants maturing April 1, 2001 through April 1, 2007; 1989 General Obligation Warrants maturing April 1, 2000 through April 1, 2009, and 1990 General Obligation Warrants maturing April 1, 2005 through April 1, 2010, with average interest rates of 7.4, 6.8 and 6 percent, respectively. The net proceeds of \$63,178,472.74 (after payment of issuance costs) were used to purchase U. S. Treasury securities. Those securities were deposited with an escrow agent to provide for all future debt service payments of the 1988, 1989 and 1990 General Obligation Warrants. As a result, the 1988, 1989 and 1990 General Obligation Warrants maturing April 1, 2001 through April 1, 2007, April 1, 2000 through April 1, 2009, and April 1, 2005 through April 1, 2010, respectively, are considered to be defeased and the liability for those warrants has been removed from the general long-term debt account group.

The county advanced refunded these warrants to reduce its total debt service payments over the next 17 years by \$4,818,590 and to obtain an economic gain, which is the difference between the present values of the debt service payments on the old and new debt, of \$1,912,703.

On March 1, 1993, the County issued \$46,005,000 in Sewer Revenue Warrants with an average interest rate of 5 percent to advance refund \$40,080,000 of outstanding 1988 Sewer Revenue Warrants with an average interest rate of 7 percent, maturing from September 1, 1996, through September 1, 2008. The net proceeds of \$44,765,340 (after payment of issuance costs) were used to purchase U.S. Treasury securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1988 Sewer Revenue Warrants maturing from September 1, 1996 through September 1, 2008. As a result, these warrants are considered to be defeased and the liability for those warrants has been removed from the Jefferson County Sanitation Fund.

Although the advance refunding resulted in the recognition of an accounting loss of \$4,652,989 for the year ended September 30, 1993, the County in effect reduced its aggregate debt service payments by \$2,429,498 over the next 15 years and obtained an economic gain, which is the difference between the present values of the debt service payments on the old and new debt, of \$1,847,277.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

Note 15 - Construction and Other Significant Commitments

The following is a listing of the outstanding contracts entered into and commitments made for the fiscal year ending September 30, 1993:

<u>Nature of Commitment</u>	<u>Amount</u>
Renovations to Jefferson County Courthouse	\$ 667,644
American Disabilities Act Renovations - Cooper Green	1,447,820
Trussville Railroad Overpass Construction	662,179
Patton Creek Project	512,081
Cahaba Waste Water Treatment Plant Construction Review and Improvement Phase I	733,933 20,961,592
Smithfield Trunk Outflow Project	1,245,078
Trussville Waste Water Treatment Plant Construction Dry Beds	638,126
Scott's Branch Pretreatment	1,312,794
Landfill Improvements	923,353
Mercedes Benz Site Preparation	5,000,000

	34,104,600

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

Note 16 - Segment Information for Enterprise Funds

The Jefferson County Commission operates five Enterprise funds which provide medical, in patient nursing care, landfill, sewer and parking services. These funds are intended to be self-supporting through user fees charged to the public for services. Financial segment information as of and for the year ended September 30, 1993, is presented below:

	Cooper Green Hospital Fund	County Home Fund	Landfill Operations Fund	Sanitary Operations Fund	Parking Deck Fund	Total Enterprise Fund
Operating Revenues	\$33,447,914	\$10,735,827	\$8,687,095	\$41,105,165	\$191,457	\$94,167,458
Depreciation and Amortization Expense	2,113,289	293,753	338,474	18,501,434		21,246,950
Operating Income or (Loss)	(23,405,317)	(5,319,800)	4,134,438	2,061,989	36,342	(22,492,348)
Operating Grants, Entitlements and Shared Revenues	13,776,875					13,776,875
Operating Transfers:						
In	18,820,599	5,774,363				24,594,962
(Out)	(452,418)	(2,339,642)				(2,792,060)
Tax Revenues				2,305,275		2,305,275
Net Income or (Loss)	(2,890,265)	(1,862,352)	4,092,258	(10,901,410)	47,824	(11,513,945)
Current Capital:						
Transfers			6,267,661	(6,267,661)		
Property, Plant and Equipment:						
Additions	776,337	45,724	6,304,483	87,864,744		94,991,288
Deletions		3,800	17,500	19,187,412		19,208,712
Net Working Capital	(447,098)	(1,042,808)	10,107,836	78,480,268	176,979	87,275,177
Bonds and Other Long-Term Liabilities:						
Payable from Operating Revenues	1,348,304	455,151	213,636	161,875,069	3,062	163,895,222
Total Equity (Deficit)	10,516,515	(1,167,095)	19,613,986	194,930,826	173,917	224,068,149

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended September 30, 1993

Note 17 - Defined Benefit Pension Plan.

A. Plan Description

The General Retirement System for Employees of Jefferson County (Retirement System) 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 classified full-time Jefferson County civil service employees upon commencement of employment. At September 30, 1993, membership in the plan consisted of the following:

Current Active Members:	
Vested Members	1,268
Nonvested Members	2,335

Total Current Active Members	3,603
Retirees and Beneficiaries Currently Receiving Benefits	688
Terminated Employees Electing Deferred Benefits	17

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-five 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.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

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. Work-related 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. Non work-related benefits are based on service and earnings up to the time of disability. Benefits are reduced in accordance with age if member is under sixty years old, but not below fifty percent.

Funding - The Plan is funded by payroll deductions equal to six percent of the participants' gross salaries, with the County contributing amounts equal to participants' contributions. The Plan also receives from the County a percentage of the proceeds 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 to each participant to the maximum amount allowed by law.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended September 30, 1993

Reserves for Contingent Refunds and Retirements 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, 1993, was determined based on the actuarial valuation at those dates. 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, 1993, the assets in excess of pension benefit obligation were \$68.6 million, as follows:

	(In Millions)
	1993
Pension Benefit Obligation:	
Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Not Yet Receiving Benefits	\$61.3
Current Employees:	
Accumulated Employee Contributions	37.8
Other Vested Benefits	38.9
Nonvested Benefits	81.0
Total Pension Benefit Obligation	219.0
Net Assets Available for Benefits, Actuarial Value (Market Value of \$325.8 for 1993)	287.6
Assets in Excess of Pension Benefit Obligation	68.6

JEFFERSON COUNTY COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended September 30, 1993

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.

Fiscal Year Ended September 30	(1) Net Assets Available for Benefits*	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4)		(5) Annual Covered Payroll	(6) Assets in Excess of Pension Benefit Obligation as a Percentage of Covered Payroll (4)/(5)
				Assets in Excess of Pension Benefit Obligation	(1) - (2)		
1987	\$138.3	\$105.1	132.0%	\$33.2	\$52.0	64.0%	
1988	158.3	123.6	128.0	34.7	62.6	55.0	
1989	182.9	136.7	134.0	46.2	68.3	68.0	
1990	205.3	161.7	129.0	43.6	77.7	56.0	
1991	224.2	178.8	125.0	45.4	82.1	55.0	
1992	257.3	193.6	132.0	63.7	86.8	73.0	
1993	287.6	219.0	131.0	68.6	87.9	78.0	

*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.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

Fiscal Year Ended September 30	Revenues by Source and Expenses by Type				Total
	Employee Contributions	Employer Contributions	Investment Income	Other Income	
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	3,021,412	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
1992	5,049,077	5,056,227	19,197,401	266,112	29,568,817
1993	5,123,620	5,124,831	25,543,653	252,243	36,044,347

Fiscal Year Ended September 30	Expenses by Type				Total
	Benefits	Administrative Expenses	Refunds	Interest on Contributions Withdrawn	
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
1992	5,041,827	111,766	916,470	191,978	6,262,041
1993	5,988,078	179,490	1,108,269	174,448	7,450,285

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

Notes 18 - Related Parties

A Jefferson County Commission employee was both Director of Jefferson County Commission's Office of Senior Citizens Activities (OSCA) and a member of the Board of Directors of independent, nonprofit organizations that contracted with OSCA. This director resigned from the nonprofit organizations in July, 1994

Note 19 - 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 as an Agency Fund.

Note 20 - Other Postemployment Benefits (OPEB)

In addition to the pension benefits described in Note 17, the County provides post employment health care benefits, in accordance with a resolution approved by the Commission on September 25, 1990, to employees who meet the following eligibility requirements. Employees must: (1) have been covered by the County group health care plan at the time of retirement, (2) 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 the pension must be sufficient to cover the required retiree contributions, (3) be under 65 years of age, and (4) not be eligible for Medicare. The county adopted a resolution on September 22, 1992, to allow those retirees who are not eligible to receive a retirement pension to participate in the health care plan by prepaying to the County the semi-annual premium for the retiree contributions.

Dependents can be covered under an eligible retiree's family plan if the dependents: (1) meet the definition of "who can be covered" in each option's contract, (2) are under 65 years of age, and (3) are 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 becomes ineligible, the dependent(s) may continue coverage under the General Retirement System for the Employees of Jefferson County until they reach age 65 or become eligible for Medicare.

JEFFERSON COUNTY COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1993

Currently 166 retirees meet eligibility requirements. The County subsidizes a portion of the retirees health care insurance premiums based on the total years of County service and age at retirement. The County's subsidy for each covered retired employee ranges from \$21 to \$347 per month and total insurance premiums range from \$139 to \$410. Expenditures for postretirement health care benefits are made and recognized as premiums as paid. During the year, expenditures of \$203,221 were recognized for postretirement health benefits.

Note 21 - Restatements

Fund balances/retained earnings were restated in the funds listed below:

<u>Fund</u>	<u>Amount</u>	
General	294,424	Expenditures accrued for self-insurance claims were \$294,424.24 greater than the actual claims.
Special Revenue Funds	350,473	Inventory expenditures were understated by \$350,473.05 in the Road Fund for the period ending September 30, 1992.
Internal Service Funds	1,364,627	Accumulated depreciation was overstated in the Equipment Acquisition Fund for the period ending September 30, 1992.

