

OFFICIAL STATEMENT

NEW ISSUE

In the opinion of Bond Counsel, based on existing statutes, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the Series 1996 Warrants will be excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, interest on the Series 1996 Warrants will not be a specific preference item for purposes of the federal individual or corporate alternative minimum tax, although it will be included in adjusted current earnings in calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that under existing law interest on the Series 1996 Warrants will be exempt from State of Alabama income taxation. See "TAX EXEMPTION" herein.

\$13,020,000

THE WALKER COUNTY PUBLIC BUILDING AUTHORITY

(Alabama)

Revenue Warrants

(Walker County Jail Project)

Series 1996

Dated: December 1, 1996

Due: December 1, as shown below

The Series 1996 Warrants will be limited obligations of The Walker County Public Building Authority payable solely from, and secured by a pledge of, the revenues and receipts derived by the Authority from the leasing or, under certain circumstances, the sale of the Project described herein (except to the extent payable out of warrant proceeds, investment income or, under certain circumstances, insurance proceeds). The Series 1996 Warrants will not constitute an indebtedness of the State of Alabama or of Walker County, Alabama, or give rise to a pecuniary liability or charge against the general credit or taxing powers of either of the foregoing.

Principal of and premium (if any) on the Series 1996 Warrants will be payable at the principal corporate trust office of Compass Bank in Birmingham, Alabama. Semiannual interest (payable on June 1, 1997, and on each June 1 and December 1 thereafter) will be payable by check or draft mailed by the Trustee to the holders of the Series 1996 Warrants at their addresses as they appear in the registry books of the Trustee. The Series 1996 Warrants will be issued as fully registered warrants in the denomination of \$5,000 each or any integral multiple thereof and may be exchanged for other fully registered warrants in a denomination equal to any integral multiple of \$5,000 subject to the conditions set forth in the Indenture described herein. The Series 1996 Warrants will be subject to redemption prior to maturity as described herein.

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
1998	\$390,000	4.50%	5.051%	2003	\$495,000	5.40%	5.619%
1999	405,000	4.75	5.121	2004	525,000	5.50	5.697
2000	425,000	5.00	5.284	2005	550,000	5.65	5.830
2001	450,000	5.20	5.433	2006	580,000	5.75	5.917
2002	470,000	5.30	5.499				

\$8,730,000 7.10% Series 1996 Term Warrants due December 1, 2016; Yield: 7.291%

(plus accrued interest from December 1, 1996)

The Series 1996 Warrants are offered, subject to prior sale, when, as and if issued and received by the Underwriter and subject to the approval of legality by Haskell Slaughter & Young, L.L.C., Bond Counsel, of Birmingham, Alabama, and certain other conditions. It is expected that the Series 1996 Warrants in definitive form will be available for delivery on or about December 31, 1996.

BLOUNT PARRISH & ROTON
INCORPORATED

December 12, 1996

WALKER COUNTY, ALABAMA

WALKER COUNTY COMMISSION

Bruce Hamrick, Chairman
Dual Tubbs
Wes Eaton
Milvern Nabors
James R. Bridges

Jean Franklin, County Administrator

**THE WALKER COUNTY PUBLIC
BUILDING AUTHORITY**

Larry B. Cagle
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J. Howard Graham

Directors

ATTORNEYS FOR THE PUBLIC BUILDING AUTHORITY AND THE COUNTY

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Jasper, Alabama

BOND COUNSEL

Haskell Slaughter & Young, L.L.C.
Birmingham, Alabama

UNDERWRITER

Blount Parrish & Roton, Incorporated
Montgomery, Alabama

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 1996 Warrants made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority or the Underwriter. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the matters described herein since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. The information set forth herein has been obtained from Walker County, Alabama, and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness or to be construed as a representation by the Underwriter.

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OFFICIAL STATEMENT

\$13,020,000
THE WALKER COUNTY PUBLIC BUILDING AUTHORITY
Revenue Warrants
(Walker County Jail Project)
Series 1996

INTRODUCTION

This Official Statement is furnished by The Walker County Public Building Authority, a public corporation under the laws of the State of Alabama (the "Authority"), in order to provide information to prospective purchasers of its \$13,020,000 principal amount of Revenue Warrants (Walker County Jail Project), Series 1996, dated December 1, 1996 (the "Series 1996 Warrants"). The Series 1996 Warrants will be issued under a Mortgage and Trust Indenture dated as of December 1, 1996 (the "Indenture"), between the Authority and Compass Bank, Birmingham, Alabama (said bank, together with its successors in trust, being herein called the "Trustee"), in order to finance the costs of acquiring, constructing and equipping a jail facility (the said jail facility being herein called the "Project") for use and occupancy by Walker County, Alabama (the "County") as a new County jail facility in accordance with a consent order (the "Consent Order") entered by the United States District Court for the Northern District of Alabama in Randy Terrell, etc., et al. v. Tommy Herring, etc., et al., Civil Action No. 93-B-2690-J. See "LITIGATION."

Contemporaneously with and as a condition to the issuance of the Series 1996 Warrants, the Authority and Walker County, Alabama (the "County"), will enter into a Lease Agreement dated as of December 1, 1996 (the "Lease"), pursuant to which the Authority will agree to acquire, construct and equip the Project and to lease the Project to the County for a term not longer than the current fiscal year of the County ending on September 30, 1997; provided, however, that the Lease shall contain a grant to the County of successive options to renew the Lease annually until the Series 1996 Warrants are paid. See "Duration of Term" under "THE LEASE." See also "SPECIAL COVENANTS OF THE COUNTY." Pursuant to the Lease, but only during the term thereof (including any renewal terms), the County will pay to the Authority from its general revenues rentals sufficient to pay the principal of and the interest and premium (if any) on the Series 1996 Warrants due during the term of the Lease. See "Rental Provisions" under "THE LEASE."

Under the provisions of the Indenture, the Series 1996 Warrants will be secured by a mortgage lien on the Project, by an assignment of the rights of the Authority under the Lease and by a pledge of the revenues and receipts derived by the Authority from the leasing or, under certain circumstances, the sale of the Project; provided, that the said mortgage of the Project contained in the Indenture will not be subject to foreclosure. See "Source of Payment; Security for the Series 1996 Warrants" under "THE SERIES 1996 WARRANTS." The Series 1996 Warrants will be issued pursuant to certain Alabama statutes codified as Code of Alabama 1975, Title 11, Chapter 15 (said statutes being herein called the "Act").

This Official Statement contains brief descriptions of the Authority and the Project, information respecting the use of the proceeds of the Series 1996 Warrants and summaries of certain provisions of the Series 1996 Warrants, the Lease and the Indenture. Appendix A to this Official Statement contains certain demographic information regarding the County. Appendices B and C contain certain financial information regarding the County. Appendix D contains a copy of the proposed approving opinion of Bond Counsel respecting the Series 1996 Warrants. The summaries of the documents herein contained are not complete or definitive, and every statement made in this Official Statement concerning any provision of any document is qualified by reference to such document in its entirety. For complete details of any and all terms and conditions respecting the Series 1996 Warrants, prospective purchasers are referred to the Lease and the Indenture, copies of which may be obtained from the office of the Trustee or from the office of Blount Parrish & Roton, Incorporated in Montgomery, Alabama, the underwriter of the Series 1996 Warrants.

THE AUTHORITY

The Authority is a public corporation of the State of Alabama organized under the laws of that state and a resolution adopted by the Walker County Commission, the governing body of the County, on October 18, 1996, authorizing its incorporation. The general purpose of the Authority is to provide public facilities for use by the County and its agencies. The Authority is empowered to finance the costs of acquiring and constructing such public facilities and of acquiring and installing equipment, furniture and fixtures in any such facilities through the issuance of its revenue warrants and to lease or sell such facilities to the County. The powers of the Authority are exercised by a Board of Directors consisting of three citizens who reside in the County and who are appointed by its governing body.

THE PROJECT

The Project will consist of (i) a parcel of land approximately 1.35 acres in size (the "Project Site"), located in the City of Jasper, the County Seat of the County, (ii) a building (the "Project Building") to contain approximately 58,000 square feet of enclosed heated floor space that will be suitable for use as the new County jail by the County, and (iii) equipment, furniture and fixtures (the "Project Equipment") to be used in the Project Building. Pursuant to the Lease, the Authority will cause the Project Building to be constructed in accordance with plans and specifications to be furnished by the County and will acquire the Project Equipment and cause the same to be installed in the Project Building. As hereinbefore indicated, the Project Site, the Project Building and the Project Equipment are herein together referred to as the "Project."

The work of constructing the Project Building, according to the plans and specifications of Watson Watson Rutland / Architects Inc., architects of Montgomery, Alabama, is expected to begin in December, 1996. The general contractor for the construction of the Project Building is Universal Construction Company of Huntsville, Alabama. Construction is expected to be completed by approximately March, 1998. Upon completion, the Project Building will have a maximum designed capacity of 240 inmates. Pursuant to the Lease, the Authority will cause the Project Building to be constructed and will acquire the Project Equipment and cause the same to be installed in or around the Project Building. As hereinbefore indicated, the Project Site, the Project Building and the Project Equipment are herein together referred to as the "Project."

The work of acquiring, constructing and equipping the Project, together with all other undertakings of the Authority related thereto, is herein sometimes referred to as the "Project Development Work." The Lease and the Indenture will obligate the Authority, after paying the expenses of issuing the Series 1996 Warrants, to pay all costs and expenses of the Project Development Work, as directed by the County, out of the proceeds of the Series 1996 Warrants (all such costs and expenses being herein together called the "Project Development Costs"), but only to the extent that such proceeds are sufficient therefor.

The Indenture will require the net proceeds from the sale of the Series 1996 Warrants to be paid to the Trustee. The portion of the proceeds representing accrued interest on the Series 1996 Warrants will be deposited in the Warrant Fund established under the Indenture. The portion of the proceeds representing an amount equal to the first fifteen months of interest on the Series 1996 Warrants will be deposited in the Capitalized Interest Fund established under the Indenture. The portion of the proceeds equal to \$1,190,378 will be deposited into the Debt Service Reserve Fund established under the Indenture. The balance of the proceeds remaining after the payment of the expenses of issuing the Series 1996 Warrants will be deposited into the Construction Fund established under the Indenture. Proceeds held in the Construction Fund will be disbursed by the Trustee, pursuant to requisitions submitted by the County, for the purpose of paying the Project Development Costs, including the reimbursement to the County of all such costs theretofore directly paid by it and all advances which it has made to the Authority for the payment of such costs.

SOURCES AND USES OF FUNDS

The Authority expects that the proceeds from the sale of the Series 1996 Warrants will be applied substantially as follows:

Sources of funds:

Par amount of the Series 1996 Warrants	\$13,020,000
Estimated earnings on Construction Fund	266,700
Estimated earnings on Capitalized Interest Fund	<u>25,896</u>
Total sources of funds	\$13,312,596

Uses of funds:

Project Development Costs	\$10,468,592
Capitalized Interest Fund	1,035,822
Debt Service Reserve Fund	1,190,378
Issuance Expenses	394,929
Original issue discount	<u>222,875</u>
Total uses of funds	\$13,312,596

THE SERIES 1996 WARRANTS

General

The Series 1996 Warrants will be issued in the aggregate principal amount of \$13,020,000, will be dated December 1, 1996, will bear semiannual interest (payable on June 1, 1997, and on each June 1 and December 1 thereafter) at the rates set forth on the cover page hereof and will mature on December 1 in the years and in the principal amounts set forth on said cover page. The Series 1996 Warrants will be issued as fully registered warrants in the denomination of \$5,000 or any integral multiple thereof. The principal of and premium (if any) on the Series 1996 Warrants will be payable at the principal corporate trust office of the Trustee, and the interest on the Series 1996 Warrants will be paid by the Trustee by draft or check mailed to the registered owners of such warrants as such registered owners' names shall appear on the registry books of the Trustee as of the fifteenth day of the month immediately preceding any interest payment date. The principal of and the interest and premium (if any) on the Series 1996 Warrants will be payable in lawful money of the United States of America.

Source of Payment; Security for the Series 1996 Warrants

The Series 1996 Warrants will be special limited obligations of the Authority and will be payable solely from and secured by a pledge of the rentals and other receipts to be derived by the Authority from the leasing or, under certain circumstances, the sale of the Project. The Lease will obligate the County, but only during the term of the Lease (including any renewal terms), to pay from its general revenues rentals on such dates and in such amounts as will be sufficient to provide for the payment when due of such of the principal of and the interest and premium (if any) on the Series 1996 Warrants payable during the term of the Lease. The initial term of the Lease shall not be longer than the current fiscal year of the County, which ends on September 30, 1997; however, the Lease shall contain a grant to the County of successive options to renew the term of the Lease annually until the Series 1996 Warrants are paid, and those options to renew the term of the Lease will be automatically exercised unless the County shall affirmatively not exercise each such option. In the Lease the County will enter into certain special covenants with the Authority, the purpose of which will be to insure that the County will continuously lease the Project from the Authority until the Series 1996 Warrants have been fully paid and retired. See "SPECIAL COVENANTS OF THE COUNTY". Also see "Duration of Term" under "THE LEASE." The Authority will be required to make deposits from the rent received from the lease of the Project (i) into the Warrant Fund established under the Indenture and (ii) for the payment of the Trustee's fees and expenses.

By and subject to the terms of the Indenture, the Authority will, for the benefit of the holders of the Series 1996 Warrants and to secure payment of the principal thereof and the interest and premium (if any) thereon, mortgage, assign and pledge to the Trustee, subject to the "Permitted Encumbrances" as defined in the Indenture, the following properties, rights and interests:

- (a) the Project Site;

(b) the Project Building and all other buildings and improvements now or hereafter constructed or situated on the land constituting part of the Project;

(c) the Project Equipment, including those items thereof that are generally described in the Lease and the Indenture and all other items of equipment, furniture or fixtures that under the provisions of said documents are to constitute part of the Project Equipment;

(d) all rents, revenues, issues, earnings and income derived by the Authority from the Project; and

(e) all right, title and interest of the Authority in and to the Lease, except for certain release and indemnification rights of the Authority.

However, the Act provides that said mortgage of those properties to the Trustee will not be subject to foreclosure.

The Series 1996 Warrants will not be general obligations of the Authority, nor will they in any way constitute a debt, liability or obligation of the State of Alabama, the County, or any other political subdivision of the said State. No holder of any of the Series 1996 Warrants shall have the right to compel any exercise of the taxing power of the State of Alabama, the County, or any other political subdivision of the said State of Alabama to pay the Series 1996 Warrants or any interest thereon. Further, the Authority has no taxing power, and the Series 1996 Warrants are special and limited obligations of the Authority payable solely from the funds pledged under the Indenture to the payment thereof. Neither the principal of nor the interest on the Series 1996 Warrants, nor the pledges, assignments and agreements described herein, nor the Indenture and any agreement contained therein shall ever constitute a personal or pecuniary liability of or charge against the general credit of the Authority.

In the event the County fails to exercise its successive options to annually renew the Lease, the Authority will have no funds with which to pay the principal of or interest and premium (if any) on the Series 1996 Warrants except such funds as may be derived from the leasing or sale of the Project to a user other than the County. There can be no assurance that the Authority or the Trustee will realize sufficient revenues from the disposition of the Project to pay any portion of the principal of and the interest and premium (if any) on the Series 1996 Warrants not paid out of rentals from the County.