JEFFERSON COUNTY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 1993

Note 22 - Deficit Fund Balances/Retained Earnings

The following funds had deficit fund balances/retained earnings at September 30, 1993:

	<u>Fund Balances</u>	<u>Retained Earnings</u>
<u>Special Revenue Funds</u>		
Indigent Care Fund	(15,749)	
Road Fund	(2,654,602)	
Senior Citizens Activities Fund	(465,749)	
Community Development Fund	(18,149)	
<u>Enterprise Funds</u>		
County Home Fund		(1,686,205)
<u>Internal Service Funds</u>		
Personnel Board Fund		(803,113)
Elections Fund		(42,378)
Building Services Fund		(1,079,770)

SUPPLEMENTAL INFORMATION

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
September 30, 1993

Jefferson County
Commission

	Indigent Care Fund	Road Fund	Senior Citizens' Activities Fund	Bridge and Public Building Fund	Community Development Fund
ASSETS					
Cash and Investments	18,575	4,385			338,280
Accounts Receivable, Net					12,735
Loans Receivable, Net				24,997	5,000
Interest Receivable		904,823	350,973	224,647	830,364
Due From Other Funds	2,339,008	1,315,520			
Due From Other Governmental Units					
Inventories					
TOTAL ASSETS	2,357,583	2,224,728	350,973	249,644	1,186,379
	\$	\$	\$	\$	\$
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Cash Deficit	1,852,499	1,249,111	725,982	172,628	902,745
Accounts Payable	520,833	3,358,470	83,393		255,446
Due to Other Funds		24,997			38,816
Deferred Revenues			7,347		7,521
Accrued Vacation and Sick Leave		246,752			
TOTAL LIABILITIES	2,373,332	4,879,330	816,722	172,628	1,204,528
	\$	\$	\$	\$	\$
FUND EQUITY					
Fund Balance:					
Reserve for:			498,110		2,048,692
Encumbrances		2,422,601			
Inventories		1,315,520	50		338,280
Petty Cash		150			
Loans Receivable	(15,749)	(6,392,873)	(963,909)	77,016	(2,405,121)
Undesignated	(15,749)	(2,654,602)	(465,749)	77,016	(18,149)
TOTAL FUND EQUITY	2,357,583	2,224,728	350,973	249,644	1,186,379
	\$	\$	\$	\$	\$
TOTAL LIABILITIES AND FUND EQUITY					

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
September 30, 1993

	CDBG-EDA		Totals	
	Revolving Loan Fund	Home Grant Fund	Current Year	Prior Year
<u>ASSETS</u>				
Cash and Investments	\$ 853,089	\$	\$ 853,089	\$ 4,746,605
Accounts Receivable, Net			22,960	63,730
Loans Receivable, Net	4,029,916		4,368,196	5,043,725
Interest Receivable			12,735	12,735
Due From Other Funds			29,997	
Due From Other Governmental Units		37,436	4,687,251	4,292,047
Inventories			1,315,520	1,329,276
TOTAL ASSETS	\$ 4,883,005	\$ 37,436	\$ 11,289,748	\$ 15,488,118
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Cash Deficit				
Accounts Payable	\$ 10,453	\$ 3,417	\$ 4,906,382	\$ 367,495
Due to Other Funds	5,000	2,966	4,231,561	3,067,293
Deferred Revenues			29,997	
Accrued Vacation and Sick Leave			38,816	
			261,620	165,728
TOTAL LIABILITIES	15,453	6,383	9,468,376	3,600,516
<u>FUND EQUITY</u>				
Fund Balance:				
Reserve for:				
Encumbrances	30,629	52,256	5,052,288	137,916
Inventories			1,315,520	1,329,276
Petty Cash			200	200
Loans Receivable	4,029,916		4,368,196	5,043,724
Undesignated	807,007	(21,203)	(8,914,832)	5,376,485
TOTAL FUND EQUITY	4,867,552	31,053	1,821,372	11,887,602
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,883,005	\$ 37,436	\$ 11,289,748	\$ 15,488,118

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1993

Exhibit #7

	Indigent Care Fund	Road Fund	Senior Citizens' Activities Fund	Bridge and Public Building Fund	Community Development Fund
<u>REVENUES</u>					
Taxes	\$ 26,979,593	\$ 7,482,084	\$	\$ 16,795,496	\$
Licenses and Permits					
Intergovernmental Revenues		6,819,976	2,986,359		3,118,941
Charges for Services	138,524	494,200	65,691		105,999
Miscellaneous Revenues		732,565	168,174	342,770	
TOTAL REVENUES	27,118,117	15,528,825	3,220,224	17,138,266	3,224,940
<u>EXPENDITURES</u>					
Current:					
General Government	8,824,252		3,946,627		2,325,557
Highways and Streets		26,603,866			2,006,136
Health and Welfare		2,599,470	6,122		62,843
Capital Outlay					124,200
Indirect Cost					
TOTAL EXPENDITURES	8,824,252	29,203,336	3,952,749		4,518,736
Excess (deficiency) of revenues over expenditures	18,293,865	(13,674,511)	(732,525)	17,138,266	(1,293,796)
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating Transfers In	(21,415,183)			(18,688,732)	(286,545)
Operating Transfers Out		30,261,875			
Proceeds from Sale of Fixed Assets					
TOTAL OTHER FINANCING SOURCES (USES)	(21,415,183)	30,261,875		(18,688,732)	(286,545)
Excess (deficiency) of revenues over expenditures and other sources (uses)	(3,121,318)	(3,412,636)	(732,525)	(1,550,466)	(1,580,341)
Fund Balances at beginning of year as restated	3,105,569	758,034	266,776	1,627,482	1,562,192
Fund Balances at end of year	(15,749)	(2,654,602)	(465,749)	77,016	(18,149)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 1993

	CDBG-EDA			Totals	
	Revolving Loan Fund	Home Grant Fund	Current Year	Prior Year	
REVENUES					
Taxes	\$	\$	\$ 51,257,173	\$ 48,276,457	
Licenses and Permits				6,551	
Intergovernmental Revenues	305,102	37,436	13,267,814	13,211,810	
Charges for Services	409		666,299	2,430,379	
Miscellaneous Revenues	178,448		1,560,481	1,524,779	
TOTAL REVENUES	483,959	37,436	66,751,767	65,449,976	
EXPENDITURES					
Current:					
General Government	266,778	40,250	15,403,464	22,459,214	
Highways and Streets			26,603,866	22,522,811	
Health and Welfare	203,723		2,209,859		
Capital Outlay		3,569	2,668,435	2,877,177	
Indirect Cost			127,769		
TOTAL EXPENDITURES	470,501	43,819	47,013,393	47,859,202	
Excess (deficiency) of revenues over expenditures	13,458	(6,383)	19,738,374	17,590,774	
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	286,545	37,436	10,585,856	19,121,064	
Operating Transfers Out			(40,390,460)	(35,237,104)	
Proceeds from Sale of Fixed Assets				120,550	
TOTAL OTHER FINANCING SOURCES (USES)	286,545	37,436	(29,804,604)	(15,995,490)	
Excess (deficiency) of revenues over expenditures and other sources (uses)	300,003	31,053	(10,066,230)	1,595,284	
Fund Balances at beginning of year as restated	4,567,549		11,887,602	10,292,318	
Fund Balances at end of year	4,867,552	31,053	1,821,372	11,887,602	

COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
September 30, 1993

Jefferson County
Commission

	Capital		Road		Totals	
	Improvements Fund	Construction Fund	Current Year	Prior Year	Current Year	Prior Year
ASSETS						
Cash and Investments	\$ 49,107,459	\$ 1,010,570	\$ 50,118,029	\$ 65,813,685		
Interest Receivable	2,842,608		2,842,608	1,753,919		
Accounts Receivable, Net				9,330		
TOTAL ASSETS	\$ 51,950,067	\$ 1,010,570	\$ 52,960,637	\$ 67,576,934		
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 1,114,511	\$ 336,806	\$ 1,451,317	\$ 1,131,195		
Deferred Revenues	12,008	47,766	59,774	87,180		
TOTAL LIABILITIES	\$ 1,126,519	\$ 384,572	\$ 1,511,091	\$ 1,218,375		
FUND EQUITY						
Fund Balance:						
Reserved for Encumbrances	5,046,567	2,880,651	7,927,218	8,216		
Unreserved	45,776,981	(2,254,653)	43,522,328	66,350,343		
TOTAL FUND EQUITY	\$ 50,823,548	\$ 625,998	\$ 51,449,546	\$ 66,358,559		
TOTAL LIABILITIES AND FUND EQUITY	\$ 51,950,067	\$ 1,010,570	\$ 52,960,637	\$ 67,576,934		

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 1993

	Capital		Road		Totals	
	Improvements Fund	Construction Fund	Improvements Fund	Construction Fund	Current Year	Prior Year
<u>REVENUES</u>						
Intergovernmental Revenues	\$ 20,400	\$ 600,566	\$ 600,566	\$	\$ 620,966	\$ 25,000
Charges for Services		85,187	85,187		85,187	923,267
Miscellaneous Revenues	3,814,276	83,391	83,391		3,897,667	7,647,735
TOTAL REVENUES	3,834,676	769,144	769,144	4,603,820	8,596,002	
<u>EXPENDITURES</u>						
Current:						
General Government	12,897,838				12,897,838	3,499,000
Highways and Streets		5,445,760	5,445,760		5,445,760	5,757,681
Sanitation	378,380				378,380	
Culture and Recreation	66,401				66,401	
Capital Outlay	724,454				724,454	5,422,493
TOTAL EXPENDITURES	14,067,073	5,445,760	5,445,760	19,512,833	14,679,174	
Excess (deficiency) of revenues over expenditures	(10,232,397)	(4,676,616)	(4,676,616)	(14,909,013)	(6,083,172)	
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating Transfers In						24,867,457
Operating Transfers Out						(87,718)
TOTAL OTHER FINANCING SOURCES (USES)						24,779,739
Excess (deficiency) of revenues over expenditures and other sources (uses)	(10,232,397)	(4,676,616)	(4,676,616)	(14,909,013)	(6,083,172)	18,696,567
Fund Balances at beginning of year as restated	61,055,945	5,302,614	5,302,614	66,358,559	47,661,992	
Fund Balances at end of year	50,823,548	625,998	625,998	51,449,546	66,358,559	

	Cooper Green Hospital Fund	County Home Fund	Landfill Operations Fund	Sanitary Operations Fund
ASSETS				
Cash and Investments	\$ 747,595	\$	\$	\$ 82,608,493
Accounts Receivable, net	237,531		9,436,044	376,025
Patient Accounts Receivable, net	4,244,469	1,147,139	680,099	
Interest Receivable				67,987
Due From Contractual Agencies				191,267
Due From Other Funds	249,858			37,530
Due From Other Governmental Units	652,037	220,659		569,822
Inventories	27,257			
Prepaid Expenses				
Warrant Issue Costs	12,311,917	330,864	9,719,786	4,312,909
Fixed Assets, net				274,012,718
TOTAL ASSETS	\$ 18,470,664	\$ 1,698,662	\$ 19,835,929	\$ 362,176,751
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Cash Deficit	\$ 1,295,551	\$ 2,088,631	\$	\$
Accounts Payable	2,652,867	321,975	8,307	4,470,643
Interest Payable				366,213
Accrued Payroll and Taxes	827,486			
Due to Other Funds	1,829,941			
Retainage Payable				534,000
Accrued Vacation and Sick Leave	1,334,041	455,151	213,636	1,280,069
Arbitrage Rebate Payable				
Bonds and Warrants Payable				
Capital Lease-Purchase Contracts Payable	14,263			160,595,000
TOTAL LIABILITIES	7,954,149	2,865,757	221,943	167,245,925
FUND EQUITY				
Contributed Capital		\$ 519,110	\$ 7,572,165	\$ 166,930,124
Retained Earnings:				
Reserved for Professional Liability	747,595			
Unreserved Retained Earnings	9,768,920	(1,686,205)	12,041,821	28,000,702
TOTAL FUND EQUITY	10,516,515	(1,167,095)	19,613,986	194,930,826
TOTAL LIABILITIES AND FUND EQUITY	\$ 18,470,664	\$ 1,698,662	\$ 19,835,929	\$ 362,176,751

	Parking Deck Fund	Current Year	Totals	Prior Year
ASSETS				
Cash and Investments	\$ 192,073	\$ 92,984,205	\$	\$ 123,736,619
Accounts Receivable, net	281	1,293,936		728,990
Patient Accounts Receivable, net		5,391,608		4,116,248
Interest Receivable		67,987		
Due From Contractual Agencies		191,267		878,420
Due From Other Funds		287,388		66,890
Due From Other Governmental Units		1,442,518		577,888
Inventories		27,257		1,049,994
Prepaid Expenses		4,312,909		39,643
Warrant Issue Costs		296,375,285		3,161,864
Fixed Assets, net				287,458,749
TOTAL ASSETS	\$ 192,354	\$ 402,374,360	\$	\$ 421,815,105
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Cash Deficit	\$	\$ 3,384,182	\$	\$ 71,579
Accounts Payable	15,375	7,469,167		8,704,318
Interest Payable		366,213		251,384
Accrued Payroll and Taxes		827,486		830,878
Due to Other Funds		1,829,941		236,690
Retainage Payable		534,000		823,000
Accrued Vacation and Sick Leave	3,062	3,285,959		3,174,462
Arbitrage Rebate Payable		160,595,000		230,006
Bonds and Warrants Payable		14,263		171,710,000
Capital Lease-Purchase Contracts Payable				200,693
TOTAL LIABILITIES	18,437	178,306,211		186,233,010
FUND EQUITY				
Contributed Capital	\$ 160	\$ 175,021,559	\$	\$ 175,021,559
Retained Earnings:				
Reserved for Professional Liability	173,757	747,595		727,853
Unreserved Retained Earnings		48,296,995		59,832,683
TOTAL FUND EQUITY	173,917	224,068,149		235,582,095
TOTAL LIABILITIES AND FUND EQUITY	\$ 192,354	\$ 402,374,360	\$	\$ 421,815,105

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

Exhibit #11

ALL ENTERPRISE FUNDS

For the Fiscal Year Ended September 30, 1993

	Cooper Green Hospital Fund	County Home Fund	Landfill Operations Fund	Sanitary Operations Fund
<u>OPERATING REVENUES</u>				
Taxes				\$ 2,305,275
Licenses and Permits				8,705
Charges for Services		10,683,257	8,663,946	36,763,751
Miscellaneous Revenues	19,671,039	52,570	23,149	2,027,434
Net Patient Revenue	13,776,875			
Medicaid Disproportionate Share				
Total Operating Revenues	33,447,914	10,735,827	8,687,095	41,105,165
<u>OPERATING EXPENSES</u>				
Salaries and Wages	20,346,744	7,947,440	1,419,420	9,725,996
Fringe Benefits	4,335,119	2,389,642	368,477	2,770,333
Provision for Bad Debts	2,718,574	618,524		
Utilities	801,369	239,441	149,159	3,128,583
Depreciation	2,113,289	293,753	338,474	18,312,495
Outside Services	2,795,491	1,831,238	213,132	3,176,943
Services from Other Hospitals	4,816,030			
Jefferson Clinic	9,493,053			
Office Expense	722,001	118,205	23,979	158,427
Supplies	7,722,998	1,427,308	723,364	897,146
Other Operating Expenses	988,463	1,129,976	1,316,652	873,253
Total Operating Expenses	56,853,231	16,055,627	4,552,657	39,043,176
Operating Income/(Loss)	(23,405,317)	(5,319,800)	4,134,438	(2,061,989)
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Miscellaneous Revenues	2,094,243	22,728		
Investment Income				
Indirect Cost Recovery				
Indirect Cost	(1)	(1)	(186,728)	(1,328,856)
Gain on Sale of Fixed Assets				(49,300)
Loss from Disposal of Fixed Assets				(4,635,536)
Net Loss from Sale of Investments	60,168		149,001	5,112,768
Interest Income	(7,539)			(12,062,475)
Interest Expense				
Total Nonoperating revenues/(expenses)	2,146,871	22,727	(42,180)	(12,963,399)
Income before operating transfers	(21,258,446)	(5,297,073)	4,092,258	(10,901,410)
Operating Transfers In	18,820,599	5,774,363		
Operating Transfers Out	(452,418)	(2,339,642)		
Net Income/(Loss)	(2,890,265)	(1,862,352)	4,092,258	(10,901,410)
Retained Earnings, beginning of year	13,406,780	176,147	7,949,563	38,902,112
Retained Earnings, end of year	10,516,515	(1,686,205)	12,041,821	28,000,702

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 1993

	Parking Deck Fund	Current Year	Totals	Prior Year
OPERATING REVENUES				
Taxes		\$ 2,305,275	\$	2,170,195
Licenses and Permits		8,705		9,349
Charges for Services	191,456	56,302,410		49,211,749
Miscellaneous Revenues		2,103,153		54,234
Net Patient Revenue		19,671,039		28,253,187
Medicaid Disproportionate Share		13,776,875		19,890,090
Total Operating Revenues	191,456	94,167,457		99,588,804
OPERATING EXPENSES				
Salaries and Wages	20,001	39,459,601		39,841,028
Fringe Benefits	4,743	9,868,314		6,618,312
Provision for Bad Debts		3,337,298		2,902,889
Utilities	26,125	4,404,677		4,125,250
Depreciation	98,873	21,058,011		19,385,765
Outside Services		8,115,677		5,749,447
Services from Other Hospitals		4,816,030		6,252,653
Jefferson Clinic		9,493,053		8,414,292
Office Expense	256	1,022,868		5,199,140
Supplies	3,575	10,774,391		10,068,473
Other Operating Expenses	1,542	4,309,886		15,939,033
Total Operating Expenses	155,115	116,659,806		124,496,282
Operating Income/(Loss)	36,341	(22,492,349)		(24,907,478)
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous Revenues		2,116,971		4,432,453
Investment Income		8,539		1,317,843
Indirect Cost Recovery	8,539	(1,515,586)		
Indirect Cost				30,302
Gain on Sale of Fixed Assets		(53,753)		
Loss from Disposal of Fixed Assets		(4,635,536)		
Net Loss from Sale of Investments	2,943	5,324,880		3,327,681
Interest Income		(12,070,014)		(1,240,302)
Interest Expense				
Total Nonoperating revenues/(expenses)	11,482	(10,824,499)		7,867,977
Income before operating transfers	47,823	(33,316,848)	\$	(17,039,501)
Operating Transfers In		24,594,962		18,666,438
Operating Transfers Out		(2,792,060)		
Net Income/(Loss)	47,823	(11,513,946)		1,626,937
Retained Earnings, beginning of year	125,934	60,560,536		58,933,599
Retained Earnings, end of year	173,757	49,046,590	\$	60,560,536

COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS

Exhibit #12

For the Fiscal Year Ended September 30, 1993

	Cooper Green Hospital	County Nursing Home	Landfill Operations	Sanitary Operations	Parking Deck	Totals
						9-30-93
						9-30-92
Cash Flows From Operating Activities:						
Operating Income (Loss)	(23,405,317)	(5,219,800)	4,134,438	2,061,989	36,341	(22,492,349)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	2,113,289	293,753	338,474	18,312,495		21,058,011
Provision for Doubtful Accounts	2,718,674	618,624				3,337,298
Adjustments for Physical Inventory				(67,987)		(67,987)
(Increase) in Interest Receivable						
(Increase)/Decrease in Accounts Receivable	(231,002)		(573,549)	36,357	(281)	(768,475)
(Increase) in Patients Receivable	(2,846,895)	(1,562,234)				(4,409,129)
Decrease in Prepaid Items	12,386					12,386
(Increase)/Decrease in Due From Governmental Units	(249,858)	559,344		(18,986)		290,500
(Increase)/Decrease in Contractual Agencies Receivable	878,420					878,420
(Increase)/Decrease in Inventory	(69,139)	2,955		(326,340)		(392,524)
(Increase)/Decrease in Accounts Payable	(1,241,771)	154,617	(2,121)	(153,998)	8,122	(1,235,151)
Increase/(Decrease) in Accrued Payroll and Taxes	(3,392)					(3,392)
(Decrease) in Retainage Payable				(289,000)		(289,000)
Increase in Interest Payable				114,829		114,829
(Decrease) in Contracts Payable	(186,430)					(186,430)
Increase/(Decrease) in Compensated Absences Payable	56,749	(3,773)	3,673	54,546	302	111,497
Increase/(Decrease) in Arbitrage Rebate Payable						
Gain/(Loss) on Disposal of Fixed Asset	100		(4,453)	(230,006)		(230,006)
(Loss) on Sale of Investment				(49,300)		(49,300)
Total Adjustments	951,131	63,286	(237,976)	(4,635,536)	8,143	(4,635,536)
				12,747,074		13,531,638
Net Cash Provided/(Used) by Operating Activities	(22,454,186)	(5,256,514)	3,896,462	14,809,063	44,484	(8,960,691)
(Forward to Sheet 2)						4,894,219

COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 1993

	Cooper Green Hospital	County Nursing Home	Landfill Operations	Sanitary Operations	Parking Deck	Totals 9-30-93	9-30-92
Net Cash Provided/(Used) by Operating Activities (Forward from Sheet 1)	(22,454,186)	(5,256,514)	3,896,462	14,809,063	44,484	(8,960,691)	4,894,219
Cash Flows From Non-Capital Financing Activities:							
Operating Transfers In	18,820,599	5,774,363				24,594,962	18,666,438
Operating Transfers Out	(452,418)	(2,339,642)				(2,792,060)	
Payments to Other Funds	(170,000)		(5,490)	(252,467)		(427,957)	
Received from Other Funds	1,829,941		61,200	5,490		1,896,631	170,000
Increase/(Decrease) in Cash Deficit	1,295,551	2,017,052				3,312,603	(147,551)
Received from Auxiliary Services	2,094,144	22,728				2,116,872	
(Indirect Cost)/Recovery	(1)	(1)	(186,728)	(1,328,856)	8,539	(1,507,047)	
Net Cash Provided/(Used) by Non-Capital Financing Activities	23,417,816	5,474,500	(131,018)	(1,575,833)	8,539	27,194,004	18,688,887
Cash Flows From Capital and Related Financing Activities:							
Capital contributed by government	(7,540)		6,267,661	(6,267,661)		(12,070,015)	1,235,201
Interest Paid	(983,100)	(217,986)	(6,476,389)	(22,297,073)		(29,974,548)	(1,240,306)
Acquisition of Fixed Assets							(45,464,568)
Proceeds from sale of fixed assets				(17,040,000)		(17,040,000)	1,549,206
Principal Payments							94,224,520
Proceeds from issuance of debt				(1,339,983)		(1,339,983)	
Warrant issuance costs				188,939		188,939	
Amortization of Warrant issuance costs				46,005,000		46,005,000	
Proceeds from Issuance of Debt				(40,080,000)		(40,080,000)	
Payment for Advance Refunding of Bonds							
Net Cash Provided/(Used) by Capital and Related Financing Activities	(990,640)	(217,986)	(208,728)	(52,893,253)		(54,310,607)	50,304,053
Cash Flows From Investing Activities:							
Interest Received	60,168		149,001	5,112,768	2,943	5,324,880	3,433,472
Sale/(Purchase) of Investments	(723,657)		4,066,981	10,143,901	97,990	13,585,215	(32,546,820)
Net Cash Provided/(Used) by Investing Activities	(663,489)		4,215,982	15,256,669	100,933	18,910,095	(29,113,348)
Net Increase/(Decrease) in Cash and Cash Equivalents	(690,499)		7,772,698	(24,403,354)	153,956	(17,167,199)	44,773,811
Cash and Cash Equivalents, October 1	690,499		1,218,941	53,550,817	29,079	55,489,336	10,715,525
Cash and Cash Equivalents, September 30			8,991,639	29,147,463	183,035	38,322,137	55,489,336

COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
September 30, 1993

Jefferson County
Commission

	Equipment Acquisition Fund	Risk Management Fund	Personnel Board Fund	Elections Fund	Information Services Fund	Fleet Management Fund
ASSETS						
Cash and Investments	\$ 8,442,595	\$ 5,602,296	\$	\$ 65,668	\$ 1,675,991	\$ 2,977,861
Accounts Receivable, net					300	
Due From Other Funds		949,106	258,348			
Due From Other Governmental Units			1,907	700	6,128	30,749
Inventories	7,950,751	14,663	242,941	149,113	1,514,022	600,338
Fixed Assets, net						708,008
TOTAL ASSETS	\$ 16,393,346	\$ 6,566,065	\$ 503,196	\$ 215,481	\$ 3,196,441	\$ 4,316,963
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Cash Deficit	\$	\$	\$ 987,206	\$	\$	\$
Accounts Payable	22,415	65,294	75,684	42,196	88,247	259,886
Deposits Payable						
Accrued Vacation and Sick Leave		30,154	134,129	25,889	277,743	271,690
Deferred Revenues	173,904					
Arbitrage Rebate Payable			15,230		70,959	
Capital Lease- Purchase Contracts Payable						
TOTAL LIABILITIES	196,319	95,448	1,212,249	68,085	436,949	531,576
FUND EQUITY						
Contributed Capital	8,903,696	5,212	94,060	189,774	74,958	1,068,662
Retained Earnings: Unreserved	7,293,331	6,465,405	(803,113)	(42,378)	2,684,534	2,716,725
TOTAL FUND EQUITY	16,197,027	6,470,617	(709,053)	147,396	2,759,492	3,785,387
TOTAL LIABILITIES AND FUND EQUITY	\$ 16,393,346	\$ 6,566,065	\$ 503,196	\$ 215,481	\$ 3,196,441	\$ 4,316,963

COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
September 30, 1993

	Central			Totals	
	Laundry Fund	Printing Fund	Building Services Fund	Current Year	Prior Year
ASSETS					
Cash and Investments	\$ 416,331	\$ 426	\$	\$ 19,181,168	\$ 12,851,566
Accounts Receivable, net		2,404		9,246	4,490
Due From Other Funds			6,535		
Due From Other Governmental Units	880	2,967		1,207,454	
Inventories	14,818	65,539	22,603	65,334	162,135
Fixed Assets, net	129,389	128,695	414,230	1,094,925	1,005,745
			423,682	11,261,264	10,109,737
TOTAL ASSETS	\$ 561,418	\$ 200,031	\$ 867,050	\$ 32,819,991	\$ 24,133,673
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Cash Deficit					
Accounts Payable	\$ 7,455	\$ 23,926	\$ 702,980	\$ 1,690,186	\$ 2,373,004
Deposits Payable			240,304	825,407	1,146,552
Accrued Vacation and Sick Leave					3,264
Deferred Revenues	60,300	16,652	631,121	1,447,678	1,389,221
Arbitrage Rebate Payable			3,358	3,358	
Capital Lease-Purchase Contracts Payable				173,904	282,390
				86,189	410,248
TOTAL LIABILITIES	\$ 67,755	\$ 40,578	\$ 1,577,763	\$ 4,226,722	\$ 5,604,679
FUND EQUITY					
Contributed Capital	442,984	91,584	369,057	11,239,987	11,239,986
Retained Earnings:					
Unreserved	50,679	67,869	(1,079,770)	17,353,282	7,289,008
TOTAL FUND EQUITY	\$ 493,663	\$ 159,453	\$ (710,713)	\$ 28,593,269	\$ 18,528,994
TOTAL LIABILITIES AND FUND EQUITY	\$ 561,418	\$ 200,031	\$ 867,050	\$ 32,819,991	\$ 24,133,673

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 1993

	Equipment Acquisition Fund	Risk Management Fund	Personnel Board Fund	Elections Fund	Information Services Fund	Fleet Management Fund
OPERATING REVENUES						
Intergovernmental Revenues	\$	\$	\$	\$	\$	\$
Charges for Services	5,460,333	1,520,965	2,124,889	37,050	447,669	2,335,769
Miscellaneous Revenues						17,826
TOTAL OPERATING REVENUES	5,460,333	1,520,965	2,124,889	37,050	447,669	2,353,595
OPERATING EXPENSES						
Salaries and Wages	11,950	272,191	1,434,907	345,457	1,672,196	2,195,853
Fringe Benefits	525		348,473	44,614	387,939	634,947
Utilities				20,423		833,229
Depreciation	248,445	1,750	33,837	23,712	354,856	195,805
Outside Services	194,571	83,687	618,552	61,701	621,301	106,667
Office Expense		470,328	194,652	257,596	46,776	26,064
Supplies	511,620	3,376	35,758	2,617	191,251	2,927,475
Other Operating Expenses	451,174	13,319	291,036	21,013	374,887	281,342
TOTAL OPERATING EXPENSES	1,418,285	844,651	2,957,215	777,133	3,649,206	7,201,382
Operating income/(loss)	4,042,048	676,314	(832,326)	(740,083)	(3,201,537)	(4,847,787)
NONOPERATING REVENUES (EXPENSES)						
Indirect Cost Recovery						1
Indirect Cost	372,622	(51,523)				
Interest Income		114,545				
Interest Expense			(1,482)		(8,038)	
TOTAL NONOPERATING REVENUES (EXPENSES)	372,622	63,022	(1,482)		(8,037)	1
Income before operating transfers	4,414,670	739,336	(833,808)	(740,083)	(3,209,574)	(4,847,786)
Operating Transfers In			2,079,338	866,371	5,528,191	8,115,064
Operating Transfers Out	(230,600)					
Net Income/(Loss)	4,184,070	739,336	1,245,530	126,288	2,318,617	3,267,278
Retained Earnings, Beginning of Year	\$	\$	\$	\$	\$	\$
As Restated	3,109,261	5,726,069	(2,048,643)	(168,666)	365,917	(550,553)
Retained Earnings, End of Year	\$ 7,293,331	\$ 6,465,405	\$ (803,113)	\$ (42,378)	\$ 2,684,534	\$ 2,716,725

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 1993

	Central		Building		Totals	
	Laundry Fund	Printing Fund	Services Fund		Current Year	Prior Year
OPERATING REVENUES						
Intergovernmental Revenues	\$ 915,140	\$ 451,589	\$ 9,748,552	\$	2,161,939	1,804,620
Charges for Services			121,932		20,880,017	23,119,574
Miscellaneous Revenues					139,758	143,969
TOTAL OPERATING REVENUES	915,140	451,589	9,870,484	23,181,714	25,066,163	
OPERATING EXPENSES						
Salaries and Wages	433,227	174,764	5,156,489		11,697,034	11,833,258
Fringe Benefits	142,788	50,410	1,463,342		3,073,038	1,970,560
Utilities	111,894		1,568,508		2,534,054	440,850
Depreciation	24,573	1,891	77,033		961,902	890,263
Outside Services	69,241	42,698	806,331		2,604,749	647,534
Office Expense	919	495	22,514		1,019,344	3,144,627
Supplies	27,775	206,812	1,242,682		5,149,366	6,972,612
Other Operating Expenses	485,983	53,798	345,302		2,317,854	3,166,804
TOTAL OPERATING EXPENSES	1,296,400	530,868	10,682,201	29,357,341	29,066,508	
Operating income/(loss)	(381,260)	(79,279)	(811,717)	(6,175,627)	(3,998,345)	
NONOPERATING REVENUES (EXPENSES)						
Indirect Cost Recovery					2	
Indirect Cost	(126,002)				(177,525)	1,095,777
Interest Income	10,749		28,731		526,647	(53,342)
Interest Expense					(9,520)	
TOTAL NONOPERATING REVENUES (EXPENSES)	(115,253)	28,731	28,731	339,604	1,042,435	
Income before operating transfers	(496,513)	(79,279)	(782,986)	(5,836,023)	(2,955,910)	
Operating Transfers In		183,938	(642,006)	16,772,902	11,716,329	
Operating Transfers Out				(872,606)	(5,506,612)	
Net Income/(Loss)	(496,513)	104,659	(1,424,992)	10,064,273	3,253,807	
Retained Earnings, Beginning of Year As Restated	\$ 547,192	\$ (36,790)	\$ 345,222	\$ 7,289,009	\$ 4,035,201	
Retained Earnings, End of Year	\$ 50,679	\$ 67,869	\$ (1,079,770)	\$ 17,353,282	\$ 7,289,008	

COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 1993

	Equipment Acquisition Fund	Risk Management Fund	Personnel Board Fund	Elections Fund	Information Services Fund	Fleet Management Fund	Central Laundry Fund	Printing Services Fund	Building Services Fund	Totals 9-30-93	9-30-92
Cash Flows From Operating Activities:											
Operating Income (Loss)	4,042,048	676,315	(832,326)	(740,083)	(3,201,537)	(4,847,787)	(381,261)	(79,279)	(811,717)	(6,175,627)	(3,998,345)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:											
Depreciation	248,445	1,750	33,837	23,712	354,856	195,805	24,573	1,891	77,033	961,902	2,254,890
(Increase)/Decrease in Due From Governmental Units					(300)	(7)		(2,404)	(2,045)	(4,756)	(101,372)
(Increase)/Decrease in Inventory			28,057	105,497	(6,128)	(29,056)	610	(2,240)	(539)	96,201	
Increase/(Decrease) in Accounts Payable	(32,005)	932	35,856	(185,145)	72,037	(134,621)	(7,051)	9,543	(51,889)	(89,180)	(106,517)
Increase/(Decrease) in Deposits Payable								(6,734)	(64,411)	(321,142)	(599,506)
Increase in Deferred Revenue (Decrease) in Contracts Payable			(8,268)		(315,791)				(3,264)	(3,264)	254
Increase/(Decrease) in Compensated Absences Payable		(2,513)	4,310	2,739	20,957	23,036	492	816	3,358	(324,059)	(70,683)
(Decrease) in Arbitrage Rebate Payable	(108,486)	169	93,792	(53,197)	125,631	6,282	20,665	872	8,620	58,457	97,074
Total Adjustments	107,954									(108,486)	(65,866)
Net Cash Provided/(Used) by Operating Activities	4,150,002	676,484	(738,534)	(793,280)	(3,075,906)	(4,841,505)	(360,596)	(78,407)	(844,854)	(5,906,596)	(2,589,071)
(Forward to Sheet 2)										269,031	1,409,274

COMBINING STATEMENT OF CASH FLOWS
ALL-INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 1993

	Equipment Acquisition Fund	Risk Management Fund	Personnel Board Fund	Elections Fund	Information Services Fund	Fleet Management Fund	Central Laundry Fund	Printing Services Fund	Building Services Fund	Totals 9-30-93	9-30-92
Net Cash Provided/(Used) by Operating Activities (Forward from Sheet 1)	4,150,002	676,484	(738,534)	(793,280)	(3,075,906)	(4,841,505)	(360,596)	(78,407)	(844,854)	(5,906,596)	(2,589,071)
Cash Flows From Non-Capital Financing Activities:											
Operating Transfers In	(230,600)		2,079,338	866,371	5,528,191	8,115,064		183,938	(642,006)	16,772,902	6,209,717
Operating Transfers Out		(949,106)	(258,348)							(872,606)	
Payments to Other Funds										(1,207,454)	
Increase/(Decrease) in Cash			(1,050,191)	(2,462)	(44,065)	(289,080)			702,980	(682,818)	730,288
Deficit		(51,523)			1	1	(126,002)			(177,523)	
(Indirect Cost)/Recovery											
Net Cash Provided/(Used) by Non-Capital Financing Activities	(230,600)	(1,000,629)	770,799	863,909	5,484,127	7,825,985	(126,002)	183,938	60,974	13,832,501	6,940,005
Cash Flows From Capital and Related Financing Activities:											
Interest Paid			(1,482)		(8,038)					(9,520)	(53,342)
Acquisition of Fixed Assets	(1,495,481)	818	(30,783)	(4,961)	(724,192)	(6,619)	387,496	(116,329)	(123,378)	(2,113,429)	(2,154,114)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(1,495,481)	818	(32,265)	(4,961)	(732,230)	(6,619)	387,496	(116,329)	(123,378)	(2,122,949)	(2,207,456)
Cash Flows From Investing Activities:											
Interest Received	372,622	114,545					10,749		28,731	526,647	1,095,777
Sale/(Purchase) of Investments	1,993,447	4,246,313		(3,093)	(78,933)	(140,219)	377,721	8,816	691,492	7,095,544	(3,310,501)
Net Cash Provided/(Used) by Investing Activities	2,366,069	4,360,858		(3,093)	(78,933)	(140,219)	388,470	8,816	720,223	7,622,191	(2,214,724)
Net Increase/(Decrease) in Cash and Cash Equivalents	4,789,990	4,037,531		62,575	1,597,058	2,837,642	289,368	(1,982)	(187,035)	13,425,147	(71,246)
Cash and Equivalents, October 1	3,254,988	1,305,485					107,355	2,388	187,035	4,857,251	4,928,497
Cash and Equivalents, September 30	8,044,978	5,343,016		62,575	1,597,058	2,837,642	396,723	406	0	18,282,398	4,857,251

COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
September 30, 1993

	Agency Fund		Pension Trust Fund		Totals	
	Expendable Trust Fund Pension Fund	Deferred Compensation Fund	General Retirement System	Retirement System	Current Year	Prior Year
ASSETS						
Cash and Investments	\$	\$	\$	\$	\$	\$
Accounts Receivable, Net			287,660,036		287,660,036	258,735,007
Contributions Receivable	14,573		34,514		34,514	5,725
Due From Other Governmental Units		10,988,259			14,573	350,775
Property and Rights Held Under						
Deferred Compensation Plan					10,988,259	9,560,801
TOTAL ASSETS	\$	\$	\$	\$	\$	\$
	14,573	10,988,259	287,694,550		298,697,382	268,652,308
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Cash Deficit	\$	\$	\$	\$	\$	\$
Accounts Payable	34,123		196,132		34,123	6,227
Accrued Vacation and Sick Leave	1,662				196,132	18,426
Obligations to Employees Under					1,662	598
Deferred Compensation Plan		10,988,259			10,988,259	9,560,801
TOTAL LIABILITIES	\$	\$	\$	\$	\$	\$
	35,785	10,988,259	196,132		11,220,176	9,749,052
FUND EQUITY						
Fund Balance:						
Reserve for Retirement/Disability Benefits			248,362,780		248,362,780	223,133,773
Contingent Refunds			39,135,638		39,135,638	35,775,583
Unreserved	(21,212)				(21,212)	(1,100)
TOTAL FUND EQUITY	\$	\$	\$	\$	\$	\$
	(21,212)		287,498,418		287,477,206	258,903,256
TOTAL LIABILITIES AND FUND EQUITY	\$	\$	\$	\$	\$	\$
	14,573	10,988,259	287,694,550		298,697,382	268,652,308

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For the Fiscal Year Ended September 30, 1993

	Balance October 1, 1992	Additions	Deductions	Balance September 30, 1993
<u>DEFERRED COMPENSATION FUND</u>				
<u>ASSETS</u>				
Property and Rights Held Under Deferred Compensation Plan	9,560,801	1,427,458		10,988,259
<u>LIABILITIES</u>				
Obligations to Employees Under Deferred Compensation Plan	9,560,801	1,427,458		10,988,259

SCHEDULE OF DEBT PRINCIPAL AND INTEREST REQUIREMENTS TO MATURITY
September 30, 1993

Fiscal Year Ending September 30,	General Obligation Warrants Payable		Revenue Warrants Payable From Enterprise Fund		Capital Lease Purchases Payable From Proprietary Fund Types		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal and Interest Requirements
1994	8,285,000	6,855,776	3,935,000	5,685,064	94,131	5,059	24,860,030
1995	9,890,000	8,229,719	4,000,000	5,511,152	6,321	179	27,637,371
1996	12,360,000	8,780,684	5,245,000	5,299,768			31,685,452
1997	12,510,000	9,057,055	5,450,000	5,184,389			32,201,444
1998	15,495,000	9,546,382	5,690,000	5,062,979			35,794,361
1999	16,820,000	9,760,101	5,930,000	4,933,840			37,443,941
2000	15,390,000	10,167,270	6,210,000	4,798,217			36,565,487
2001	12,220,000	4,860,755	6,490,000	4,655,410			28,226,165
2002	12,785,000	3,757,373	6,800,000	4,504,951			27,847,324
2003	13,290,000	5,335,749	7,130,000	4,347,069			30,102,818
2004	13,895,000	5,084,732	7,475,000	4,180,197			30,634,929
2005	14,140,000	4,780,346	7,990,000	4,004,551			30,914,897
2006	8,460,000	2,747,071	8,250,000	3,818,884			23,275,955
2007	15,810,000	4,550,535	8,690,000	3,620,846			32,671,401
2008	5,815,000	814,797	9,135,000	3,412,549			19,177,346
2009	6,145,000	509,510	9,720,000	3,190,665			19,565,175
2010	3,420,000	183,825	10,265,000	2,650,492			16,519,317
2011			10,820,000	2,096,302			12,916,302
2012			11,400,000	1,511,543			12,911,543
2013			12,020,000	894,510			12,914,510
2014			3,895,000	243,101			4,138,101
2015			4,055,000	82,114			4,137,114
Totals	196,730,000	95,021,700	160,595,000	79,688,593	100,452	5,238	532,140,983