Registration, Transfer and Exchange of the Series 1996 Warrants

The Series 1996 Warrants shall be registered as to both principal and interest and shall be transferable only on the registry books of the Trustee pertaining to the Series 1996 Warrants. No transfer of any Series 1996 Warrant shall be permitted except upon presentation and surrender of such Series 1996 Warrant at the office of the Trustee with written power to transfer signed by the registered holder thereof in person or by a duly authorized attorney in form and with guaranty of signature satisfactory to the Trustee. Any holder of one or more of the Series 1996 Warrants may, upon the surrender thereof to the Trustee, exchange such Series 1996 Warrant or Warrants for other Series 1996 Warrants, in the denomination of \$5,000 or any integral multiple thereof, of the same maturity and interest rate and together aggregating the same principal amount as the Series 1996 Warrant or Warrants so surrendered. Any transfer or exchange of the Series 1996 Warrants shall be without expense to the holder thereof,

except that the holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer or exchange. The holder of any Series 1996 Warrant will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Series 1996 Warrant.

The Indenture provides that the interest on the Series 1996 Warrants shall be payable solely by check or draft mailed by the Trustee to the holders of the Series 1996 Warrants shown on the registry books of the Trustee pertaining to the Series 1996 Warrants. Each transferee of a Series 1996 Warrant takes it subject to all principal and interest payments in fact made with respect to such Series 1996 Warrant.

Reference is made to the Indenture in full for its provisions pertaining to the registration, transfer and exchange of Series 1996 Warrants and the method of payment of the principal thereof and the interest thereon. Each holder of any Series 1996 Warrants shall be deemed to have agreed that such warrants may be transferred and exchanged only in accordance with the provisions of the Indenture.

Redemption Provisions

Optional Redemption. Those of the Series 1996 Warrants maturing in 2002 and thereafter will be subject to redemption, at the option of the Authority (which option shall be exercisable only upon direction of the County if the Lease is still in effect and no default exists thereunder) as a whole or in part (but, if in part, only in installments of \$5,000 or any integral multiple thereof and in the inverse order of their maturities, and if less than all the Series 1996 Warrants of a single maturity are to be redeemed, those to be called for redemption shall be selected by lot) on December 1, 2001, and on any semiannual interest payment date thereafter, such redemption, whether in whole or in part, to be at and for the following redemption prices (expressed in percentages of the principal amount to be redeemed) plus accrued interest thereon to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
December 1, 2001, or June 1, 2002	102 %
December 1, 2002, or June 1, 2003	101-1/2
December 1, 2003, or June 1, 2004	101
December 1, 2004, or June 1, 2005	100-1/2
December 1, 2005, or thereafter	100

Mandatory Redemption. The Series 1996 Warrants maturing on December 1, 2016 (the "Term Warrants") shall be subject to mandatory redemption and payment on December 1, 2007 and on each December 1 thereafter until and including December 1, 2015, in the amounts and in the years shown below:

<u>Year</u>	<u>Amount</u>
2007	\$ 630,000
2008	675,000
2009	720,000
2010	770,000
2011	830,000
2012	885,000
2013	950,000
2014	1,015,000
2015	1,090,000

\$1,165,000 aggregate principal amount of the Term Warrants is scheduled to be paid at their final stated maturity on December 1, 2016.

Extraordinary Redemption. The Series 1996 Warrants will be subject to mandatory redemption prior to their respective stated maturities as a whole on any date, at and for a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, (i) in the event that all or substantially all the Project is taken through the exercise of the power of eminent domain or (ii) in the event that the County exercises its right under the Lease to require the Authority to redeem and retire all the outstanding Warrants, which right shall be exercisable by the County upon the occurrence of any of the following events:

(a) the Project is, after its expansion and improvement have been completed, damaged or destroyed, by fire or other cause, to such extent that, in the opinion of the County and of an independent architect, (i) it cannot reasonably be restored to the condition thereof immediately preceding such damage or destruction within a period of twelve consecutive months, or (ii) the County will thereby be prevented, or is likely to be prevented, from using the Project for its purposes for a period of not less than twelve consecutive months, or (iii) the cost of restoration thereof would exceed the sum of the net insurance proceeds referable to such damage or destruction, or

(b) under the exercise of the power of eminent domain by any governmental authority or person, firm or corporation acting under governmental authority, the temporary use of all or part of the Project or title to less than all or less than substantially all the Project is taken to such extent that, in the opinion of the County and of an independent architect, the County will thereby be prevented, or is likely to be prevented, from using the Project for its purposes for a period of not less than twelve consecutive months, or

(c) as a result of any changes in the Constitution of the State of Alabama or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal), entered after the contest thereof by the County in good faith, the Lease becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed therein

or unreasonable burdens or excessive liabilities are imposed on the Authority or the County.

If the occurrence of any of the events described above authorizes the County to exercise its right to cause the redemption of the Series 1996 Warrants, then, as conditions precedent to the exercise of such right, the County will be required to take the following actions:

(i) within 180 days following the event authorizing the exercise of such right, the County shall give written notice of its exercise of such right to the Authority and the Trustee,

(ii) the County shall specify in such notice the date on which all the then outstanding Warrants are to be redeemed and retired, which shall be not less than 45 nor more than 90 days after the date such notice is mailed, and

(iii) five days prior to the date fixed for redemption, the County shall pay to the Trustee (for the account of the Authority), as consideration for the exercise of the right to require the redemption and retirement of the Warrants, an amount which, when added to the total of the amounts then on deposit in the funds maintained under the Indenture plus the amount of any net insurance proceeds or net condemnation award in the hands of the Trustee and referable to any damage, destruction or condemnation authorizing the exercise of such right, will be sufficient to pay, retire and redeem all the outstanding Warrants on said date fixed for redemption.

Notice of Redemption of Series 1996 Warrants

Notice of the proposed redemption of any of the Series 1996 Warrants prior to their respective stated maturities will be given, not more than 60 nor less than 30 days prior to the proposed redemption date, by registered or certified mail to the registered holders of any Series 1996 Warrants called for redemption. If on the applicable redemption date the redemption price of any Series 1996 Warrant (or portion thereof) duly called for redemption is on deposit at the principal corporate trust office of the Trustee, such Series 1996 Warrant (or portion thereof) will cease to bear interest on such date.

Additional Warrants

The Indenture will permit the Authority from time to time, if it is not in default thereunder and if the County is not in default under the Lease, to issue additional warrants upon compliance with the conditions contained in the Indenture, and all such additional warrants shall be secured on a parity of lien with the Series 1996 Warrants and all other warrants at any time issued under the Indenture. As used in this Official Statement, the term "Warrants", without any qualifying words, means the Series 1996 Warrants and any additional parity warrants ("Additional Warrants") that may hereafter be issued pursuant to the provisions of the Indenture. Additional Warrants may be issued for the purpose of (i) obtaining funds to pay the costs of completing the acquisition and construction of the Project or any component thereof, (ii) refunding or otherwise retiring all or any portion of any one or more series of Warrants then outstanding under the Indenture, or (iii) any combination of the preceding purposes.

Among the conditions precedent to the issuance of Additional Warrants will be the following:

(a) a supplemental lease between the Authority and the County obligating the County to pay, for each renewal term for which the County may renew the Lease, such additional, supplemental or changed Basic Rent as will be sufficient to provide for the payment, when due, of the principal of and the interest and premium (if any) on such Additional Warrants becoming due during each such renewal term; and

(b) a supplemental indenture between the Authority and the Trustee providing for and describing such Additional Warrants.

If any Additional Warrants are issued for the purpose of acquiring additional property, such supplemental lease will be required to subject such additional property to the demise of the Lease and such supplemental indenture will likewise be required to subject such additional property to the lien of the Indenture. The Lease will prohibit the Authority from issuing Additional Warrants without the prior written consent of the County. The Authority will agree in the Lease, subject to certain conditions, to use its best efforts to issue and sell such Additional Warrants as may be requested by the County.

SOURCES OF PAYMENT OF COUNTY LEASE OBLIGATIONS

The rentals and other obligations of the County under the Lease are payable from the general revenues of the County, with no specific revenues or taxes of the County being pledged for such purpose. The principal sources of revenue for the County are property taxes, sales and use taxes, charges for services provided by the County, certain tax revenues collected by the State and allocated to the County and federal grants. Certain financial information respecting the County is contained in Appendix B and Appendix C to this Official Statement. The principal source of revenue for the County that is not specifically dedicated to a special purpose is a constitutionally authorized ad valorem tax levied at the rate of six mills per dollar of assessed value on all taxable property in the County. This tax is commonly referred to as the "General Tax" and is levied without limit as to time. The total receipts from the six mill General Tax for the tax year that ended September 30, 1996, were \$ 1,831,919.

Although the County's obligations under the Lease are payable from any or all of the taxes and revenues mentioned in the first paragraph of this section, the rentals and other obligations of the County under the Lease are expected to be paid principally from (i) certain receipts from a tax recently levied by the County upon cigarettes and certain tobacco products in the County pursuant to Act No. 95-412 (the "Tobacco Tax Act") enacted at the 1995 Regular Session of the Legislature of Alabama and (ii) receipts from certain court fees recently imposed by the County pursuant to Act No. 95-655 (the "Court Fee Act") also enacted at the 1995 Regular Session on the Legislature of Alabama.

On December 9, 1996, the County Commission levied a tax upon cigarettes, made of tobacco or any substitute therefor, and certain other tobacco products in the County pursuant to the Tobacco Tax Act (the "Tobacco Tax"). The Tobacco Tax is seven cents (\$0.07) on each package of cigarettes (and various other tobacco products). The Tobacco Tax Act would permit the receipts from five cents (\$0.05) of the Tobacco Tax to be used for payment of the County's rental obligations under the Lease (the "Tobacco Tax Jail Receipts"). The Tobacco Tax Act directs the receipts from two cents (\$0.02) of the Tobacco Tax be used for fire protection purposes in the County. The Alabama Department of Revenue has estimated that annual fiscal year receipts from the Tobacco Tax will total \$623,250. Based on annual Tobacco Tax receipts of \$623,250, the County has estimated that Tobacco Tax Jail Receipts will

be \$445,178. There is no assurance that the receipts from the Tobacco Tax will be as estimated or projected. In particular, increased emphasis on the health hazards of smoking in public places may result in a reduction in the receipts from the Tobacco Tax.

On December 9, 1996, the County Commission imposed (i) additional fees (the "Additional Fees") of \$25 on each civil case filed and \$50 for each criminal case (including traffic cases) filed in the Circuit Court, District Court or any Municipal Court in the County and (ii) a fee of \$5 for the service of all pleadings in connection with the aforementioned actions or cases (the "Service Fees") pursuant to the Court Fee Act. Also on December 9, 1996, the County Commission levied a processing fee of \$25 per bail bond posted with a municipal or county court in the County (the "Processing Fees") pursuant to the Court Fee Act. The Court Fee Act would permit the receipts from the Additional Fees, the Service Fees and the Processing Fees (the "Court Fee Receipts") to be used for payment of the County's rental obligations under the Lease. The County has estimated that annual fiscal year Court Fee Receipts will be \$315,000. There is no assurance that the Court Fee Receipts will be as estimated or projected.

SPECIAL COVENANTS OF THE COUNTY

In the Lease the County will enter into various covenants with the Authority, the purpose of which will be to insure that the County will continually lease the Project from the Authority and will therefore make continuous use of the Project until the Series 1996 Warrants have been fully paid and retired. Primary among those covenants will be an agreement of the County not to acquire, construct, lease or use any building or other facilities or ancillary improvements, other than the Project, as a jail in and for the County while any of the Series 1996 Warrants remain outstanding; provided that if, at any time prior to the date when all Series 1996 Warrants have been fully paid as therein provided, the governing body of the County, or any court or agency having jurisdiction over the County, shall determine that the need for jail facilities in the County exceeds the maximum capacity of the Project plus the maximum capacity of all other jail facilities then owned, leased, rented or used by the County, then the County may acquire, construct, lease or use new or additional jail facilities, but only to the limited extent necessary to provide jail facilities which cannot then be furnished by the Project. Under current Alabama law, the County is required to maintain a jail.

DEBT SERVICE REQUIREMENTS

The following table presents the total debt service that will be due and payable on the Series 1996 Warrants.

Bond Year	Principal of the Series 1996 Warrants	Interest on the Series 1996 Warrants	Debt Service on the Series 1996 Warrants
1997	\$ 0	\$ 846,208	\$ 846,208
1998	390,000	846,208	1,236,208
1999	405,000	828,658	1,233,208
2000	425,000	809,420	1,234,420
2001	450,000	788,170	1,238,170
2002	470,000	764,770	1,234,770
2003	495,000	739,860	1,234,860
2004	525,000	713,130	1,238,130
2005	550,000	684,255	1,234,255
2006	580,000	653,180	1,233,180
2007	630,000	619,830	1,249,830
2008	675,000	575,100	1,250,100
2009	720,000	527,175	1,247,175
2010	770,000	476,055	1,246,055
2011	830,000	421,385	1,251,385
2012	885,000	362,455	1,247,455
2013	950,000	299,620	1,249,620
2014	1,015,000	232,170	1,247,170
2015	1,090,000	160,105	1,250,105
2016	<u>1,165,000</u>	<u>82,715</u>	<u>1,247,715</u>
Totals	\$13,020,000	\$11,430,468	\$24,450,468

WARRANTHOLDER RISKS

Prospective purchasers of the Series 1996 Warrants should be aware that there is no assurance (i) that the County will obtain sufficient funds with which to pay the Basic Rent to the Authority in the future and also to conduct its essential governmental functions or (ii) that the County will exercise its options to annually renew the Lease and thereby become obligated to make rental payments to the Authority until the Series 1996 Warrants are paid in full. Other developments could occur that would have a materially adverse effect on future revenues of the County which cannot now be foreseen.

SUMMARY OF DOCUMENTS

The following portion of this Official Statement contains summaries of certain provisions of the Lease and the Indenture. Such summaries do not purport to be complete descriptions and contain only brief outlines of the terms and provisions of such documents. The summaries are qualified in their entirety by

Reference to such documents, each of which will be available for inspection at the principal corporate trust office of the Trustee and at the office of Blount Parrish & Roton, Incorporated, in Montgomery, Alabama.

THE LEASE

The following, in addition to information herein contained under the headings "INTRODUCTION," "THE PROJECT," "THE SERIES 1996 WARRANTS," and "SPECIAL COVENANTS OF THE COUNTY," summarizes certain provisions of the Lease.

Performance of the Project Development Work

The Authority will agree in the Lease to acquire the Project Site, to construct the Project Building, to acquire the Project Equipment and to cause all other Project Development Work to be carried out to completion, all in accordance with plans, specifications and directions to be provided by the County. The County will have the right to revise the plans and specifications for the Project at any time and from time to time prior to the Completion Date applicable thereto, as such date is defined in the Lease. In the event the available proceeds from the sale of the Series 1996 Warrants are insufficient to pay all costs of completing the Project Development Work, the County will cause the applicable plans and specifications to be revised so as to reduce such costs, or will pay such excess costs with its own funds, or will pay into the Construction Fund established under the Indenture such moneys as are necessary for the Authority to pay such excess costs, all to the end that all obligations incurred by the Authority in connection with the Project Development Work shall be paid in full and that such work shall be completed to the extent necessary for the Project to consist of facilities acceptable for use by the County.

Duration of Term

The initial term of the Lease will begin with the delivery of the Series 1996 Warrants and will continue, subject to prior termination as therein provided, until and including September 30, 1997, the last day of the current fiscal year of the County; however, the Lease shall contain a grant to the County of successive options to renew the Lease annually on the terms specified therein for subsequent fiscal years of the County until all Series 1996 Warrants issued under the Indenture have been fully paid as therein provided. The Lease shall provide that each option of renewing the Lease shall be deemed exercised on the first day of each fiscal year of the County, unless the County shall notify the Authority in writing no later than the immediately preceding August 1 that the County will not exercise its option to renew the Lease for the next succeeding fiscal year. As hereinbefore stated, in the Lease the County will covenant that from the beginning of the initial term of the Lease until the date on which all the Series 1996 Warrants have been fully paid and retired as therein provided, the County will not acquire, construct, lease, rent or use any building or facilities or ancillary improvements, other than the Project, as a jail; provided, however, that if, at any time prior to the date when all Series 1996 Warrants have been fully paid as therein provided, the County shall determine that the County's need for jail facilities exceeds the capacity of the Project and any other jail facilities then available to the County, then new or additional

jail facilities may be acquired, leased, rented or used by the County, but only to the limited extent necessary to provide jail facilities which cannot then be furnished by the Project.

Rental Provisions

The Lease will obligate the County to pay to the Trustee, for the account of the Authority, on the first day of each fiscal year during the term of the Lease (including any renewal terms), such installments of rent (herein called "Basic Rent") as will be sufficient to pay (i) the interest becoming due with respect to the Series 1996 Warrants on each interest payment date during such fiscal year, and (ii) the principal (if any) of the Series 1996 Warrants maturing, or required by the terms of the Indenture to be redeemed, on the next succeeding December 1 during such fiscal year. While the rental for each such fiscal year during which the Lease is in effect is due in advance on October 1 of such fiscal year, such rental is not delinquent until (a) the following June 1, in the case of the portion of such rental referable to the interest on the Series 1996 Warrants becoming due on such June 1, and (b) the following December 1, in the case of the portion of such rental referable to the principal of and interest on the Series 1996 Warrants becoming due on such December 1.

The County is also obligated, under the terms of the Lease, to pay directly to the Trustee, for each fiscal year during which the Lease is in effect, all fees, charges and disbursements of the Trustee under the Indenture due during such fiscal year.

Nature of the County's Obligations

The Lease provides that the obligation of the County to make the rental payments required and to perform the other agreements on its part contained in the Lease, for any fiscal year during which the Lease is in effect, shall constitute a general obligation of the County for the respective payment and performance of which the full faith and credit of the County are pledged—subject, however, to the proviso that any such rental shall be payable, and any such other agreement under the Lease performed, solely out of current revenues of the County for the fiscal year with respect to which such payment or performance is required. It is expressly provided in the Lease that the rentals and agreements on the part of the County thereunder shall never create a debt of the County under applicable provisions of the Constitution of Alabama.

Operation, Maintenance and Modification of the Project

The Lease will require the County, at its own expense, to keep the Project in reasonably safe condition and to keep the Project Building and the Project Equipment in good repair and condition, reasonable wear and tear excepted, making from time to time all necessary repairs thereto. Neither the Authority nor the County will be obligated by the Lease to renew, repair or replace any of the Project Equipment that, as a result of reasonable wear and tear or other causes, becomes worn-out, obsolete, inadequate or unsuitable in the use of the Project by the County. The Lease will permit the County, at its own expense, to make any additions, alterations, improvements or modifications to the Project Building that it may deem desirable for its purposes and that do not significantly impair the value or utility of the Project or change its character to such extent that it no longer constitutes a "project" within the meaning

of the Act. All such additions, alterations, improvements and modifications made by the County will, under the terms of the Lease, become a part of the Project.

Insurance

The Lease will require the County to keep the Project continuously insured during the term of the Lease (including any renewal term) against such risks as are customarily insured against with respect to facilities similar to the Project, which insurance shall include the following:

(a) insurance against loss or damage to the Project Building and the Project Equipment by fire, lightning, wind, vandalism and malicious mischief, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in Alabama, to such extent as is necessary to provide for full payment of the costs of repairing or replacing the property damaged or destroyed or, if insurance to such extent is not available, to the extent of the full insurable value of said property; and

(b) insurance against liability for personal or bodily injury to or death of persons and for damage to or loss of property occurring on the Project or in any way related to the use of the Project, in the minimum amount of \$500,000 for all death and bodily injury claims and property damage claims resulting from any one accident.

Damage to or Destruction of Project

If the Project is damaged or destroyed, in whole or in part, and if the County is not entitled to exercise its right to require the Authority to redeem and retire all the outstanding Warrants (see "Redemption Provisions—Extraordinary Redemption" under "THE SERIES 1996 WARRANTS"), or being so entitled, does not exercise such right, then the insurance proceeds referable to such damage or destruction shall be paid to and held by the Trustee, whereupon the Authority will, in accordance with the directions of the County, cause such insurance proceeds to be applied for the repair, replacement or restoration of the property damaged or destroyed. The Lease will obligate the County to pay any costs of repairing, replacing or restoring any property damaged or destroyed that are in excess of the insurance proceeds available therefor, and any insurance proceeds intended to be used for the payment of the costs of such repair, replacement or restoration but not needed therefor shall be deposited in the Redemption Fund.

Condemnation of Project

In the event that the Project or any part thereof is taken through the exercise of the power of eminent domain, the Lease will require the entire condemnation award to be paid to the Trustee. If all or substantially all the Project is taken, and if the condemnation award, together with the amounts on deposit in the Warrant Fund, the Construction Fund and the Redemption Fund, is sufficient to provide for full retirement of all the Warrants, the condemnation award and such other amounts are required by the Lease to be applied to the retirement of the Warrants, with the balance thereof (if any) being paid to the

County, whereupon the Lease shall terminate. If, in the case of a total or substantially total taking, such condemnation award and amounts on deposit in the Warrant Fund, the Construction Fund and the Redemption Fund are not sufficient to provide for full retirement of all the Warrants, then all such moneys are required by the Lease to be deposited in the Warrant Fund and the Lease shall thereupon terminate.

If, on the other hand, less than substantially all the Project is taken, and if the County is not entitled to exercise its right to require the Authority to redeem and retire all the outstanding Warrants (see "Redemption Provisions—Extraordinary Redemption" under "THE SERIES 1996 WARRANTS"), or being so entitled, does not exercise such right, then, the Lease will provide (i) that all obligations of the County which are still capable of performance (including the provisions thereof requiring the payment of rent) shall continue in full force and effect and (ii) that the Authority will, in accordance with the directions of the County, cause such condemnation award to be applied for the repair, replacement, restoration or rearrangement of any part of the Project adversely affected by such taking. The Lease will obligate the County to pay any costs of repairing, replacing, restoring or rearranging the Project affected by such taking that are in excess of the condemnation award or portion thereof available therefor, and any portion of any condemnation award intended to be used for the payment of any such costs but not needed therefor shall be deposited in the Redemption Fund established under the Indenture.

Additional Covenants of the County

Use of Project. During the term of the Lease the County will, in the use of the Project, comply in all material respects with all valid and applicable laws, ordinances, regulations or orders of governmental authorities or agencies and will not do or permit anything to be done that will impair or contravene any policies of insurance carried with respect to the Project.

Taxes, Assessments and Mechanics' Liens. The County will be obligated by the Lease to pay all taxes, assessments and other governmental charges that may be imposed on the Project, as well as taxes levied upon or with respect to the Authority's revenues or receipts from the Project which, if not paid, would become a lien on the Project prior to or on a parity with the lien of the Indenture and which would not constitute a "Permitted Encumbrance" as defined in the Lease. The County will also be obligated by the Lease to satisfy all mechanics' or other similar liens against the Project which materially endanger the lien of the Indenture and to pay all utility and other similar charges incurred in the operation, use, maintenance and upkeep of the Project.

Covenants with Respect to Use of Series 1996 Warrant Proceeds. In the Lease the County will covenant not to cause or permit the proceeds from the sale of the Series 1996 Warrants to be used in a manner which would cause the interest on such warrants to become includible in gross income for purposes of federal income taxation.

No-Arbitrage Covenant. In the Lease the County will covenant not to take any action, or omit to take any action, if as a result of such action, or the omission to take such action, as the case may be, the Series 1996 Warrants would be considered "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986 and the applicable regulations thereunder.

County's Right to Require Redemption of Warrants

Upon the occurrence of certain events, the Lease will provide the County with the right to require the Authority to redeem and retire all of the outstanding Warrants. See "Redemption Provisions— Extraordinary Redemption" under "THE SERIES 1996 WARRANTS" for a description of the circumstances under which such right may be exercised and of the actions that must be taken by the County in connection therewith.

Vesting of Title to Project in County

The Lease contains provisions whereby the Authority acknowledges that, under the Act, payment of the Warrants in full will result in an "automatic" vesting of title to the Project in the County or will enable the County, without any action on the part of the Authority, to vest title to the Project in the County.

Utility Easements

The Authority will agree in the Lease to grant such utility, access and other similar easements over, across or under the real estate constituting part of the Project as in the judgment of the County are necessary or convenient for the efficient operation of the Project.

Events of Default and Remedies

Any one or more of the following events will constitute an "Event of Default" by the County under the Lease:

(a) failure by the County to pay any installment of Basic Rent on or before the date on which it becomes delinquent or failure by the County to make any other payment required by the Lease (other than any payment due the Trustee for its fees, charges or disbursements) as and when such payment shall become due and payable by the terms of the Lease;

(b) failure by the County to pay any amount due the Trustee for its reasonable fees, charges or disbursements within 30 days after written demand for such payment by the Trustee, which demand shall not be made earlier than the date on which such amount is due and payable;

(c) failure by the County to perform or observe any of its agreements or covenants contained in the Lease [other than its failure to pay, when due, any payment referred to in the preceding clauses (a) and (b)], which failure shall have continued for a period of 30 days after written notice of such failure shall have been given to the County, unless (i) the Authority and the Trustee shall agree in writing to an extension thereof, (ii) during such 30-day period or any extension thereof the County has commenced and is diligently pursuing appropriate corrective action, or (iii) the County is, by reason of force majeure (as defined in the Lease), at the time prevented from

observing or performing the agreement or covenant with respect to which it is delinquent;

(d) any warranty, representation or other statement by or on behalf of the County contained in the Lease or in any other document furnished by the County in connection with the issuance and sale of any of the Series 1996 Warrants being false or misleading in any material respect at the time made; or

(e) the appointment of a receiver for the Project, readjustment of the obligations of the County under the bankruptcy laws or other similar events.

Whenever any Event of Default shall have occurred and be continuing, the Authority and the Trustee (or the Trustee on behalf of the Authority) may take any one or more of the following remedial actions: (i) take possession of the Project and rent all or any part thereof for the account of the County, holding the County liable for the balance due under the Lease; (ii) terminate the Lease, take possession of the Project and lease the same for the account of the Authority, holding the County liable for all rent and other amounts due under the Lease to the date such other lease is made for the account of the Authority; (iii) have access to, and inspect, examine and make copies of, the books, records and accounts of the County; and (iv) take whatever other actions at law or in equity may appear necessary or desirable to collect the rent then due or to enforce any obligation, covenant or agreement of the County under the Lease.

Amendment of the Lease

Any amendment of the Lease will require the prior written consent of the Trustee and must comply with the applicable provisions of the Indenture. See "Amendment of the Lease" under "THE INDENTURE."

THE INDENTURE

The following, in addition to the information herein contained under the headings "INTRODUCTION," "THE PROJECT," "THE SERIES 1996 WARRANTS" and "THE LEASE," summarizes certain provisions of the Indenture.

Construction Fund

The Indenture will establish a special trust fund (the "Construction Fund") to be used for paying all Project Development Costs, including the costs of performing the Project Development Work. The Indenture will require the Authority to pay into the Construction Fund the balance of the proceeds from the sale of the Series 1996 Warrants (excluding accrued interest) remaining after paying the expenses of issuing the Series 1996 Warrants. The Trustee will be the depository and disbursing agent for the

Construction Fund and will disburse moneys therefrom for the payment of Project Development Costs upon receipt of requisitions prepared and submitted by an authorized representative of the County.

The County will be required to make certain representations and certifications in connection with each requisition authorizing disbursements from the Construction Fund. The Trustee will be completely protected in relying upon all representations and certifications made by the County in connection with any such requisition.

The Indenture will provide for the transfer to the Warrant Fund established thereby of any moneys remaining in the Construction Fund after the date on which the County, in accordance with the Lease, certifies that the Project Development Work has been completed in all respects.

Warrant Fund

The Indenture will establish a special trust fund (the "Warrant Fund") for the purpose of providing for the payment of the principal of and the interest and premium (if any) on the Series 1996 Warrants issued thereunder. The Trustee will be designated as the depository and disbursing agent for the Warrant Fund. The Indenture will require that all installments of Basic Rent payable under the Lease (including prepayments of such Basic Rent) be paid into the Warrant Fund, as such installments are received by the Trustee.

The Trustee will be required by the Indenture to make provision out of the moneys in the Warrant Fund for payment of the principal of and the interest on the Series 1996 Warrants, as the said principal and interest respectively become due, and for the redemption, prior to maturity, of any Series 1996 Warrants required by the provisions of the Indenture to be redeemed. Until all Series 1996 Warrants issued under the Indenture have been fully paid, moneys in the Warrant Fund shall be used solely for the payment of the interest on such Series 1996 Warrants, for the payment of the principal of such Series 1996 Warrants at their stated maturity and for the redemption of such Series 1996 Warrants under the conditions of redemption and at the redemption prices specified in the Indenture. Whenever the total of the moneys in the Warrant Fund established under the Indenture shall be sufficient to retire and redeem all the Series 1996 Warrants then outstanding, the Authority and the Trustee will be required by the Indenture to take all necessary actions to redeem and retire all such outstanding Series 1996 Warrants on the earliest practicable date on which under the terms of the Indenture they may be so redeemed and retired.

Redemption Fund

The Indenture will establish a special trust fund (the "Redemption Fund") into which the Trustee will be required by the Lease and the Indenture to deposit certain moneys. Moneys in the Redemption Fund may be used only for the redemption of Series 1996 Warrants prior to maturity, for the purchase of Warrants for retirement at a price not greater than par plus accrued interest or, if the amounts in the Warrant Fund are not sufficient to pay any debt service coming due with respect to any of the Series 1996 Warrants, for the payment of such debt service in order to prevent a default. The Indenture will provide that if there are at any time on deposit in the Redemption Fund moneys sufficient to redeem at least \$5,000 principal amount of Series 1996 Warrants then subject to redemption, the Authority will thereupon take such action as may be necessary, under the provisions of the Indenture, to exhaust the

moneys on deposit in the Redemption Fund by redeeming or purchasing Series 1996 Warrants for retirement as aforesaid (or both) as soon as practicable thereafter.

Debt Service Reserve Fund

The Trustee shall establish and maintain so long as any of the Series 1996 Warrants are outstanding, a special trust fund known as the "Series 1996 Debt Service Reserve Fund" (the "Reserve Fund"). On the date of the execution and delivery hereof, an initial deposit from the proceeds of the sale of the Series 1996 Warrants shall be made to the Reserve Fund pursuant to the Indenture to cause the amount therein to equal \$1,190,378. Thereafter, investment earnings on the Reserve Fund shall be retained in such fund until the amount on deposit therein equals the maximum annual debt service payable with respect to the Series 1996 Warrants (the "Reserve Fund Requirement"). Moneys in the Reserve Fund shall be available to be transferred to the Warrant Fund as follows: (i) on the business day prior to each Interest Payment Date, or any date upon which principal and interest is payable on the Series 1996 Warrants the Trustee shall immediately notify the Authority if the amount on deposit in the Warrant Fund is inadequate to make the payments required to be made on such distribution date from the Warrant Fund, or to pay any other amount that may be due with respect to the Series 1996 Warrants on such date. The Trustee shall provide such notice by telephone, telegraph or facsimile transmission or other comparable means; (ii) in the event that monies on deposit in the Warrant Fund on any Interest Payment Date shall not be sufficient to make the payment of the principal and interest to be due on the Series 1996 Warrants from each such account as of such distribution date, the Trustee shall transfer from the Reserve Fund to the Warrant Fund the amount required to make such payments on the Series 1996 Warrants from such fund; (iii) the Trustee shall give notice by telephone, telegraph, facsimile transmission or other comparable means properly confirmed in writing, to the Authority and each holder of the Warrants of any such withdrawal and transfer from the Reserve Fund; (iv) in the event that monies shall be withdrawn from the Reserve Fund, the Authority shall be required to restore such monies to the Reserve Fund in twelve (12) equal monthly payments, beginning in the calendar month next succeeding the calendar month in which any withdrawal shall be made from the Reserve Fund.