SUPPLEMENTARY INFORMATION

Federal Grantor/ Pass-Through Grantor/ Program Title	Identification Number	Assistance Period	Budget		Accrued or (Deferred) Revenue 10-01-92	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 9-30-93
			Total	Federal Share				
Direct Programs:								
U.S. Department of Commerce								
Economic Development-Business Development Assistance (04-39-03391.01)	11.301	10-01-92/09-30-93	329,177.24	164,588.62	0.00	164,588.62	164,588.62	0.00
Total Department of Commerce			329,177.24	164,588.62	0.00	164,588.62	164,588.62	0.00
U.S. Department of Labor								
Senior Community Service Employment Program (D-3797-2-00-81-55)	17.235	07-01-92/06-30-93	381,369.00	327,067.00		327,067.00	327,067.00	2,608.00
(D-4231-3-00-81-55)	17.235	07-01-93/06-30-94	381,369.00	327,067.00		425,362.00	425,362.00	(157.00)
Sub-Total Sr. Community Service Employment (M)			381,369.00	327,067.00		425,362.00	425,362.00	2,451.00
U.S. Department of Housing and Urban Development								
Community Development Block Grants/Entitlement Grants:								
(B89-UC-01-0001)	14.218	10-01-88/09-30-93	2,811,000.00	2,811,000.00		53,845.03	53,845.03	
(B90-UC-01-0001)	14.218	10-01-89/09-30-93	2,588,000.00	2,588,000.00	350,066.46	261,933.54	245,110.47	
(B91-UC-01-0001)	14.218	10-01-90/09-30-93	2,374,000.00	2,374,000.00		1,956,859.00	952,998.43	
(B92-UC-01-0001)	14.218	10-01-91/09-30-93	3,094,000.00	3,094,000.00		722,380.97	1,689,219.58	722,380.97
Sub-Total Community Development Block Grants (M)			11,467,000.00	11,467,000.00	350,066.46	2,941,173.51	2,941,173.51	722,380.97
Rental Housing Rehabilitation								
(R88-UC-01-0201)	14.230	10-01-88/09-30-93	173,000.00	173,000.00		12,500.00	12,500.00	
(R89-UC-01-0201)	14.230	10-01-89/09-30-93	130,000.00	130,000.00		17,133.00	17,133.00	
(R90-UC-01-0201)	14.230	10-01-90/09-30-93	106,000.00	106,000.00		58,679.90	58,679.90	
(R91-UC-01-0201)	14.230	10-01-91/09-30-93	58,000.00	58,000.00	0.00	58,000.00	58,000.00	0.00
Sub-Total Rental Housing Rehabilitation			467,000.00	467,000.00	0.00	146,312.90	146,312.90	0.00
Home Program (#92-UC-01-0202)	14.239	10-01-91/09-30-93	1,286,000.00	1,286,000.00		37,436.18	37,436.18	37,436.18
Emergency Shelter Grants Program					7,072.32	0.00	0.00	
(S91-UC-01-0006)	14.231	10-01-90/09-30-93	66,000.00	66,000.00		49,253.24	49,253.24	31,901.53
(S92-UC-01-0006)	14.231	10-01-91/09-30-93	68,000.00	68,000.00		754.27	754.27	754.27
(S93-UC-01-0006)	14.231	10-01-92/09-30-93	46,000.00	46,000.00				
U.S. Department of Housing and Urban Development								
Passed Through Alabama Department of Economic and Community Affairs								
Emergency Shelter Grants Program					8,287.93			
(ESG-91-012)	14.231	05-23-91/05-25-93	58,336.00	58,336.00		17,748.60	17,748.60	74,311.57
(ESG-01-292)	14.231	04-24-92/04-24-94	209,186.70	104,593.35		103,195.76	103,195.76	1,015.77
(ESG-93-036)	14.231	04-30-93/04-30-95	121,086.00	60,543.00		1,015.77	1,015.77	1,015.77
Sub-Total Emergency Shelter Grants			568,608.70	403,472.35	15,360.25	171,967.64	171,967.64	107,983.14
Total Department of Housing and Urban Development			13,788,608.70	13,623,472.35	365,426.71	3,296,890.23	3,296,890.23	867,800.29
Sub-Total to Sheet #2			14,499,154.94	14,115,127.97	365,426.71	3,886,840.85	3,886,840.85	870,251.29

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

Federal Grantor/ Pass-Through Grantor/ Program Title	Identification Number	Assistance Period	Budget		Accrued or (Deferred) Revenue 10-01-92	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 9-30-93
			Total	Federal Share				
Sub-Total From Sheet #1			14,499,154.94	14,115,127.97	365,426.71	3,886,840.85	3,886,840.85	870,251.29
<u>U.S. Department of Agriculture</u>								
<u>Passed Through State Department of Education</u>								
Food Distribution Program (B)	10.550	10-01-92/09-30-93	12,760.03	12,760.03		12,760.03	12,760.03	
School Breakfast Program	10.553	10-01-92/09-30-93	23,558.15	23,558.15	2,132.87	23,558.15	23,558.15	
National School Lunch Program	10.555	10-01-92/09-30-93	42,668.23	42,668.23	3,833.03	42,668.23	42,668.23	
Sub-Total								
Passed Through Alabama Commission on Aging <u>Commodity Supplemental Food Program</u>	10.565	10-01-92/09-30-93	296,412.41	296,412.41		296,412.41	296,412.41	19,129.65
Total Department of Agriculture			375,398.82	375,398.82	5,965.90	375,398.82	375,398.82	19,129.65
<u>U.S. Department of Health and Human Services</u>								
<u>Passed Through Alabama Commission on Aging</u>								
Title III, Part B-Administration (03-01-03-03a)	93.044	10-01-92/09-30-93	166,120.00	124,590.00	18,526.68	61,391.53	61,391.53	21,475.03
Title III, Part B-Services (03-01-03-03a)	93.044	10-01-92/09-30-93	735,857.00	625,478.45	119,515.45	387,503.21	387,503.21	132,752.45
Sub-Total Title III, Part B		(M)	901,977.00	750,068.45	138,042.13	448,894.74	448,894.74	154,227.48
Title III, Part C1-Nutrition (03-01-03-03a)	93.045	10-01-92/09-30-93	1,129,592.00	960,153.20	78,981.70	670,829.81	670,829.81	3,127.47
Title III, Part C2-Nutrition (03-01-03-03a)	93.045	10-01-92/09-30-93	648,005.00	550,804.25	28,320.49	119,126.70	119,126.70	
Sub-Total Title III, Part C		(M)	1,777,597.00	1,510,957.45	107,302.19	789,956.51	789,956.51	3,127.47
Title III, Part D-In-Home Services (03-01-03-03a)	93.046	10-01-92/09-30-93	30,752.00	26,139.20	2,137.50	8,075.00	8,075.00	2,473.50
Title III, Part G-Prevention of Abuse, Neglect and Exploitation of Older Individuals (03-01-03-03a)	93.552	10-01-92/09-30-93	18,100.00	15,385.00	0.00	3,825.00	3,825.00	(437.28)
Title III, Part F-Preventive Health Services (03-01-03-03a)	93.555	10-01-92/09-30-93	77,190.00	77,190.00	0.00	0.00	0.00	(3,860.00)
Health Care Financing Research, Demonstrations and Evaluations (19-01-03-03a)	93.779	10-01-92/09-30-93	29,735.00	29,735.00	0.00	3,604.00	3,604.00	0.00
Total Department of Health and Human Services			2,835,351.00	2,409,475.10	247,481.82	1,254,355.25	1,254,355.25	155,531.17
Sub-Total to Sheet #3			17,709,904.76	16,900,001.89	618,874.43	5,516,594.92	5,516,594.92	1,044,912.11

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 1993

Federal Grantor/ Pass-Through Grantor/ Program Title	Identification Number	Assistance Period	Budget		Accrued or (Deferred) Revenue 10-01-92	Revenue Recognized	Expenditures 9-30-93	
			Total	Federal Share				
Sub-Total From Sheet #2			17,709,904.76	16,900,001.89	618,874.43	5,516,594.92	5,516,594.92	1,044,912.11
<u>U.S. Department of Transportation</u>								
<u>Passed Through State Department</u>								
<u>of Transportation</u>								
Public Transportation for Nonurbanized Areas [RPT-37(6)]	20.509	10-01-91/09-30-92	353,250.00	181,500.00	32,381.00			
Public Transportation for Nonurbanized Areas (4329-599-545-44-104-037-093-000-2)	20.509	10-01-92/09-30-93	177,150.00			103,754.00	103,754.00	24,271.00
Total Department of Transportation			530,400.00	181,500.00	32,381.00	103,754.00	103,754.00	24,271.00
<u>Federal Emergency Management Agency</u>								
<u>Passed Through State Emergency Management Agency</u>								
<u>Disaster Assistance Funds (073-00000)</u>								
Total Emergency Management Agency	83.516	10-01-92/09-30-93	87,046.00	87,046.00	0.00	65,284.00	65,284.00	0.00
<u>U.S. Department of Justice</u>								
<u>Passed Through Alabama Department</u>								
<u>of Economic and Community Affairs</u>								
Drug Control and System Improvement Formula Grant (DB-91-03-0010)	16.579	02-01-92/01-31-93	162,564.57	121,923.44	46,734.91	75,188.53	75,188.53	
Drug Control and System Improvement Formula Grant (DB-93-03-0001)	16.579	07-01-93/06-30-94	154,399.00	115,799.00	0.00	0.00	0.00	
Total Department of Justice			316,963.57	237,722.44	46,734.91	75,188.53	75,188.53	0.00
Total Federal Financial Assistance			18,644,314.33	17,406,270.33	697,990.34	5,760,821.45	5,760,821.45	1,069,183.11

(M) = Major Federal Programs
(B) = USDA Commodities - no actual cash transactions

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER ESG-91-012
For the Fiscal Year Ended September 30, 1993

	<u>Total Budget</u> Grant Funds	<u>Current Year</u> Activity Grant Funds	<u>Prior Year</u> Activity Grant Funds	<u>Cumulative Totals</u>	
				<u>Actual</u>	<u>Budget</u>
					<u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>					
Federal Funds					
Received From ADECA	58,336.00	17,748.60	40,587.40	58,336.00	0.00
Totals	58,336.00	17,748.60	40,587.40	58,336.00	0.00
<u>Expenditures By</u>					
<u>Budget Cost Category</u>					
Emergency Shelter-Homelless Assistance	58,336.00	17,748.60	40,587.40	58,336.00	0.00
Totals	58,336.00	17,748.60	40,587.40	58,336.00	0.00

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER DB-91-03-0010
For the Fiscal Year Ended September 30, 1993

	Total Budget			Current Year			Prior Year			Cumulative Totals		
	Grant Funds	Local Match		Grant Funds	Local Match		Grant Funds	Local Match		Actual	Budget	Favorable (Unfavorable)
Revenues												
Federal Funds												
Received From ADECA	121,923.44	40,641.13		75,188.53	25,062.83		46,734.91	15,578.30		121,923.44	121,923.44	0.00
Local Match										40,641.13	40,641.13	0.00
Totals	121,923.44	40,641.13		75,188.53	25,062.83		46,734.91	15,578.30		162,564.57	162,564.57	0.00
Expenditures By												
Budget Cost Category												
Contractual Services	117,872.51	39,290.83		71,137.60	23,712.53		46,734.91	15,578.30		157,163.34	157,163.34	0.00
Equipment	1,641.75	547.25		1,641.75	547.25					2,189.00	2,189.00	0.00
Operating Expenses	296.25	98.75		296.25	98.75					395.00	395.00	0.00
Travel	2,112.93	704.30		2,112.93	704.30					2,817.23	2,817.23	0.00
Totals	121,923.44	40,641.13		75,188.53	25,062.83		46,734.91	15,578.30		162,564.57	162,564.57	0.00