In the event that all outstanding Warrants are to be redeemed in whole, or paid upon maturity, all monies on deposit in the Reserve Fund shall be transferred to the Warrant Fund and credited against the amount of the principal and interest payment required to be made by the Authority.

Capitalized Interest Fund

Funds in the amount of \$1,035,822 will be deposited from the proceeds of the sale of the Series 1996 Warrants into the Capitalized Interest Fund established pursuant to the Indenture, and will be used to pay the interest on the Series 1996 Warrants during the construction of the Project. On each interest payment date (June 1 and December 1) moneys from the Capitalized Interest Fund shall be transferred to the Warrant Fund and distributed to the registered owners of the Series 1996 Warrants until all such funds in the Capitalized Interest Fund have been so used.

Investment of Funds

The Indenture will authorize the County to furnish to the Trustee, from time to time, a certificate requesting the investment of moneys on deposit in the Construction Fund and stating (i) what portion of

such moneys are not then needed for the payment of Project Development Costs and (ii) the approximate dates that such then unneeded moneys will be needed for the payment of such costs. In response to such certificate the Trustee, to the extent practicable, will invest such then unneeded moneys in Federal Securities or Eligible Certificates (as hereinafter defined). In making such investments, the Trustee will follow the written directions of the County, provided that such directions are consistent with other applicable provisions of the Indenture.

The Indenture will require the Trustee to keep all moneys on deposit in the Warrant Fund and the Redemption Fund fully invested to the extent practicable. Moneys on deposit in the Warrant Fund will be required to be invested only in Federal Securities or Eligible Certificates, but moneys on deposit in the Redemption Fund may be invested in Eligible Investments. The Indenture will require investments forming a part of the Warrant Fund to come due at such times and in such amounts as will assure the availability of cash sufficient to pay, when due, required debt service with respect to the Series 1996 Warrants, including any required redemption of such Series 1996 Warrants. If an investment forming a part of the Redemption Fund is to be made on a date when the total amount in such fund is less than \$5,000, such investment will be required to come due, or to be redeemable at the option of the holder, not later than two years after the date of investment. If, however, an investment forming part of the Redemption Fund is to be made on a date when the total amount in such fund is \$5,000 or more, such investment will be required to come due, or be redeemable at the option of the holder, not later than the next succeeding date on which any of the Series 1996 Warrants are subject to redemption at the option of the Authority.

As used in this Official Statement, the terms "Federal Securities", "Eligible Certificates" and "Eligible Investments" shall have the following meanings: "Federal Securities" means securities that are direct obligations of the United States of America or that are unconditionally guaranteed by the United States of America as to the payment of both principal and interest; "Eligible Certificates" means certificates of deposit issued by any bank organized under the laws of the United States of America or any state thereof and whose deposits are insured by the Federal Deposit Insurance Corporation or its successor, provided that the portion of any such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or its successor shall be secured by deposit with a Federal Reserve Bank or with any national or state bank located within the State of Alabama of Federal Securities in an aggregate principal amount at least equal to the amount of such excess; and "Eligible Investments" means Federal Securities, Eligible Certificates and any other debt securities in which the Authority is legally authorized to invest its moneys.

Events of Default and Remedies

An "Event of Default" by the Authority under the Indenture will result from (i) the failure by the Authority to pay, when due, the principal of and the interest and premium (if any) on any of the Warrants, or (ii) an "Event of Default" by the County under the Lease (as "Event of Default" is defined in the Lease), or (iii) the failure by the Authority to perform any of its obligations under the Indenture if, after 60 days' written notice to it of such failure, it shall not have commenced and be diligently pursuing appropriate corrective action, or (iv) any warranty, representation or other statement by or on behalf of the Authority in the Lease or the Indenture or in any certificate furnished with respect thereto being false and misleading in any material respect at the time made, or (v) the appointment of a receiver for the

Project, readjustment of the obligations of the Authority under the bankruptcy laws or other similar events.

The Indenture will provide that the Trustee is empowered to accelerate the maturity of the Series 1996 Warrants upon the occurrence of an "Event of Default" under the Lease (as "Event of Default" is therein defined) or upon the occurrence of a default in the payment of the principal of or the interest or premium (if any) on the Series 1996 Warrants. The Indenture will further provide that the Trustee is empowered, upon the occurrence of any Event of Default thereunder, to take whatever other actions at law or in equity may appear necessary or desirable to enforce any obligation of the Authority thereunder.

If, upon the occurrence of an Event of Default under the Indenture, the Authority makes good the default which is the reason for such Event of Default and every other default thereunder, except any principal and interest declared payable that would not otherwise be due, with interest on all overdue payments of principal, interest and premium (if any), and makes reimbursement of all the reasonable expenses of the Trustee, then the Trustee may in its discretion, and shall upon the written request of the holders of a majority in principal amount of the Series 1996 Warrants then outstanding under the Indenture, waive such default and its consequences. Further, except in the case of a default in the payment of the principal of or the interest or premium (if any) on the Series 1996 Warrants, the Trustee may in its discretion, and shall upon the written request of the holders of a majority in principal amount of the Series 1996 Warrants then outstanding under the Indenture, waive such default and its consequences without the Authority having theretofore made good such default.

Except for giving notice to the holders of Series 1996 Warrants, the Indenture will not require the Trustee to take any action with respect to an Event of Default thereunder or any event which, with the giving of notice or the passage of time or both, would constitute an Event of Default, unless requested so to do by the holders of 25% in principal amount of the Series 1996 Warrants then outstanding thereunder. Whenever the Trustee shall have a choice of remedies or a discretion as to details in the exercise of its powers with respect thereto, it will be required, under the terms of the Indenture, to follow any specific directions given by the holders of a majority in principal amount of the Series 1996 Warrants at the time outstanding, unless the observance of such directions would, in the opinion of the Trustee, unjustly prejudice any nonassenting warrant holders.

Supplemental Indentures

The Indenture will permit the Authority and the Trustee, without the consent of or notice to any warrant holders, to enter into supplemental indentures (which will become a part of the Indenture) for the purpose of adding further covenants and agreements on the part of the Authority, curing ambiguities, defects or inconsistent provisions, and subjecting additional property and the revenues therefrom to the lien of the Indenture. The Indenture will also permit the Authority and the Trustee to enter into other supplemental indentures, with the written consent of the holders of a majority in principal amount of the Series 1996 Warrants then outstanding thereunder, except that, without the written consent of the holder of each Series 1996 Warrant affected, the Authority and the Trustee may not enter into any supplemental indenture that has the effect of reducing the principal amount of, the rate of interest on, or the premium payable upon the redemption of, any Series 1996 Warrant. Moreover, without the written consent of the holders of all the Series 1996 Warrants then outstanding under the Indenture, the Authority and the Trustee will not be permitted to enter into any supplemental indenture permitting the extension of the maturity of any installment of principal of or interest on any Series 1996 Warrant, a reduction in principal amount or a postponement in the redemption date of any Series 1996 Warrants required to be

redeemed prior to the stated maturities thereof pursuant to any mandatory redemption provisions applicable to such Series 1996 Warrants, the creation of a lien or charge on the Project or on the revenues therefrom ranking prior to or on a parity with the Indenture, the establishment of preferences or priorities as between Series 1996 Warrants, or a reduction in the aggregate principal amount of Series 1996 Warrants the holders of which are required to consent to such supplemental indenture.

Amendment of the Lease

The Indenture will permit the County and the Authority, with the written consent of the Trustee but without the consent of or notice to any warrant holders, to amend the Lease for the purpose of substituting or adding property subject to the demise thereof, curing ambiguities, defects or inconsistent provisions, or making provision with respect to matters arising under the Lease for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of the Lease or the Indenture and do not, in the judgment of the Trustee, adversely affect the interest of the warrant holders. The Indenture will also permit the County and the Authority, with the written consent of the Trustee and the holders of a majority in principal amount of the Series 1996 Warrants then outstanding thereunder, to amend the Lease to such extent as shall be deemed necessary or desirable by the Authority and the County, except that, without the written consent of the holders of all the Series 1996 Warrants then outstanding under the Indenture, no such amendment with respect to the Lease shall permit a reduction in the amount of Basic Rent payable under the Lease [other than a reduction resulting from, and directly proportional to, a reduction in the amounts required for payment of the principal of or the interest or premium (if any) on the Warrants], any change in the due dates of the installments of Basic Rent, or any other change that, in the sole judgment of the Trustee, might adversely affect the interests of the warrant holders.

The Trustee

In the Indenture the Trustee will agree to perform the duties required of it therein, either expressly or by reasonable implication, but the Trustee will not be liable under the Indenture except for its noncompliance with the provisions thereof, its willful misconduct or its gross negligence.

The Authority's obligation to pay the expenses incurred by the Trustee and the advances made by it in the performance of its duties under the Indenture, as well as reasonable compensation for the Trustee's services, will be secured by the Indenture, and the payment of such expenses, advances and compensation will be given priority in the Indenture over the payment of the principal of and the interest and premium (if any) on the Series 1996 Warrants.

The Indenture will permit the Trustee, upon written notice to the Authority and the holders of the Warrants, to resign and be discharged of the trusts created thereby. Any successor Trustee shall be a bank or trust company authorized to administer trusts and having combined capital, surplus and undivided profits of at least \$100,000,000.

Defeasance of the Indenture

The Indenture will provide that it may be cancelled and satisfied of record upon the deposit with the Trustee of cash sufficient to provide for full payment of all the Series 1996 Warrants then

outstanding thereunder, including the interest that will mature thereon until such payment. In addition, any of the Series 1996 Warrants may, for purposes of the Indenture, be considered as fully paid upon the execution by the Authority and the Trustee of an appropriate trust agreement under which there shall be deposited, for payment or redemption of such Series 1996 Warrants and for payment of the interest to mature thereon until maturity or redemption, Federal Securities or any combination of cash and Federal Securities which, together with the income anticipated to be derived from such securities, will produce moneys sufficient to provide for the payment, redemption and retirement of such Series 1996 Warrants. For purposes of said trust agreement, Federal Securities shall have the meaning given to such term in the section hereof captioned "Investment of Funds" under "THE INDENTURE."

Further conditions precedent to any of the Series 1996 Warrants being considered "paid" as a result of the effectuation of any such trust agreement are (i) that there shall have theretofore been adopted all necessary proceedings relating to the redemption of any Series 1996 Warrants that are required to be redeemed prior to their respective maturities, (ii) that the Trustee shall have been furnished with an opinion of nationally recognized bond counsel to the effect that the effectuation of any such trust agreement will not result in the interest on any of the Series 1996 Warrants that are to be paid pursuant to such trust agreement becoming includible in gross income for purposes of federal income taxation, and (iii) that the Trustee shall have been furnished a certificate of a firm of certified public accountants stating that the trust fund established by such trust agreement will produce moneys sufficient to provide for the full payment and retirement of such Series 1996 Warrants.

When any of the Series 1996 Warrants are considered "paid" under the conditions described above, they shall no longer be secured by or entitled to the benefit of the Indenture (except for the right to have the moneys held for their benefit applied to the payment of the principal thereof and the interest and premium, if any, thereon), nor will the holders of such Series 1996 Warrants (or the Trustee on their behalf) thereafter have any rights whatever against the County under the Lease, even though for some reason moneys for the payment of the principal of and the interest and premium (if any) on such Series 1996 Warrants may not be available on the respective due dates thereof.

Should any of the Series 1996 Warrants not be presented for payment when due, the Trustee will be required, subject to the provisions of any applicable escheat or other similar law, to retain and set aside in the Warrant Fund (but separate and apart from the other moneys therein) a sum of money sufficient to pay such Series 1996 Warrants when the same shall be presented (upon which sum the Trustee shall not be required to pay interest and which the Trustee may not invest). All liability of the Authority to the holders of such Series 1996 Warrants and all rights of such holders against the Authority under such Series 1996 Warrants or under the Indenture shall thereupon cease and terminate, and the sole right of such holders shall thereafter be against such deposit.

LITIGATION

On or about December 23, 1993, a class action was filed against the County in the United States District Court for the Northern District of Alabama, Randy Terrell, etc., et al. v. Tommy Herring, etc., et al., Civil Action No. 93-B-2690-J. The class representatives were six inmates of the Walker County Jail who challenged the conditions of confinement at the existing County jail. Pursuant to a consent order entered by the Court, the County is enjoined to "secure funding for the building and operation of a new jail facility." The consent order provides that "if the defendants do not begin construction of the new jail

within six (6) months of April 1, 1995, the plaintiffs may reopen this case and seek additional relief." Proceeds of the Series 1996 Warrants will be used to finance costs of acquiring, constructing and equipping a jail facility for use and occupancy by the County as a new County jail in accordance with the Court's order.

There is no litigation pending or, to the knowledge of the Authority, threatened, contesting the validity of the Series 1996 Warrants or relating to the organization of the Authority, the right of the Authority to construct or finance the Project, the incumbency of any of the Authority's officers, or the issuance or sale of the Series 1996 Warrants. Simultaneously with the delivery of the Series 1996 Warrants, the Authority will deliver a certificate to the effect that no such litigation is pending or, to the knowledge of the Authority, threatened.

UNDERWRITING

The Series 1996 Warrants are to be purchased by Blount Parrish & Roton, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase all (but not less than) the Series 1996 Warrants for a purchase price of \$12,453,125 (which price reflects an underwriting discount of \$344,000 and an original issue discount of \$222,875) plus accrued interest on the Series 1996 Warrants from their date to the date of payment and delivery thereof. The initial public offering prices set forth on the cover hereof may be changed by the Underwriter. The Underwriter may offer and sell the Series 1996 Warrants to certain dealers (including dealers depositing Series 1996 Warrants in investment trusts) and others at prices lower than the public offering prices set forth on the cover page.

APPENDICES

The Appendices to this Official Statement contain information which should be carefully considered prior to making an investment decision. Each such Appendix is an integral part of this Official Statement and should be read in its entirety.

The Appendices include:

- Appendix A: County Demographic Information
- Appendix B: Financial Information Regarding the County
- Appendix C: Audited Financials Statements of the County for the Fiscal Year Ended September 30, 1994, Unaudited Financial Statements of the County for the Fiscal Years Ended September 30, 1995 and 1996
- Appendix D: Proposed Opinion of Bond Counsel

TAX EXEMPTION

In the opinion of Haskell Slaughter & Young, L.L.C., Birmingham, Alabama, Bond Counsel, interest on the Series 1996 Warrants will be excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions, except as set forth hereinbelow. In the opinion of Bond Counsel, interest on the Series 1996 Warrants will be exempt from income taxation by the State of Alabama under existing statutes.

Prospective purchasers of the Series 1996 Warrants should be aware of the provision included in the Internal Revenue Code of 1986, as amended (the "Code"), which requires that interest on the Series 1996 Warrants received by a corporation (as defined for federal income tax purposes) be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Also, the interest on the Series 1996 Warrants will be subject to the environmental tax imposed on corporations and, in the case of United States branches of foreign corporations, the branch profits tax imposed by the Code. Prospective purchasers of the Series 1996 Warrants should also be aware of the provision included in the Code which will require property and casualty insurance companies owning Series 1996 Warrants to reduce their loss reserve deduction by 15% of the interest received or accrued on the Series 1996 Warrants.

Furthermore, prospective purchasers of the Series 1996 Warrants should recognize that interest on the Series 1996 Warrants may become subject to federal income taxation from the date of issuance in the event that the Authority fails to satisfy certain requirements imposed by the Code respecting (i) limitations on the use of Series 1996 Warrant proceeds in the trade or business of, or to make or finance loans to, persons other than governmental units, (ii) restrictions on investment earnings on proceeds of the Series 1996 Warrants and (iii) the rebate to the federal government of certain arbitrage profits. The Authority has covenanted that it will not take, or omit to take, any action lawful and within its power to take, if such action or omission would cause interest on any Series 1996 Warrant to become subject to federal income taxes in addition to those federal income taxes to which interest on such Series 1996 Warrant is subject on the date of original issuance thereof.

Prior to enactment of the Code, financial institutions (including commercial banks) generally were permitted to invest deposited funds in tax-exempt obligations, while continuing to deduct interest paid to depositors. In general, the Code denies financial institutions 100% of interest deductions that are allocable to tax-exempt obligations acquired on or after August 8, 1986.

Although interest on the Series 1996 Warrants will be excluded from gross income for federal income tax purposes as discussed in the preceding paragraphs, the Social Security Amendments of 1983 provide that, under certain circumstances, receipt of such tax-exempt interest could subject to federal income taxation a portion of Social Security or railroad retirement benefits received by a warrant holder that would not otherwise be taxable. A prospective purchaser of the Series 1996 Warrants should consult his personal tax advisor in this regard in connection with his decision to purchase any of the Series 1996 Warrants.

LEGAL MATTERS

The legality and validity of the Series 1996 Warrants will be approved by Haskell Slaughter & Young, L.L.C., Bond Counsel, of Birmingham, Alabama, whose approving opinion will be delivered with such warrants. Said law firm's employment as Bond Counsel in connection with the issuance of the Series 1996 Warrants is limited to the preparation of certain legal documents and supporting certificates, to a review of the transcript of proceedings by which the Series 1996 Warrants have been authorized to be issued and to the issuance of an approving opinion in conventional form relating solely to the validity of the Series 1996 Warrants, to the legal security for their payment, to the exemption of interest on the Series 1996 Warrants from income taxation by the State of Alabama and to the exclusion of such interest from gross income for purposes of federal income taxation. Certain legal matters will be passed upon for the Authority by its counsel, Maddox, MacLaurin, Nicholson & Thornley, Attorneys at Law of Jasper, Alabama.

RATINGS

The Authority has not applied to any rating agency for a rating of the Series 1996 Warrants, and the Series 1996 Warrants therefore will not be rated by any such rating agency at the time of their issuance.

CONTINUING DISCLOSURE

The Authority and the County have each covenanted, for the benefit of holders of the Series 1996 Warrants, to provide certain annual financial information and operating data relating to the Authority and the County, respectively (the "Annual Reports"), within six months after the end of each fiscal year of the Authority and the County, to provide audited financial statements for the Authority and the County, respectively (if and when any such financial statements become available), and to provide notices of the occurrence of certain events specified in Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Specified Events"), if deemed by the Authority and the County to be material to holders of the Series 1996 Warrants.

The Annual Reports of the Authority shall include certain annual financial information and operating data relating to the Authority updating the financial information and operating data relating to the Authority that is presented in this Official Statement, to the extent necessary and appropriate, in the judgement of the Authority, to disclose material changes in such information. The Annual Reports of the County shall include certain annual financial information and operating data relating to the County updating the financial information and operating data relating to the County that is presented in this Official Statement, to the extent necessary and appropriate, in the judgement of the County, to disclose material changes in such information, including in any event an update of the information under the heading "SOURCES OF PAYMENT OF COUNTY LEASE OBLIGATIONS" and the heading "Summary of Sources and Uses of County Revenues" in Appendix B hereto. The Authority and the County may, solely as a matter of administrative convenience, provide the Annual Reports in a format

that includes other information in addition to the financial information and operating data described in the preceding sentence, it being understood that any such provision of any such additional information one year shall not result in an obligation to provide such additional information in any subsequent year.

The Specified Events currently include the following:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or failure of any such provider to perform;
- (6) Adverse tax opinions or events affecting the tax-exempt status of the Series 1996 Warrants;
- (7) Modifications to rights of holders of Series 1996 Warrants;
- (8) Calls for redemption of any of the Series 1996 Warrants;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Series 1996 Warrants; and
- (11) Rating changes.

The Annual Reports and audited financial statements (if any) of the Authority and the County will be filed by the Authority and the County, respectively, with each nationally recognized municipal securities information repository and with the appropriate state information depository (if any such state depository exists). The notices of Specified Events will be filed by the Authority and the County, in a timely manner, with each nationally recognized municipal securities information repository or with the Municipal Securities Rulemaking Board and with the appropriate state information depository (if any such state depository exists). At this time no state information depository has been established in Alabama, and the Authority and the County have no knowledge of any plans for the establishment of such a depository.

The foregoing covenants of the Authority and the County have been made for the express purpose of complying with the requirements of the aforesaid Rule 15c2-12 and shall be deemed to be revised and amended if and to the extent that the pertinent provisions of said Rule are hereafter amended. Such covenants, and the Authority and the County's obligations pursuant thereto, shall automatically terminate (a) upon the payment in full of all of the Series 1996 Warrants or (b) when all of the Series 1996 Warrants shall be deemed to be paid within the meaning of the Indenture and the pledge of the Indenture for the payment of the Series 1996 Warrants has been discharged and satisfied.

Any Holder of a Series 1996 Warrant may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority and the County to comply with their covenants respecting continuing disclosure. Under the provisions of the respective written continuing disclosure undertakings of the Authority and the County, the sole remedy available in the event of a failure to comply with such covenants shall be an action to compel performance.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

References herein to legislative acts are intended to be only brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof.

The execution and delivery of this Official Statement on behalf of the Authority and the

distribution and use thereof by the Underwriter for the purpose of making a public offering of the Series 1996 Warrants have been duly authorized by the Authority.

THE WALKER COUNTY PUBLIC BUILDING AUTHORITY

By /s/ J. Howard Graham
President

APPENDIX A

COUNTY DEMOGRAPHIC INFORMATION

General Information

Walker County is a political subdivision of the State of Alabama. The County is located in the Northwest section of the State of Alabama, and has an area of 803 square miles. The County shares common boundaries with Winston County and Cullman County to the north, Fayette County and Marion County to the west, Tuscaloosa County to the south and Jefferson County and Blount County to the east.

The principal municipality of the County is the City of Jasper, which is the county seat. Jasper is located within 40 miles of Cullman in Cullman County, within 40 miles of Birmingham in Jefferson County and within 60 miles of Tuscaloosa in Tuscaloosa County. The County is traversed by U. S. Highway 78 and Alabama Highways 4, 69, and 18. The County is served by Greyhound Bus line and by the Seaboard System railroad. A state-licensed airport is operated in Jasper. The major industrial product of the County is coal.

Population

The following table sets forth certain historical population statistics from the U.S. Census Bureau relating to the County:

<u>Census Year</u>	<u>Population of Walker County</u>	<u>Percent Change</u>
1970	56,246	
1980	68,660	22.07%
1990	67,670	(1.44%)

The following table sets forth certain historical population statistics from the U.S. Census Bureau relating to Jasper, which is the principal municipality in the County:

<u>1970</u>	<u>1980</u>	<u>1990</u>
10,798	11,894	13,552

Source: U. S. Department of Commerce, Bureau of the Census

Economy

Income Level. Two basic measures of annual income include: (a) per capita income, which is the total income of all families and individuals in a given area divided by the total population of the area and (b) median family income, above and below which are an equal number of family incomes. The

following tables set forth certain information regarding comparative estimated per capita income and estimated median family income levels in the County and the State of Alabama.

Per Capita Income

The estimated per capital income for Walker County and the State of Alabama has been as follows for the periods indicated:

<u>Area Measured</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Walker County	\$ 13,479	\$ 14,313	\$ 14,904
State	13,950	14,875	15,590

Source: Economic Abstract of Alabama 1995.

Median Family Income

The estimated median family income for Walker County and the State of Alabama has been as follows for the periods indicated:

<u>Area Measured</u>	<u>1990</u>	<u>1980</u>	<u>1970</u>
Walker County	\$ 25,322	\$ 15,831	\$ 6,317
State	28,688	16,353	7,266

Source: Alabama County Data Book 1992-93.

Percent Below Poverty Level

<u>Area Measured</u>	<u>1990</u>	<u>1980</u>	<u>1970</u>
Walker County	14.2%	13.8%	23.6%
State of Alabama	14.3%	14.8%	20.7%

Source: General Social & Economic Characteristics, U.S. Census of Population, 1970, 1980, 1990, Bureau of the Census.

Employment. The following table sets forth certain information regarding employees (persons employed by place of work) by major industry in the County for the periods shown:

<u>Employment by place of work</u>	<u>1986</u>	<u>1991</u>
Total employment	23,523	24,672
<u>By type:</u>		
Wage and salary	19,416	20,121
Proprietors	4,107	4,551
Farm	662	582
Nonfarm	3,445	3,969
<u>By industry:</u>		
Farm	800	728
Nonfarm	22,723	23,944
Private	19,479	20,621
Ag. serv., for., fish, and other	235	182
Mining	2,853	2,187
Construction	848	1,063
Manufacturing	3,477	3,160
Transportation and public utilities	1,731	1,624
Wholesale trade	532	656
Retail trade	4,277	5,136
Finance, insurance, and real estate	900	1,038
Services	4,626	5,575
Government and government enterprises	3,244	3,323
Federal, civilian	193	199
Military	607	581
State and local	2,444	2,543

Source: Economic Abstract of Alabama 1995.

Annual Average Labor Force Estimates

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
CIVILIAN LABOR FORCE	29,570	29,270	29,870	29,330
Employment*	26,990	26,140	26,530	26,270
Wage & Salary**	19,030	18,490	18,600	18,500
Goods Producing	6,140	5,600	5,310	4,930
Manufacturing	3,060	2,770	2,580	2,340
Servicing Producing	12,890	12,890	13,280	13,570
Unemployment	2,580	3,130	3,340	3,060
Rate***	8.7	10.7	11.2	10.4

* Place of residence basis.

** Place of work basis. Components may not add due to rounding.

*** Rate computed on unrounded data.

Source: U.S. Department of Labor, Bureau of Labor Statistics, and Alabama Department of Industrial Relations, *Annual Average Labor Force Estimates*, 1990-1993.

Unemployment

Comparative average annual unemployment figures for the periods shown for Walker County, the State of Alabama, and U.S. national average are as follows:

<u>Calendar Year</u>	<u>Walker County</u>	<u>State of Alabama</u>	<u>U.S. National Average</u>
1990	8.7%	6.8%	5.5%
1991	10.7	7.2	6.7
1992	11.2	7.3	7.4
1993	10.4	7.5	6.8

Source: U.S. Department of Labor, Bureau of Labor Statistics, and Alabama Department of Industrial Relations.

Major Employers. The following table sets forth certain information with respect to certain of the major employers in the County as of 1992:

<u>Industry</u>	<u>Product</u>	<u>Employees</u>
A.J. Taft Coal Company	Coal	100
Southeast Wood	Wood Chips	102
Shades Crest Nursing Home	Healthcare	102
South Care Nursing Home	Healthcare	108
Alabama Dept. of Human Resources	Government	108
Ridgeview Nursing Home	Healthcare	112
Walker State Technical College	Education	123
Burton Golf Bag	Manufacturing	128
Bruno's	Groceries	237
National Apparel	Textiles	362
Gold Kist	Feed Mill	457
Alabama Power Company	Electric Utility	613
Walker Regional Hospital	Healthcare	776
Drummond Coal Company	Coal	1,642

Source: Jasper Area Chamber of Commerce

Taxable Retail Sales by Kind of Business (Thousands of Dollars)

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Food	\$ 78,517	\$ 85,015	\$ 87,856	\$ 83,000	\$ 81,604
General Merchandise	52,875	60,039	64,588	58,182	63,173
Apparel	16,182	15,914	16,324	15,795	15,039
Furniture	12,649	12,682	13,764	13,986	14,348
Automotive	89,401	90,894	85,598	88,897	104,112
Gas Service Stations	6,409	8,386	9,815	9,496	10,016
Hardware and Lumber	26,451	29,207	26,240	39,096	42,787
Eating Places	21,984	19,917	20,267	30,893	34,132
Miscellaneous Retail	29,532	27,822	27,706	27,801	28,068
Nonretail and Unclassified	<u>52,825</u>	<u>57,205</u>	<u>54,367</u>	<u>48,374</u>	<u>51,536</u>
Total Sales	\$386,825	\$407,801	\$406,525	\$415,520	\$444,815

Source: Economic Abstract of Alabama 1995.

General Housing Characteristics

The following table presents comparative general housing characteristics for Walker County:

	<u>1990</u>
Total Housing Units	28,427
Total Occupied Units	25,554
Total Owner Occupied Units	20,258
Median Value of Owner Occupied Units	\$ 42,100

Source: 1990 Census of Population and Housing, Bureau of the Census, United States Department of Commerce.

Ad Valorem Taxation in Walker County

The total assessed valuation of the taxable property in the County for the last two fiscal years has been as follows:

<u>Fiscal Year Ending September 30</u>	<u>Total Assessed Valuation</u>
1995	\$ 280,669,700
1996	289,776,100

Variations in the assessed valuation of taxable property in the County as shown above reflect the results of certain reappraisals of the assessed value of such property undertaken in the County in recent fiscal years.

Source: Department of Examiners of Public Accounts

**Total Ad Valorem Tax Rate on Property
in Walker County**

<u>Tax Rate</u>	<u>Mills</u>
STATE:	
General	2.5
Soldiers and Historical Commission	1.0
Schools	<u>3.0</u>
Total State Tax Rate	6.5
COUNTY:	
General	6.0
Road & Bridge	3.0
School-County-Wide	5.0
School-District	<u>3.0</u>
Total County Tax Rate	17.0
Total Tax Rate	<u>23.5</u> mills

The following table sets forth certain information with respect to certain of the largest ad valorem taxpayers in the County:

<u>Taxpayer</u>	<u>Ad Valorem Taxes Paid Fiscal Year 1995-96</u>
1. Alabama Power Co.	\$ 2,349,877.98
2. Drummond Coal	495,062.86
3. BellSouth	271,089.00
4. Wal-Mart	71,163.20
5. Jasper Mall	49,129.60
6. Simmons Agency	40,156.98
7. Kilgore Realty	26,516.00
8. John Crump	24,598.72
9. J & E Land Co.	21,534.40
10. Jasper Motel	17,362.40

Source: Revenue Commissioner of Walker County

Education

The following table sets forth information concerning the educational levels of Walker County residents and Alabama residents over 24 years of age:

<u>Area</u>	<u>High School Graduates</u> <u>1990</u>	<u>College Graduates</u> <u>1990</u>
Walker County	56.0%	7.2%
State of Alabama	66.9	15.7

Source: 1990 Census of Population; Economic Abstract of Alabama 1995.

Motor Vehicle Registration

The following table sets forth certain information concerning motor vehicle registration:

<u>Area</u>	<u>Total</u> <u>Population</u> <u>1990</u>	<u>Motor Vehicle</u> <u>Registration</u> <u>1992</u>	<u>Person</u> <u>Per</u> <u>Vehicle</u>
Walker County	67,670	76,158	0.89
State of Alabama	4,040,587	4,067,401	0.99

Source: Alabama Department of Transportation, Bureau of State Planning.