Jefferson County
Commission

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER ESG-012-92
For the Fiscal Year Ended September 30, 1993

Exhibit #22

	Total Budget		Current Year Activity		Cumulative Totals		
	Grant Funds	Local Match	Grant Funds	Local Match	Actual	Budget	Favorable (Unfavorable)
Revenues							
Federal Funds							
Received From ADECA	104,593.35	104,593.35	103,195.76	103,195.76	103,195.76	104,593.35	(1,397.59)
Local Contributions					103,195.76	104,593.35	(1,397.59)
Totals	104,593.35	104,593.35	103,195.76	103,195.76	206,391.52	209,186.70	(2,795.18)
Expenditures By Budget Cost Category							
Emergency Shelter-Homeless Assistance	104,593.35	104,593.35	103,195.76	103,195.76	206,391.52	209,186.70	2,795.18
Totals	104,593.35	104,593.35	103,195.76	103,195.76	206,391.52	209,186.70	2,795.18

Jefferson County
Commission

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER ESG-93-036
For the Fiscal Year Ended September 30, 1993

Exhibit #23

	Total Budget		Current Year			Cumulative Totals		Favorable (Unfavorable)
	Grant Funds	Local Match	Grant Funds	Local Match	Actual	Budget		
<u>Revenues</u>								
Federal Funds								
Received From ADECA	60,543.00	60,543.00	1,015.77	1,015.77	1,015.77	60,543.00	(59,527.23)	
Local Contributions					1,015.77	60,543.00	(59,527.23)	
Totals	60,543.00	60,543.00	1,015.77	1,015.77	2,031.54	121,086.00	(119,054.46)	
<u>Expenditures By</u>								
<u>Budget Cost Category</u>								
Emergency Shelter-Homeless Assistance	60,543.00	60,543.00	1,015.77	1,015.77	2,031.54	121,086.00	119,054.46	
Totals	60,543.00	60,543.00	1,015.77	1,015.77	2,031.54	121,086.00	119,054.46	

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER HH-93-75
For the Fiscal Year Ended September 30, 1993

	<u>Total Budget</u> Grant Funds	<u>Current Year</u> Activity Grant Funds	<u>Cumulative Totals</u>	
			<u>Actual</u>	<u>Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>				
State Funds				
Received From ADECA	4,840.00	4,840.00	4,840.00	4,840.00
Totals	4,840.00	4,840.00	4,840.00	4,840.00
<u>Expenditures By</u>				
<u>Budget Cost Category</u>				
Appropriation	4,840.00	4,840.00	4,840.00	4,840.00
Totals	4,840.00	4,840.00	4,840.00	4,840.00

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER SS-93-28
For the Fiscal Year Ended September 30, 1993

	<u>Total Budget</u> Grant Funds	<u>Current Year</u> Activity Grant Funds	<u>Cumulative Totals</u>		<u>Favorable</u> <u>(Unfavorable)</u>
			<u>Actual</u>	<u>Budget</u>	
<u>Revenues</u>					
State Funds	38,720.00	38,720.00	38,720.00	38,720.00	0.00
Received From ADECA					
Totals	38,720.00	38,720.00	38,720.00	38,720.00	0.00
<u>Expenditures By</u>					
Budget Cost Category	38,720.00	38,720.00	38,720.00	38,720.00	0.00
Grants and Benefits					
Totals	38,720.00	38,720.00	38,720.00	38,720.00	0.00

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER CS-92-24
For the Fiscal Year Ended September 30, 1993

	<u>Total Budget Grant Funds</u>	<u>Current Year Activity Grant Funds</u>	<u>Prior Year Activity Grant Funds</u>	<u>Cumulative Totals</u>		<u>Favorable (Unfavorable)</u>
				<u>Actual</u>	<u>Budget</u>	
<u>Revenues</u>						
State of Alabama	52,250.00	0.00	52,250.00	52,250.00	52,250.00	0.00
Totals	52,250.00	0.00	52,250.00	52,250.00	52,250.00	0.00
<u>Expenditures By Budget Cost Category</u>						
Appropriation	52,250.00	0.00	52,250.00	52,250.00	52,250.00	0.00
Totals	52,250.00	0.00	52,250.00	52,250.00	52,250.00	0.00

NOTE: This Schedule has been included at the request of ADECA.

ADDITIONAL INFORMATION

<u>Commission Members</u>		<u>Term Expires</u>
Hon. Mary M. Buckelew	President	Room 211, Courthouse Birmingham, AL 35263 1994
Hon. Gary White	Member	Room 204, Courthouse Birmingham, AL 35263 1994
Hon. Jeff Germany	Member	Room 200, Courthouse Birmingham, AL 35263 1994
Hon. Chris McHair	Member	Room 218, Courthouse Birmingham, AL 35263 1994
Hon. Jim Gunter	Member	Room 203-A, Courthouse Birmingham, AL 35263 1994
<u>Officials</u>		
Mr. Steve Saylor	Finance Director	Room 3, Courthouse Birmingham, AL 35263
Ms. Laura Kelly	Chief Accountant	Room 304-A, Courthouse Birmingham, AL 35263
Mr. Randy Wolfe	Principal Accountant	Room 304-A, Courthouse Birmingham, AL 35263

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

Exhibit #28

We have audited the financial statements of the Jefferson County Commission as of and for the year ended September 30, 1993, and have issued our report thereon dated July 25, 1994.

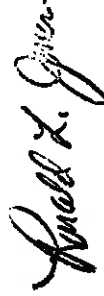
We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are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

Compliance with laws, regulations, contracts, and grants applicable to the Jefferson County Commission is the responsibility of the 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 the 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, the 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 the Jefferson County Commission had not complied, in all material respects, with those provisions.

However, we noted certain immaterial instances of noncompliance that we have reported to management in the Report to Chief Examiner dated July 25, 1994.

This report is intended for the information of management, other state officials, and federal agencies. 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

July 25, 1994

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

Exhibit #29

We have audited the financial statements of the Jefferson County Commission as of and for the year ended September 30, 1993, and have issued our report thereon dated July 25, 1994.

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, 1993, 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 and capital outlay; liabilities; revenues/receipts; payroll/personnel; and expenditures/expenses.

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

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

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

Adequate segregation of duties does not exist for receipting cash, preparing deposits, posting of the receivable subsidiary ledger, and billings at the County Nursing Home and Environmental Services Administration-Landfill. Adequate controls over cash receipts do not exist in the pharmacy at Cooper Green Hospital. Adequate reporting and follow-up procedures were not in place for delinquent accounts receivable at Environmental Services Administration-Landfill. Controls did not exist to verify physical inventory counts in a timely manner. There was inadequate maintenance of additions, transfers, and deletions to the non-federal general fixed asset inventory listing, and reconciliation of this listing to the general fixed asset account group was not performed periodically. An accurate physical inventory of non-federal general fixed assets had not recently been performed. Reconciliation of subsidiary ledgers to control accounts was not performed timely for accounts payable, encumbrances, the County Nursing Home's accounts receivable, and all balance sheet accounts at Cooper Green Hospital. Controls did not exist to effectively capture short-term liabilities in a timely manner. Reconciliation of debt service transactions to the general long-term debt account group was not performed in a timely manner. Controls did not exist to prevent "one-legged" entries into the electronic data processing system. The cost of fixed assets located with subrecipients, and the fair market value of assets donated to the Commission were not always included on the Commission's fixed asset inventory listing, nor had these items been properly identified as Commission property. The Commission did not record either the value of non-cash federal revenue for Title III meals and USDA commodities, or the value of non-cash, in-kind matching services received for federally funded programs. A perpetual inventory was not properly maintained on USDA commodities received at Cooper Green Hospital cafeteria in accordance with an agreement with the State Department of Education. Many expenditure claims for Cooper Green Hospital did not have adequate documentation. Bad debt write-offs at Cooper Green Hospital were not always reconciled to authorizing documentation.

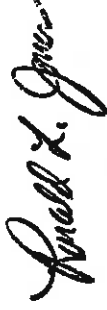
A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statements of the Jefferson County Commission for the year ended September 30, 1993.

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

Adequate segregation of duties does not exist for receipting cash, preparing deposits, posting of the receivable subsidiary ledger, and billing at the County Nursing Home and Environmental Services Administration-Landfill. Adequate controls over cash receipts does not exist in the pharmacy at Cooper Green Hospital. Adequate reporting and follow-up procedures were not in place for delinquent accounts receivable at Environmental Services Administration-Landfill. Controls did not exist to verify physical inventory counts in a timely manner. There was inadequate maintenance of additions, transfers, and deletions to the non-federal general fixed asset inventory listing, and reconciliation of this listing to the general fixed asset account group was not performed periodically. An accurate physical inventory of non-federal general fixed assets had not recently been performed. Reconciliation of subsidiary ledgers to control accounts was not performed timely for accounts payable, expenditures, encumbrances, the County Nursing Home's accounts receivable, and all balance sheet accounts at Cooper Green Hospital. Controls did not exist to effectively capture short-term liabilities in a timely manner. Reconciliation of debt service transactions to the general long-term debt account group was not performed in a timely manner. Controls did not exist to prevent "one-legged" entries into the electronic data processing system.

This report is intended for the information of management, other state officials and federal agencies. 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

July 25, 1994

We have audited the financial statements of the Jefferson County Commission (the "Commission") as of and for the year ended September 30, 1993, and have issued our report thereon dated July 25, 1994.

We also have audited the Commission's compliance with the requirements governing Types of Services Allowed/Unallowed; Eligibility; Matching, level of effort or earmarking; Reporting; Monitoring Subrecipients; Federal Personnel; Claims for Advances and Reimbursement; Amounts Claimed or Used for Matching; Receipt of Approval of Request for Release of Funds and Environmental Certification; Environmental Review; Participant Activities and Rate of Pay; Technical Assistance; and Participant Contributions 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, 1993. 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.

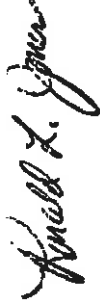
We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those 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 the Commission's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Commission complied, in all material respects, with the requirements governing Types of Services Allowed/Unallowed; Eligibility; Matching, level of effort or earmarking; Reporting; Monitoring Subrecipients; Federal Personnel; Claims for Advances and Reimbursement; Amounts Claimed or Used for Matching; Receipt of Approval of Request for Release of Funds and Environmental Certification; Environmental Review; Participant Activities and Rate of Pay; Technical Assistance; and Participant Contributions that are applicable to each of its major federal financial assistance programs for the year ended September 30, 1993.