APPENDIX B

**FINANCIAL INFORMATION REGARDING
THE COUNTY**

**Summary of Sources and Uses of
County Revenues**

The principal sources of revenue for the County are property taxes, sales and use taxes, charges for services provided by the County, certain tax revenues collected by the State and allocated to the County, and federal grants. County moneys are expended to pay the operating expenses of the County, debt service on the County's debt and the costs of capital improvements. The following table summarizes the revenues and expenditures of all governmental funds of the County for the three most recent fiscal years.

	Fiscal Year Ended September 30,		
	<u>1994</u>	<u>1995*</u>	<u>1996*</u>
<u>Revenues</u>			
Taxes	\$ 5,283,525	\$ 5,100,652	\$ 5,243,749
Licenses and Permits	90,548	81,815	77,547
Intergovernmental Revenues	4,217,541	3,868,801	4,102,114
Charges for Services	1,447,481	1,591,906	1,732,029
Fines and Forfeitures	22,712	30,858	60,920
Miscellaneous Revenue	720,221	752,727	897,128
Loan Proceeds	<u>0</u>	<u>0</u>	<u>675,374</u>
Total Revenues	<u>\$ 11,782,028</u>	<u>\$ 11,426,759</u>	<u>\$ 12,788,861</u>
<u>Expenditures</u>			
General Government	\$ 2,768,869	\$ 2,732,346	\$ 3,103,747
Public Safety	1,878,832	2,185,899	2,605,418
Highways and Roads	3,849,538	4,086,558	4,473,747
Sanitation	1,526,197	698,686	791,004
Health	106,061	106,437	102,211
Welfare	105,755	103,169	42,368
Culture and Recreation	28,697	85,026	30,940
Capital Outlay	627,224	526,843	805,294
Debt Service	<u>709,688</u>	<u>643,056</u>	<u>1,041,321</u>
Total Expenditures	<u>\$ 11,600,861</u>	<u>\$ 11,168,020</u>	<u>\$ 12,996,050</u>
Excess of Revenues Over/ (Under) Expenditures	\$ 181,167	\$ 258,739	\$ (207,189)

* Unaudited

	Fiscal Year Ended September 30,		
	<u>1994</u>	<u>1995*</u>	<u>1996*</u>
<u>Other Financing Sources/Uses</u>			
Operating Transfers In	\$ 2,547,452	\$ 2,190,055	\$ 2,681,751
Operating Transfers Out	(2,547,452)	(2,190,055)	(2,549,490)
Proceeds from Warrant Issue	2,629,950	0	0
Payment to refund Warrants	(1,953,303)	0	0
Other	(155)	35,044	(22,604)
Total	\$ 676,492	\$ 35,044	\$ 109,657
 Excess Revenues and Other Sources Over/Under Expenses	 \$ 857,659	 \$ 293,783	 \$ (97,532)
 Fund Balance - October 1	 \$ 3,094,926	 \$ 3,744,528	 \$ 3,968,221
 Fund Balance - September 30	 \$ 3,952,585	 \$ 4,038,311	 \$ 3,870,689

* Unaudited

County Debt

The principal forms of indebtedness that the County is authorized to incur include general obligation bonds, general obligation warrants, general obligation bond anticipation notes, special or limited obligation warrants and various revenue anticipation bonds and warrants relating to enterprises. In addition, the County has the power to enter into certain leases which constitute a charge upon the general credit of the County. Under existing law, the County may issue general obligation bonds only after a favorable vote of the electorate of the County. General and special obligation warrants issued for certain specified purposes may be issued without voter approval.

The County Financial Control Act generally prohibits the issuance of warrants by counties unless at the time of such issuance funds are available for their payment. Act No. 83-75 enacted at the 1983 First Special Session of the Legislature of Alabama, as amended by Act No. 83-921 of the 1983 Fourth Special Session of the Legislature of Alabama (such acts being codified as §§11-28-1 through 11-28-7, inclusive, of Code of Alabama 1975), as well as certain other statutes authorizing Alabama counties to issue general and special obligation warrants for certain specified capital and other similar purposes, expressly negate the application of the County Financial Control Act to such warrants. With certain minor and narrow exceptions, however, Alabama counties may not incur long-term debt for payment of current operating expenses, and the County Financial Control Act has the practical effect of prohibiting deficit financing for current operations.

Existing Debt

Following the issuance of the Series 1996 Warrants, all indebtedness of the County (apart from current liabilities incurred in the regular and ordinary operations of the County) will consist of the following outstanding obligations of the County:

<u>Outstanding Obligations of the County</u>	<u>Principal Amount Outstanding as of the Issuance of the Series 1996 Warrants</u>
Public Building Tax Anticipation Warrants, dated August 1, 1991*	\$ 2,260,000
State Gasoline Tax Anticipation Warrants, dated September 15, 1993**	2,160,000

* The 1991 Warrants are payable solely out of the 2-1/2 Mill Road and Bridge and Building Tax, and therefore do not constitute general obligations of the County.

** The 1993 Warrants are payable solely from the County's share of the State Gasoline Tax, and therefore do not constitute general obligations of the County.

Constitutional Debt Limit

The Alabama Constitution provides that counties may not become indebted in an amount in excess of five percent (5%) of the assessed value of the property situated therein. The total assessed value of the property in the County as assessed for County taxation (giving effect to all applicable exemptions from such taxation) for the tax year for which taxes became due and payable on October 1, 1996, is \$289,776,100. Consequently, the constitutional debt limitation applicable to the County is \$14,488,805.

Under existing law, the amount of any indebtedness chargeable against the constitutional debt limit is reduced by the amount of any escrow or sinking fund held for the payment of such indebtedness. Indebtedness chargeable against the constitutional debt limit does not include obligations payable solely from the revenues derived from a project which was acquired with the proceeds of such obligations.

Computation of Legal Debt Margin

Assessed Value of Property Subject to County Taxes (including motor vehicles and giving effect to all applicable exemptions (as of September 30, 1996)	\$ 289,776,100
County debt limit (5% of assessed value)	\$ 14,488,805
Outstanding County debt	<u>-0-</u>
Legal Debt Margin	\$ 14,488,805

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APPENDIX C

**Audited Financial Statements of the County for the Fiscal Year Ended September 30, 1994,
Unaudited Financial Statements of the County for the Fiscal Years Ended September 30, 1995
and 1996**

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

WALKER COUNTY COMMISSION
WALKER COUNTY, ALABAMA
OCTOBER 1, 1992 THROUGH SEPTEMBER 30, 1994

Filed: MAR 08 1996

RONALD L. JONES
CHIEF EXAMINER

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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 Walker County Commission for the period October 1, 1992 through September 30, 1994.

SCOPE AND OBJECTIVES

This report encompasses audits of financial statements of the Walker County Commission and reviews of compliance by the Walker County Commission with applicable laws and regulations of the State of Alabama and federal financial assistance programs. The audits were conducted in accordance with generally accepted government auditing standards for financial audits. Objectives of these audits were to determine whether the financial statements present fairly the financial position and results of financial operations and whether the Walker 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 6); Notes to the Financial Statements; financial information supplemental to the basic financial statements (Exhibits 7 through 25); Schedules of Federal Financial Assistance (Exhibits 26 and 27), which detail federal assistance received and expended during the audit period; Schedules required by the Alabama Department of Economic and Community Affairs (Exhibits 28 through 38), 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 39) 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 the Audits of Financial Statements Performed in Accordance with Government Auditing Standards (Exhibit 40) - 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 41) - a report on the internal control structure made as part of the financial statement audits.

Single Audit Opinion on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs (Exhibit 42) - 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 43) - 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 Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions (Exhibit 44) - 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 45) - a schedule of 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 46) - a report on the internal controls used to administer federal financial assistance programs.

Auditee Response (Exhibit 47) - a response by the auditee on the results of the audits.

AUDIT COMMENTS

The Walker County Commission (the "Commission") operates under the provisions of Act Number 1067, Acts of Alabama 1973, as amended by Act Number 911, Acts of Alabama 1975, and Act Number 85-602, Acts of Alabama. The Commission is a five-member body which appropriates funds on an annual basis for the operation of all county offices and the four districts which maintain the county roads. The official actions of the Walker County Commission were recorded in the minutes of the meetings. The Commission properly adopts annual budgets as is required by statute.

AUDIT FINDINGS

At September 30, 1994, \$9,394.67 of the Commission's deposits were uninsured and uncollateralized.

As of September 30, 1994, the Hazardous Duty Fund had a deficit fund balance of \$769.40.

In accordance with Internal Revenue Service regulations, certain employees using county-owned vehicles in the course of their normal assigned functions are subject to a \$3.00 per day assessment to be included in the individual's gross wages reported on their W-2 form. Several individuals using county-owned vehicles were not assessed the \$3.00 per day.

STATUS OF PRIOR AUDIT FINDINGS

Findings in the prior audit that have not been substantially resolved are as follows:

In accordance with Generally Accepted Accounting Principles, revenues should be accrued when they are both "measurable and available". The Commission failed to properly accrue revenues in several funds, including funds used to account for federal financial assistance.

Under the modified accrual basis of accounting, expenditures and the related liabilities should be recorded when expenditures are incurred. The Commission failed to properly accrue expenditures and the related liabilities for the fiscal years ended September 30, 1994 and 1993. This failure resulted in a material understatement of both expenditures and liabilities.

SUMMARY OF FEDERAL COMPLIANCE AND INTERNAL CONTROL STRUCTURE

In accordance with the Narcotics Enforcement Team grant agreement, quarterly fiscal reports are due in the Alabama Law Enforcement Planning Office by the 15th day of the month following the end of the quarter. Numerous instances were noted where the reports were not filed until after the required due date.

A comparison was not made by the Commission of the reconciled bank balances maintained by the Walker County Treasurer and the book balances on the Commission's general ledger.

RECOMMENDATIONS

The Commission should maintain sufficient collateral to adequately secure its deposits.

The Commission should not incur deficit fund balances.

In order to comply with I.R.S. regulations, the Commission should include the \$3.00 daily assessment in gross wages reported to the Internal Revenue Service for employees using county-owned vehicles.

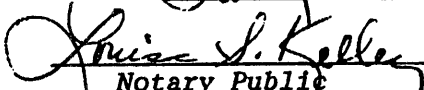
The Commission should accrue revenues in all funds including any funds used to account for federal financial assistance.

The Commission should accrue expenditures and the related liabilities at the end of every fiscal year.

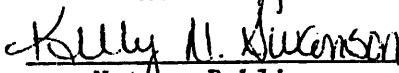
Grantee fiscal reports should be filed in a timely manner as specified in the grant agreement.

The Commission should perform a comparison of the reconciled bank balances maintained by the Walker County Treasurer and the book balances on the Commission's general ledger.

Sworn to and subscribed
before me this the 8
day of February, 1996.

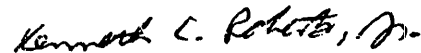

Notary Public

Sworn to and subscribed
before me this the 8
day of February, 1996.

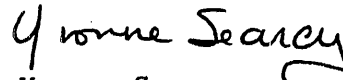

Notary Public

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Respectfully submitted,



Kenneth C. Roberts, Jr.
Examiner of Public Accounts



Yvonne Searcy
Examiner of Public Accounts

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying primary government financial statements of the Walker County Commission as of and for the years ended September 30, 1994 and 1993, listed in the table of contents as Exhibits 1 through 6. These financial statements are the responsibility of the Walker County Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide a reasonable basis for our opinion.

The Commission failed to accrue liabilities for accounts payable for the fiscal years ended September 30, 1994 and 1993. If the accruals had been made, expenditures and liabilities would have increased while fund equity would have decreased by at least \$73,071.92 at September 30, 1994 and \$23,596.48 at September 30, 1993.

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, except for the effects of the Commission's failure to accrue liabilities and the corresponding expenditures for accounts payables, the primary government financial statements present fairly, in all material respects, the financial position of the primary government, the Walker County Commission, as of September 30, 1994 and 1993, and the results of its operations for the years 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 Walker County, as discussed in Note 1, do not purport to, and do not, present fairly the financial position of Walker County, as of September 30, 1994 and 1993, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

Our audits were 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 7 through 25) and supplementary (Exhibits 26 through 38) information is presented for purposes of additional analysis and is not a required part of the primary government financial statements of the Walker County Commission. Such information has been subjected to the auditing procedures applied in the audits 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 Walker County Commission taken as a whole.



Ronald L. Jones
Chief Examiner

Department of Examiners of Public Accounts

September 22, 1995

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COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 1994

Exhibit #1

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash	\$ 58,295.11	\$ 2,083,725.12	\$ 46,510.42	\$ 172,717.75
Cash With Fiscal Agent				
Investments at Cost	232,627.47	1,029,816.37		
Accounts Receivable		122,682.62		
Due From Other Funds	25,466.62	8,223.04		
Due From Other Governmental Units		297,391.41		
Property and Rights Held Under				
Deferred Compensation Plan				
Land				
Buildings				
Equipment and Furniture				
Road Construction Equipment				
Motor Vehicles				
Amount Available in Debt Service Funds				
Amount to be Provided for Payment				
of Long-Term Debt				
TOTAL ASSETS	\$ 316,389.20	\$ 3,541,838.56	\$ 46,510.42	\$ 172,717.75
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Cash Deficit	\$	\$	\$	\$
Accounts Payable	17,140.06	74.25		
Due To Other Funds	4,199.21	5,939.50		75,846.95
Due To Other Governmental Units		7,834.40		
Short-Term Notes Payable	60,645.00			7,433.10
Deferred Revenue				
Obligations to Employees				
Under Deferred Compensation Plan	6,363.12			
Estimated Liability for Compensated Absences				
Long-Term Notes Payable				
Estimated Liability for Compensated				
Absences-Long Term				
Warrants Payable				
TOTAL LIABILITIES	88,347.39	13,848.15		83,280.05
FUND EQUITY				
Investment in General Fixed Assets			46,510.42	
Fund Balances:				
Reserved for Debt Service				89,437.70
Reserved for Trust Fund Requirements				
Unreserved	228,041.81	3,527,990.41		
TOTAL FUND EQUITY	228,041.81	3,527,990.41	\$ 46,510.42	\$ 89,437.70
TOTAL LIABILITIES AND FUND EQUITY	\$ 316,389.20	\$ 3,541,838.56	\$ 46,510.42	\$ 172,717.75

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 1994

Exhibit #1
Sheet #2

	Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only) Current Year
		General	General Long- Term Debt	
		Fixed Assets		
ASSETS				
Cash	\$ 913,903.83	\$		\$ 3,228,641.81
Cash With Fiscal Agent				46,510.42
Investments at Cost				1,262,443.84
Accounts Receivable	939.56			123,622.18
Due From Other Funds				33,689.66
Property and Rights Held Under Deferred Compensation Plan				297,391.41
Land				10,668.20
Buildings		1,170,543.00		1,170,543.00
Equipment and Furniture		7,278,900.08		7,278,900.08
Road Construction Equipment		8,702,858.27		8,702,858.27
Motor Vehicles		87,787.78		87,787.78
Amount Available in Debt Service Funds Amount to be Provided for Payment of Long-Term Debt		69,220.00	46,510.42	69,220.00 46,510.42
TOTAL ASSETS	\$ 925,511.59	\$ 17,309,309.13	\$ 5,323,022.45	\$ 5,276,512.03 27,635,299.10
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Cash Deficit	\$ 769.40	\$		\$ 769.40
Accounts Payable	59,350.23			76,564.54
Due To Other Funds	23,550.95			33,689.66
Due To Other Governmental Units	770,567.83			854,249.18
Short-Term Notes Payable				60,645.00
Deferred Revenue				7,433.10
Obligations to Employees	10,668.20			10,668.20
Under Deferred Compensation Plan			157,668.05	6,363.12
Estimated Liability for Compensated Absences				157,668.05
Long-Term Notes Payable			270,354.40	270,354.40
Estimated Liability for Compensated Absences-Long Term			4,895,000.00	4,895,000.00
Warrants Payable				
TOTAL LIABILITIES	864,906.61		5,323,022.45	6,373,404.65
FUND EQUITY				
Investment in General Fixed Assets		17,309,309.13		17,309,309.13
Fund Balances:				
Reserved for Debt Service				46,510.42
Reserved for Trust Fund Requirements	60,604.98			60,604.98
Unreserved				3,845,469.92
TOTAL FUND EQUITY	\$ 60,604.98	\$ 17,309,309.13	\$	\$ 21,261,894.45
TOTAL LIABILITIES AND FUND EQUITY	\$ 925,511.59	\$ 17,309,309.13	\$ 5,323,022.45	\$ 27,635,299.10

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

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended September 30, 1994

Walker County
Commission

	General	Governmental Fund Types			Capital Projects	Fiduciary Fund Types	Totals (Memorandum Only)
		Special Revenue	Debt Service			Expendable Trust	
REVENUES							
Taxes	\$ 2,423,613.10	\$ 2,847,550.76	\$	\$ 521.61	\$	11,839.07	\$ 5,283,524.54
Licenses and Permits	89,454.34					1,094.00	90,548.34
Intergovernmental	602,799.51	2,878,594.21					4,217,541.04
Charges for Services	848,605.04	547,448.06				51,428.12	1,447,481.22
Fines and Forfeitures	6,986.25	15,726.20					22,712.45
Miscellaneous	275,579.18	237,546.22	3,534.69			31,815.99	720,220.83
TOTAL REVENUES	4,247,037.42	6,526,865.45	3,534.69	908,413.68		96,177.18	11,782,028.42
EXPENDITURES							
Current:							
General Government	2,498,937.86	232,793.07				25,013.83	2,768,869.00
Public Safety	1,611,250.72	208,098.10				59,483.44	1,878,832.26
Highways and Roads		3,849,537.92					3,849,537.92
Sanitation	15,000.00	692,460.60					1,526,197.27
Health	106,060.51						106,060.51
Welfare	105,755.40						105,755.40
Culture and Recreation	28,213.48	484.00					28,697.48
Capital Outlay	65,445.39	559,013.33				934.00	627,224.22
Debt Service:							
Principal Retirement	884.41	105,362.05	310,000.00				415,362.05
Interest and Fiscal Charges		30,729.89	262,711.11				294,325.41
TOTAL EXPENDITURES	4,431,547.77	5,678,478.96	572,711.11	832,692.41		85,431.27	11,600,861.52
Excess (deficiency) of revenues over expenditures	(184,510.35)	848,386.49	(569,176.42)	75,721.27		10,745.91	181,166.90
OTHER FINANCING SOURCES (USES)							
Proceeds From Refunding Warrants		676,646.29	1,953,303.71				2,629,950.00
Operating Transfers In	553,139.21	1,427,949.44	565,363.61				2,547,452.26
Operating Transfers Out	(487,796.25)	(2,021,669.38)	(37,894.63)			(92.00)	(2,547,452.26)
Payments to Escrow Agent for Refunding Warrants			(1,953,303.71)				(1,953,303.71)
Other Uses	(154.23)						(154.23)
TOTAL OTHER FINANCING SOURCES (USES)	65,188.73	82,926.35	528,468.98	(92.00)			676,492.06
Excess (deficiency) of revenues over expenditures and other sources (uses)	(119,321.62)	931,312.84	(40,707.44)	75,629.27		10,745.91	857,658.96
Fund Balances at beginning of year	\$ 347,363.43	\$ 2,596,677.57	\$ 87,217.86	\$ 13,808.43	\$	\$ 49,859.07	\$ 3,094,926.36
Fund Balances at end of year	\$ 228,041.81	\$ 3,527,990.41	\$ 46,510.42	\$ 89,437.70	\$	\$ 60,604.99	\$ 3,952,585.32

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

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For the Fiscal Year Ended September 30, 1994

Walker County
Commission

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Taxes	\$ 2,255,500.00	\$ 2,423,613.10	\$ 168,113.10
Licenses and permits	42,600.00	89,454.34	46,854.34
Intergovernmental	655,543.00	602,799.51	(52,743.49)
Charges for Services	1,058,500.00	848,605.04	(209,894.96)
Fines and Forfeitures	10,000.00	6,986.25	(3,013.75)
Miscellaneous	233,293.00	275,579.18	42,286.18
TOTAL REVENUES	4,255,436.00	4,247,037.42	(8,398.58)
EXPENDITURES			
Current:			
General Government	2,542,828.00	2,498,937.86	43,890.14
Public Safety	1,660,692.00	1,611,250.72	49,441.28
Highways and Roads	15,000.00	15,000.00	(655.51)
Sanitation	105,405.00	106,060.51	9,982.60
Health	115,738.00	105,755.40	5,382.52
Welfare	33,596.00	28,213.48	(65,445.39)
Culture and Recreation		65,445.39	(884.41)
Capital Outlay		884.41	41,711.23
Debt Services:			
Principal Retirement			
Interest and Fiscal Charges			
TOTAL EXPENDITURES	4,473,259.00	4,431,547.77	33,312.65
Excess (deficiency) of revenues over expenditures	(217,823.00)	(184,510.35)	
OTHER FINANCING SOURCES (USES)			
Proceeds From Refunding Warrants			
Operating Transfers In	495,911.00	553,139.21	57,228.21
Operating Transfers Out	(278,088.00)	(487,796.25)	(209,708.25)
Payments to Escrow Agent for Refunding Warrants		(154.23)	(154.23)
Other Uses		65,189.73	(152,634.27)
TOTAL OTHER FINANCING SOURCES (USES)	217,823.00	65,189.73	(119,321.62)
Excess (deficiency) of revenues over expenditures and other sources (uses)	\$	\$ (119,321.62)	\$ 347,363.43
Fund Balances at beginning of year		347,363.43	
Fund Balances at end of year	\$	\$ 228,041.81	\$ 228,041.81

Walker County
Commission

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For the Fiscal Year Ended September 30, 1994

Exhibit #3
Sheet #2

	Budget	Special Revenue	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 2,849,164.00	\$ 2,847,550.76	\$ (1,613.24)
Licenses and Permits			438,014.21
Intergovernmental	2,440,580.00	2,878,594.21	122,448.06
Charges for Services	425,000.00	547,448.06	15,726.20
Fines and Forfeitures		15,726.20	122,546.22
Miscellaneous	115,000.00	237,546.22	697,121.45
TOTAL REVENUES	5,829,744.00	6,526,865.45	
EXPENDITURES			
Current:			
General Government	659,764.00	232,793.07	426,970.93
Public Safety	203,560.00	208,098.10	(4,538.10)
Highways and Roads	4,353,699.00	3,849,537.92	504,161.08
Sanitation	576,818.00	692,460.60	(115,642.60)
Health			
Welfare		484.00	(484.00)
Culture and Recreation	13,000.00	559,013.33	(546,013.33)
Capital Outlay			
Debt Service:	93,250.00	105,362.05	(12,112.05)
Principal Retirement	20,845.00	30,729.89	(9,884.89)
Interest and Fiscal Charges			
TOTAL EXPENDITURES	5,920,936.00	5,678,478.96	242,457.04
Excess (deficiency) of revenues over expenditures	(91,192.00)	848,386.49	939,578.49
OTHER FINANCING SOURCES (USES)			
Proceeds From Refunding Warrants		676,646.29	676,646.29
Operating Transfers In	1,372,597.00	1,427,949.44	55,352.44
Operating Transfers Out	(1,996,405.00)	(2,021,669.38)	(25,264.38)
Payments to Escrow Agent for Refunding Warrants			
Other Uses			
TOTAL OTHER FINANCING SOURCES (USES)	(623,808.00)	82,926.35	706,734.35
Excess (deficiency) of revenues over expenditures and other sources (uses)	\$ (715,000.00)	\$ 931,312.84	\$ 1,646,312.84
Fund Balances at beginning of year		2,596,677.57	2,596,677.57
Fund Balances at end of year	\$ (715,000.00)	\$ 3,527,990.41	\$ 4,242,990.41

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For the Fiscal Year Ended September 30, 1994

Walker County
Commission

	Budget	Actual	Debt Service	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$	\$		
Licenses and Permits				
Intergovernmental				
Charges for Services				
Fines and Forfeitures	5,005.00	3,534.69		(1,470.31)
Miscellaneous	5,005.00	3,534.69		(1,470.31)
TOTAL REVENUES				
EXPENDITURES				
Current:				
General Government				
Public Safety				
Highways and Roads				
Sanitation				
Health				
Welfare				
Culture and Recreation				
Capital Outlay				
Debt Service:				
Principal Retirement	135,000.00	310,000.00		(175,000.00)
Interest and Fiscal Charges	157,253.00	262,711.11		(105,458.11)
TOTAL EXPENDITURES	292,253.00	572,711.11		(280,458.11)
Excess (deficiency) of revenues over expenditures	(287,248.00)	(569,176.42)		(281,928.42)
OTHER FINANCING SOURCES (USES)				
Proceeds From Refunding Warrants				
Operating Transfers In				
Operating Transfers Out	292,248.00	1,953,303.71		1,953,303.71
Payments to Escrow Agent for Refunding Warrants		566,363.61		274,115.61
Other Uses		(37,894.63)		(37,894.63)
TOTAL OTHER FINANCING SOURCES (USES)	292,248.00	(1,953,303.71)		(1,953,303.71)
Excess (deficiency) of revenues over expenditures and other sources (uses)	\$ 5,000.00	\$ (40,707.44)		\$ (45,707.44)
Fund Balances at beginning of year		87,217.86		87,217.86
Fund Balances at end of year	\$ 5,000.00	\$ 46,510.42		\$ 41,510.42

WALKER COUNTY
COMMISSION

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For the Fiscal Year Ended September 30, 1994

	Capital Projects		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 521.61	\$ 521.61
Licenses and Permits			
Intergovernmental	750,000.00	736,147.32	(13,852.68)
Charges for Services			
Fines and Forfeitures	20,500.00	171,744.75	151,244.75
Miscellaneous	770,500.00	908,413.68	137,913.68
TOTAL REVENUES			
EXPENDITURES			
Current:			
General Government	20,500.00	12,124.24	8,375.76
Public Safety			
Highways and Roads	964,460.00	818,736.67	145,723.33
Sanitation			
Health			
Welfare			
Culture and Recreation		1,831.50	(1,831.50)
Capital Outlay			
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges			
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	984,960.00	832,692.41	152,267.59
	(214,460.00)	75,721.27	290,181.27
OTHER FINANCING SOURCES (USES)			
Proceeds From Refunding Warrants			
Operating Transfers In	155,018.00	(92.00)	(155,018.00)
Operating Transfers Out			
Payments to Escrow Agent for Refunding Warrants			
Other Uses			
TOTAL OTHER FINANCING SOURCES (USES)			
	155,018.00	(92.00)	(155,110.00)
Excess (deficiency) of revenues over expenditures and other sources (uses)	\$ (59,442.00)	\$ 75,629.27	\$ 135,071.27
		13,808.43	13,808.43
Fund Balances at beginning of year			
Fund Balances at end of year	\$ (59,442.00)	\$ 89,437.70	\$ 148,879.70

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

Walker County
Commission

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

Exhibit #4

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash	\$ 5,440.90	\$ 1,456,708.80	\$	\$ 53,886.35
Cash With Fiscal Agent				
Investments at Cost	316,402.12	817,152.67	87,217.86	
Accounts Receivable		98,585.47		
Due From Other Funds	43,384.15	21,310.79		
Due From Other Governmental Units		227,820.66		
Property and Rights Held Under Deferred Compensation Plan				
Land				
Buildings				
Equipment and Furniture				
Road Construction Equipment				
Motor Vehicles				
Amount Available in Debt Service Funds				
Amount to be Provided for Payment of Long-Term Debt				
TOTAL ASSETS	\$ 365,227.17	\$ 2,621,578.39	\$ 87,217.86	\$ 53,886.35
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Cash Deficit	\$	111.68	\$	\$
Accounts Payable		17,000.00		
Due To Other Funds	10,972.84	5,369.14		
Due To Other Governmental Units	6,890.90	2,420.00		40,077.92
Deferred Revenue				
Obligations to Employees				
Under Deferred Compensation Plan				
Long-Term Notes Payable				
Warrants Payable				
TOTAL LIABILITIES	17,863.74	24,900.82		40,077.92
FUND EQUITY				
Investment in General Fixed Assets			87,217.86	
Fund Balances:				
Reserved for Trust Fund Requirements	347,363.43	2,596,677.57		13,808.43
Reserved for Debt Service				
Unreserved	347,363.43	2,596,677.57	87,217.86	13,808.43
TOTAL FUND EQUITY	365,227.17	2,621,578.39	\$ 87,217.86	\$ 53,886.35
TOTAL LIABILITIES AND FUND EQUITY				

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

Walker County
Commission

Exhibit #4
Sheet #2

	Fiduciary Fund Types Trust and Agency	Account Groups		Totals	
		General Fixed Assets	General Long- Term Debt	(Memorandum Only) Current Year	
ASSETS					
Cash	\$ 793,452.43	\$	\$	\$	2,309,488.48
Cash With Fiscal Agent					87,217.86
Investments at Cost					1,133,554.79
Accounts Receivable	997.06				99,582.53
Due From Other Funds					64,694.94
Due From Other Governmental Units					227,820.66
Property and Rights Held Under					
Deferred Compensation Plan	9,669.23				9,669.23
Land					1,062,243.00
Buildings					5,778,900.08
Equipment and Furniture					8,292,240.46
Road Construction Equipment					37,200.00
Motor Vehicles			87,217.86		223,155.20
Amount Available in Debt Service Funds					87,217.86
Amount to be Provided for Payment			4,510,812.24		4,510,812.24
of Long-Term Debt					
TOTAL ASSETS	\$ 804,118.72	\$ 15,393,738.74	\$ 4,598,030.10	\$	23,923,797.33
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Cash Deficit	107.41	\$	\$	\$	219.09
Accounts Payable	57,835.65				57,835.65
Due To Other Funds	36,722.10				64,694.94
Due To Other Governmental Units	649,925.26				662,185.30
Deferred Revenue					42,497.92
Obligations to Employees					9,669.23
Under Deferred Compensation Plan	9,669.23		263,030.10		263,030.10
Long-Term Notes Payable			4,335,000.00		4,335,000.00
Warrants Payable					
TOTAL LIABILITIES	754,259.65		4,598,030.10		5,435,132.23
FUND EQUITY					
Investment in General Fixed Assets		15,393,738.74			15,393,738.74
Fund Balances:					
Reserved for Trust Fund Requirements	49,859.07				49,859.07
Reserved for Debt Service					87,217.86
Unreserved					2,957,849.43
TOTAL FUND EQUITY	49,859.07	15,393,738.74			18,488,665.10
TOTAL LIABILITIES AND FUND EQUITY	\$ 804,118.72	\$ 15,393,738.74	\$ 4,598,030.10	\$	23,923,797.33