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

This report is intended for the information of management, other state officials, and Federal grantor agencies. 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

July 25, 1994

We have audited the financial statements of the Jefferson County Commission as of and for the year ended September 30, 1993, and have issued our report thereon dated July 25, 1994.

We have applied procedures to test the Jefferson County Commission's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended September 30, 1993: Political Activity; Davis-Bacon; Civil Rights; Cash Management; Relocation Assistance and Real Property Acquisition; 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 the 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 Federal grantor agencies. 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

July 25, 1994


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

We have audited the financial statements of the Jefferson County Commission (the "Commission") as of and for the year ended September 30, 1993, and have issued our report thereon dated July 25, 1994.

In connection with our audit of the financial statements of the Jefferson County Commission, and with our consideration of the 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, 1993. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing Types of Services Allowed/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 the 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 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 Federal grantor agencies. 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

July 25, 1994

Jefferson County
Commission
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 1993

Questioned
Costs

Findings/Noncompliance

Program

Title III, Part B
(93.044)

The employee responsible for administering contracts supported with Federal funds served on the Boards of Directors of independent organizations with which the County had contracted for services related to these programs. (1)

UMTA Section 18, Public
Transportation for Nonurbanized
Areas (20.509)

Title III, Part B
(93.044)

Reimbursement was claimed for advances to contractors from whom sufficient documentation of program expenditures was not obtained.

2,616.17

Title III, Part C
(93.045)

Reimbursement was claimed for advances to contractors from whom sufficient documentation of program expenditures was not obtained.

338.97

Title III, Part G
(93.552)

Reimbursement was claimed for advances to contractors from whom sufficient documentation of program expenditures was not obtained.

2,076.61

* - Costs not applicable

(1) NOTE - The employee resigned from these boards on July 8, 1994.

We have audited the financial statements of the Jefferson County Commission (the "Commission") as of and for the year ended September 30, 1993, and have issued our report thereon dated July 25, 1994. We have also audited the Commission's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated July 25, 1994.

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 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, 1993, we considered the Commission's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Commission's financial statements and on its compliance with requirements applicable to major federal financial assistance programs and to report on the internal control structure in accordance with OMB Circular A-128. 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 July 25, 1994.

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:

Political Activity; Davis-Bacon; Civil Rights; Cash Management; Relocation Assistance and Real Property Acquisition; Federal Financial Reports; Allowable Costs/Cost Principles; Drug-Free Workplace; Administrative Requirements; Types of Services Allowed/Unallowed; Eligibility; Matching, level of effort or earmarking; Reporting; Monitoring Subrecipients; Federal Personnel; Claims for Advancement or Reimbursements; Amounts Claimed or Used for Matching; Receipt of Approval of Request for Release of Funds and Environmental Certification; Environmental Review; Participant Activities and Rate of Pay; Technical Assistance; and Participant Contributions; Cash; Investments; Receivables; Inventories; Property, Equipment and Capital Outlay; Liabilities; Revenues/Receipts; Expenditures/Expenses; and Payroll/Personnel.

For all 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, 1993, the Commission expended 80 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 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.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Commission's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

The following reportable conditions were noted:

The Commission does not have a written policy regarding the conduct of employees involved in the award or administration of contracts supported with federal funds. Adequate controls do not exist to sufficiently monitor the performance of contractors engaged by the County to provide Title III and UMFA Section 18 services. Reconciliation of subsidiary ledgers to control accounts was not performed timely for accounts payable, expenditures, encumbrances, the County Nursing Home accounts receivable, and all balance sheet accounts at Cooper Green Hospital. Controls did not exist to prevent "one-legged" entries into the electronic data processing system. Federal financial reports were not reconciled to the general ledger. The cost of fixed assets located with subrecipients, and the fair market value of assets donated to the Commission were not always included on the Commission's fixed asset inventory listing, nor had these items been properly identified as Commission property. The Commission did not record either the value of non-cash federal revenue for Title III meals and USDA commodities, or the value of non-cash, in-kind matching services received for federally funded programs. A perpetual inventory was not properly maintained on USDA commodities received at Cooper Green Hospital cafeteria in accordance with the State Department of Education. Many expenditure claims for Cooper Green Hospital did not have adequate documentation.

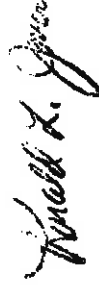
A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the Commission's compliance with requirements applicable to its major federal financial assistance programs for the year ended September 30, 1993, and this report does not affect our reports thereon dated July 25, 1994.

The Commission does not have a written policy regarding the conduct of employees involved in the award or administration of contracts supported with federal funds. Adequate controls do not exist to sufficiently monitor the performance of contractors engaged by the Commission to provide Title III and UMWA Section 18 services. Reconciliation of subsidiary ledgers to control accounts was not performed timely for accounts payable, expenditures, encumbrances, the County Nursing Home accounts receivable, and all balance sheet accounts at Cooper Green Hospital. Controls did not exist to prevent "one-legged" entries into the electronic data processing system. Federal financial reports were not reconciled to the general ledger.

This report is intended for the information of management, other state officials, and Federal grantor agencies. 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

July 25, 1994

AUDITEE RESPONSE

JEFFERSON COUNTY COMMISSION



MARY M. BUCKELEW

PRESIDENT

211 Courthouse, Birmingham, Alabama 35283-0071

Telephone (205) 325-5555

October 20, 1994

Mr. Ron Jones, Chief Examiner
State of Alabama Department of
Examiners of Public Accounts
P .O. Box 302251
Montgomery, AL 36130-5251

Dear Mr. Jones:

In response to Mr. Doug Clark's letter of October 3, 1994, I offer you the following response to your recommendations.

The Commission is pleased that you have conducted your first internal control review of some of the County's operations in order to provide us with your list of recommendations. The Commission encourages you to broaden your internal control review in the future in order to provide us with other recommendations that can improve our internal control.

The Commission uses the thirteenth accounting period to record transactions that properly reflect the account balances as of the end of the fiscal year. Some of the most important transactions that we record are the transactions determined during your audit fieldwork. We plan to continue to use this accounting technique to properly reflect the account balances as of the end of the fiscal year.

The Commission appreciates you allowing us to record the nursing home accounts receivable in the financial statements for the first time in 1993. Now that we are recording the accounts receivable and the related allowance for doubtful accounts in the financial statements, we will begin to develop the allowance for doubtful accounts based on historical information.

The Commission plans to reemphasize the timely reporting of physical inventory counts in the financial statements. As you are aware all departments counted and priced their inventory as of September 30, 1993 and one department neglected to give the information to the Finance Department for year end adjustments to the general ledger. The operating departments use inventory counts in their daily operations and, although important to your operations, the timely reporting of the inventory counts in the general ledger is not the operating departments' highest priority.

The Commission, during fiscal year 1992, conducted a physical inventory of fixed assets as of September 30, 1991. This count and valuation of these \$700 million of assets has now been fully recorded in the 1993 records of the County. The Commission

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October 20, 1994

would appreciate a specific written recommendation about the timing and extent of future fixed asset inventories. It has been over ten years prior to 1991 for the previous fixed asset inventory and you had not recommended another fixed asset inventory until after the 1991 inventory was completed of the Commission's own volition. The Commission recognized the value of fixed assets during fiscal year 1992 and it intends to bring other details into future compliance with good management controls.

The Commission has instituted controls that it deems sufficient to effectively manage the accounts payable process. The Commission contracts with an outside company for its accounting software. This company is the only entity that can change the software. The Commission feels that extreme care is taken to ensure that software program changes are properly authorized and controlled, and results are monitored timely.

The Commission assumed its proper role in processing expenditures for Cooper Green Hospital in May 1993 by moving this function back to the Commission's department. Since then the problems with payments by duplicate invoices has ceased. The Commission has delegated its role with petty cash to the Jefferson County Treasurers whose operations are not a part of the Commission's component unit financial report. The Commission would gladly consider taking back the petty cash functions if you recommend this in writing. Otherwise, you should consider including the findings and recommendations about petty cash in your separate audit of the Treasurers' component unit financial report.

The Cooper Green Hospital management has rejected all requests to directly interface their human resource system with the County's human resource system. The Commission plans meetings throughout the fiscal year 1995 to convince the hospital management of the improvements of a single payroll processing for Jefferson County. These improvements include proper employee payments and follow-up to collect overpayments to employees. The hospital management will finish the overpayment collections from employees in the near future.

The Jefferson County Commission is obligated to delegate the responsibility for filing I-9 forms to the Jefferson County Personnel Board. Please advise them of any deficiencies, if any, in their operations.

The Commission alleviates negative fund balances on a regular periodic basis. The Commission relies on information produced by the accurate subsidiary records for debt service transactions. The Commission will reemphasize the importance, for your purposes, to reflect these transactions in the general ledger on a timely basis.

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The Commission has instructed departments to forward federal financial reports to its Finance Department so that it can begin a process to reconcile the reports to the general ledger. The Commission will direct all departments to not advance any funds to local contractors prior to providing goods and services. The Commission maintains adequate documentation for claims for reimbursement from federal programs. The Commission has instituted a new process to record the value of non-cash federal revenue for Title III meals, USDA commodities and in-kind matching services in the general ledger. The Commission routinely monitors its contractors, subcontractors and the subrecipients' contractors and subcontractors that receive federal funds.

The Commission has already implemented changes you have recommended for the nursing home receivables. We welcome your future review of these changes and recommendations for more changes. The receivables for the landfills poses other problems because of the dynamics of the operations. The Commission in the last several years has automated the landfills with computers, installed scales to weigh the incoming loads, closed several landfills that reached capacity and adopted a plan to open subtitle D landfills in the near future. After these dynamics are complete, the Commission will implement consistent policies and procedures over landfill receivables.

The hospital management will implement controls over the pharmacy cash receipts and all balance sheet accounts. The Commission has contracted with a law firm to collect delinquent accounts receivable for all County departments not just the landfills. The Commission has adequate controls to prevent inappropriate entries into its financial accounting records.

The Commission routinely receives your audit report after the end of the succeeding fiscal year. It is impossible to implement all your internal control recommendations in a succeeding fiscal year when the succeeding fiscal year is completed before the prior year audit report is completed. Please help us to resolve the preponderance of findings contained in the prior audit so you will not have to reiterate the findings when you report on fiscal year 1996 in about three years from now. We look forward to working with you to speed the audit process in order to receive a timely audit of the Jefferson County Commission.

Sincerely,


Mary M. Buckelew
President

MMB/ps

cc: Jefferson County Commission