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

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

	General	Special Revenue	Governmental Fund Types	Capital Projects	Fiduciary Fund Types	Totals (Memorandum Only)
			Debt Service		Expendable Trust	Current Year
REVENUES						
Taxes	\$ 2,367,646.67	\$ 2,548,183.59	\$	\$	12,491.81	\$ 4,928,322.07
Licenses and Permits	76,038.14				1,163.00	77,201.14
Intergovernmental	746,017.85	2,860,326.01		85,223.48		3,691,567.34
Charges for Services	763,840.26	435,069.45			53,819.57	1,252,729.28
Fines and Forfeitures		1,677.50				1,677.50
Miscellaneous	235,307.60	416,009.25	3,752.38	23,040.85	6,694.54	684,804.62
TOTAL REVENUES	4,188,850.52	6,261,265.80	3,752.38	108,264.33	74,168.92	10,636,301.95
EXPENDITURES						
Current:						
General Government	2,579,144.73	207,032.72		16,192.23	15,744.69	2,818,114.37
Public Safety	1,349,446.43	218,597.52			51,781.99	1,619,825.94
Highways and Roads		4,024,383.73				4,024,383.73
Sanitation	5,000.00	843,943.53		85,223.48		934,167.01
Health	84,938.66					84,938.66
Welfare	99,533.31	85.00				99,618.31
Culture and Recreation	29,224.48	484.00				29,708.48
Capital Outlay	87,321.24	250,464.04				337,785.28
Debt Service:						
Principal Retirement		162,225.40	265,000.00			427,225.40
Interest and Fiscal Charges		23,707.12	299,726.25			323,433.37
TOTAL EXPENDITURES	4,234,608.85	5,730,923.06	564,726.25	101,415.71	67,526.68	10,699,200.55
Excess (deficiency) of revenues over expenditures	(45,758.33)	530,342.74	(560,973.87)	6,848.62	6,642.24	(62,898.60)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	294,163.47	978,013.05	564,864.61	(1,161.40)		1,837,041.13
Operating Transfers Out	(745,578.29)	(1,090,301.44)				(1,837,041.13)
TOTAL OTHER FINANCING SOURCES (USES)	(451,414.82)	(112,288.39)	564,864.61	(1,161.40)		
Excess (deficiency) of revenues over expenditures and other sources (uses)	(497,173.15)	418,054.35	3,890.74	5,687.22	6,642.24	(62,898.60)
Fund Balances at beginning of year, As Restated (See Note 13)	844,536.58	2,178,623.22	83,327.12	8,121.21	43,216.83	3,157,824.96
Fund Balances at end of year	\$ 347,363.43	\$ 2,596,677.57	\$ 87,217.86	\$ 13,808.43	\$ 49,859.07	\$ 3,094,926.36

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

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For the Fiscal Year Ended September 30, 1993

Walker County
Commission

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Taxes	\$ 2,233,200.00	\$ 2,367,646.67	\$ 134,446.67
Licenses and Permits	50,000.00	76,038.14	26,038.14
Intergovernmental	560,100.00	746,017.85	185,917.85
Charges for Services	683,500.00	763,840.26	80,340.26
Fines and Forfeitures	6,000.00		(6,000.00)
Miscellaneous	370,915.23	235,307.60	(135,607.63)
TOTAL REVENUES	3,903,715.23	4,188,850.52	285,135.29
EXPENDITURES			
Current:			
General Government	2,437,552.80	2,579,144.73	(141,591.93)
Public Safety	1,626,692.56	1,349,446.43	277,246.13
Highways and Roads	5,000.00	5,000.00	
Sanitation	105,011.31	84,938.66	20,072.65
Health	70,788.00	99,533.31	(28,745.31)
Welfare	35,295.15	29,224.48	6,070.67
Culture and Recreation		87,321.24	(87,321.24)
Capital Outlay			
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges			
TOTAL EXPENDITURES	4,280,339.82	4,234,608.85	45,730.97
Excess (deficiency) of revenues over expenditures	(376,624.59)	(45,758.33)	239,404.32
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	374,524.07	294,163.47	(80,360.60)
Operating Transfers Out		(745,578.29)	(745,578.29)
TOTAL OTHER FINANCING SOURCES (USES)	374,524.07	(451,414.82)	(825,938.89)
Excess (deficiency) of revenues over expenditures and other sources (uses)	(2,100.52)	(497,173.15)	(499,273.67)
Fund Balances at beginning of year as Restated		844,536.58	844,536.58
Fund Balances at end of year	\$ (2,100.52)	\$ 347,363.43	\$ 345,262.91

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For the Fiscal Year Ended September 30, 1993

Walker County
Commission

	Budget	Actual	Special Revenue	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 2,440,000.00	\$ 2,548,183.59		\$ 108,183.59
Licenses and Permits	2,355,641.49	2,860,326.01		504,684.52
Intergovernmental	534,600.00	435,069.45		(99,530.55)
Charges for Services		1,677.50		1,677.50
Fines and Forfeitures	216,740.00	416,009.25		199,269.25
Miscellaneous				
	5,546,981.49	6,261,265.80		714,284.31
TOTAL REVENUES				
EXPENDITURES				
Current:				
General Government	207,890.00	207,032.72		857.28
Public Safety	186,270.00	218,597.52		(32,327.52)
Highways and Roads	4,092,223.94	4,024,383.73		67,840.21
Sanitation	673,305.20	843,943.53		(170,638.33)
Health				
Welfare		85.00		(85.00)
Culture and Recreation		484.00		(484.00)
Capital Outlay	83,183.41	250,464.04		(250,464.04)
Debt Service:				
Principal Retirement		162,225.40		83,183.41
Interest and Fiscal Charges		23,707.12		(162,225.40)
				(23,707.12)
	5,242,872.55	5,730,923.06		(488,050.51)
TOTAL EXPENDITURES				
Excess (deficiency) of revenues over expenditures	304,108.94	530,342.74		226,233.80
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	792,758.67	978,013.05		185,254.38
Operating Transfers Out	(1,067,356.13)	(1,090,301.44)		(22,945.31)
TOTAL OTHER FINANCING SOURCES (USES)				
Excess (deficiency) of revenues over expenditures and other sources (uses)	29,511.48	418,054.35		388,542.87
Fund Balances at beginning of year as Restated		2,178,623.22		2,178,623.22
Fund Balances at end of year	\$ 29,511.48	\$ 2,596,677.57		\$ 2,567,166.09

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For the Fiscal Year Ended September 30, 1993

Walker County
Commission

	Budget	Actual	Debt Service	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Licenses and Permits				
Intergovernmental				
Charges for Services				
Fines and Forfeitures				
Miscellaneous	5,005.00	3,752.38		(1,252.62)
TOTAL REVENUES	5,005.00	3,752.38		(1,252.62)
EXPENDITURES				
Current:				
General Government				
Public Safety				
Highways and Roads				
Sanitation				
Health				
Welfare				
Culture and Recreation				
Capital Outlay				
Debt Service:				
Principal Retirement	345,482.50	265,000.00		80,482.50
Interest and Fiscal Charges	221,696.25	299,726.25		(78,030.00)
TOTAL EXPENDITURES	567,178.75	564,726.25		2,452.50
Excess (deficiency) of revenues over expenditures	(562,173.75)	(560,973.87)		1,199.88
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	562,173.75	564,864.61		2,690.86
Operating Transfers Out				
TOTAL OTHER FINANCING SOURCES (USES)	562,173.75	564,864.61		2,690.86
Excess (deficiency) of revenues over expenditures and other sources (uses)				
Fund Balances at beginning of year as Restated		3,890.74		3,890.74
		83,327.12		83,327.12
Fund Balances at end of year		\$ 87,217.86		\$ 87,217.86

Walker County
Commission

Exhibit #6
Sheet #4

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES
For the Fiscal Year Ended September 30, 1993

	Budget	Capital Projects	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes			
Licenses and Permits		85,223.48	85,223.48
Intergovernmental			
Charges for Services		23,040.85	2,540.85
Fines and Forfeitures	20,500.00		
Miscellaneous	20,500.00	108,264.33	87,764.33
TOTAL REVENUES			
<u>EXPENDITURES</u>			
Current:			
General Government		16,192.23	4,307.77
Public Safety			
Highways and Roads	20,500.00	85,223.48	(85,223.48)
Sanitation			
Health			
Welfare			
Culture and Recreation			
Capital Outlay			
Debt Services:			
Principal Retirement			
Interest and Fiscal Charges			
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	20,500.00	101,415.71	(80,915.71)
		6,848.62	6,848.62
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In		(1,161.40)	(1,161.40)
Operating Transfers Out		(1,161.40)	(1,161.40)
TOTAL OTHER FINANCING SOURCES (USES)			
Excess (deficiency) of revenues over expenditures and other sources (uses)		5,687.22	5,687.22
Fund Balances at beginning of year as Restated		8,121.21	8,121.21
Fund Balances at end of year		13,808.43	13,808.43

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

Walker County
Commission

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended September 30, 1994 and 1993

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Walker 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 Walker 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 Walker County Commission: the Walker County Judge of Probate, Sheriff and Revenue Commissioner.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended September 30, 1994 and 1993

Walker County
Commission

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 Walker 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 Walker County Commission used the following Special Revenue Funds:

Gasoline Tax Fund

This fund is used to account for the County's share of the statewide 7 cent gasoline tax. Revenues are earmarked for building and maintaining county roads.

Public Buildings, Roads and Bridges Fund

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

Public Highway and Traffic Fund

This fund is used to account for revenues and expenditures of motor vehicle license taxes and fees and drivers' license revenue for the construction, improvement and maintenance of public highways and streets.

Landfill Fund

This fund is used to account for the receipt and expenditure of County landfill fees.

RRR Gasoline Tax Fund

This fund is used to account for the expenditure of the County's share of the following taxes: the 4 cent per gallon gasoline tax and the 5 cent per gallon supplemental excise tax for the resurfacing, restoration, and rehabilitation of the existing bridges and paved county roads.

NOTES TO THE FINANCIAL STATEMENTS
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Secondary Road Fund

This fund is used to account for the expenditure of the County's share of the 2 cent per gallon gasoline inspection fee and the designated portion of truck licenses for construction of certain unpaved roads as specified in Act 84-185 and Act 84-186.

1993 State Gasoline Warrants Issuance Fund

This fund is used to account for proceeds of a bond issue to be expended for the resurfacing, restoration, and rehabilitation of the existing bridges and paved county roads.

Special One Cent Gasoline Tax Fund

This fund is used to account for the expenditure of local gasoline taxes.

Reappraisal Fund

This fund is used to account for the expenditure of property taxes and other revenues for the property reappraisal and appraisal update programs.

Coal Tax Fund

This fund is used to account for the expenditure of the County's share of the coal severance tax distributed by the State.

Law Enforcement Fund (LEPA)

This fund is used to account for the expenditure of funds designated for law enforcement purposes.

Drug Enforcement 94 Grant Fund

This fund is used to account for the expenditure of regional drug unit grants.

Drug Enforcement 93 Grant Fund

This fund is used to account for the expenditure of regional drug unit grants.

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Drug Enforcement 92 Grant Fund

This fund is used to account for the expenditure of regional drug unit grants.

Drug Enforcement 91 Grant Fund

This fund is used to account for the expenditure of regional drug unit grants.

Drug Enforcement Fund

This fund is used to account for expenditure of local funds for drug enforcement purposes.

ADECA Grant Fund

This fund is used to account for expenditures of state funds for the improvement of certain voluntary fire departments.

Airport Grant Fund

This fund is used to account for expenditures of federal and local funds for the renovation of the Walker County Airport.

Solid Waste Fund

This fund is used to account for garbage pick-up services to county residents.

Law Enforcement Planning Committee - HMTUSA Fund

This fund is used to account for expenditures of federal grant funds to update the emergency management policy manual.

NOTES TO THE FINANCIAL STATEMENTS
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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 years ended September 30, 1994 and 1993, the Walker County Commission had the following debt service funds:

- 1990 RRR Gasoline Tax Refunding Warrants
- 1991 Road and Bridge Warrants
- 1993 Gasoline Tax Refunding and Capital Improvement Warrants

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 trust funds). During the fiscal years ended September 30, 1994 and 1993, the Walker County Commission had the following capital projects funds:

Walker County Airport Fund

This fund is used to account for expenditures for the upkeep and improvement of the County Airport.

CDBG Grant 89-900 Fund

This fund is used to account for expenditures for the extension of water lines.

CDBG Grant 92-15 Fund

This fund is used to account for expenditures for the extension of water lines.

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 Walker County Commission has the following Expendable Trust Funds:

Law Library Fund - to account for the expenditure of court fees designated for law library purposes as directed by the courts.

Revenue Commissioner Supernumerary Fund - to account for the receipt and disbursement of amounts withheld from the salary of supernumerary revenue commissioner.

District Attorney Supernumerary Fund - to account for the receipt and disbursement of amounts withheld from the salary of supernumerary district attorney.

Probate Judge's Special Fund - to account for the portion of the interest earned on the Probate Judge's deposits that may be spent at his discretion.

Revenue Commissioner's Special Fund - to account for the portion of the interest earned on the Revenue Commissioner's deposits that may be spent at his discretion.

Manufactured Homes Trust Fund - to account for the receipt and disbursement of a special fee collected on manufactured housing.

Hazardous Duty Pay Fund - to account for the expenditure of court fees designated for payment to officers for hazardous duty.

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 Walker County Commission has the following Agency Funds:

Fiduciary Fund - to account for unclaimed amounts remitted by the various offices to be held for ten years and then, if unclaimed, to be paid into the County Treasury.

Land Redemption Fund - to account for the disbursement of funds received for redemption of land sold for taxes.

Juvenile Court Advisory Committee - to account for fees collected and held for the Juvenile Committee.

County Sales Tax Fund - to account for taxes collected and transferred to various agencies.

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Accounts Payable Clearing Fund - to account for monies transferred from other funds to pay expenditures.

Payroll Fund - to account for the disbursement of paychecks and employee withholdings, except insurance. A single check is written on each of the County's funds which pay for salaries and wages and the checks are deposited in the Payroll Fund. All paychecks can then be written from a single fund, the Payroll 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.

Excess From Land Sales Fund - to account for money in excess of property taxes received by the County when selling land for taxes.

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.

General Fixed Assets Account Group

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

General Long-Term Debt Account Group

This account group is used to account for all unmatured long-term liabilities of the County.

C. Basis of Accounting

The basis of accounting refers to when revenues and expenditures 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.

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.

Those revenues that were accrued are the 7 cent gasoline tax, the 5 cent gasoline tax, the 4 cent gasoline tax, inspection fees and all appropriate federal revenues. Other revenues are not material or generally susceptible to accrual because they are not measurable until received in cash.

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 revenue, debt service funds and capital projects funds. All annual appropriations lapse at fiscal year end.

E. Cash and Investments

Cash includes amounts in demand deposits.

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

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. Amounts due to and from other funds at September 30, 1994 and 1993 were \$33,689.66 and \$64,694.94, respectively.

G. Fixed Assets

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

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.

H. 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.

I. Compensated Absences

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

According to the Walker County Commission's policy, up to 90 days of sick leave can be accumulated, depending on length of service. Employees are not allowed to accumulate annual leave. Since the County Commission maintains these records on a calendar year basis, there may be an accumulation of annual leave at fiscal year end. Civil Service Rules provide that any employee with at least one year but less than ten years of service who has terminated his or her employment with the Walker County Commission shall be entitled to pay for half of their accumulated sick leave at a maximum of 45 days.

For the 1992-93 fiscal year, the Financial Accounting Standards Board (FASB) required the accrual of a liability for future vacation, sick, or other leave benefits, if the amount could be reasonably estimated.

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Based on the manner in which leave records were maintained by the Walker County Commission during the 1992-93 fiscal year, the amount of the liability for all permanent employees of the County could not be reasonably estimated. As a result, no liability for unpaid leave is accrued in the financial statements for September 30, 1993.

For the 1993-94 fiscal year, 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 Walker County Commission uses the termination payment method. Termination Payment 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, 1994, the liability for accrued annual and sick leave is approximately \$ 276,717.52. Only the current portion of \$ 6,363.12 has been reported as a liability in the General Fund. The remainder of \$ 270,354.40 has been recorded in the General Long-Term Debt Account Group (GLTDAG).

J. 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.

K. Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

L. Interfund Transactions

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

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

M. 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.

N. 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 address major equipment, furniture purchases, and public works projects.

Budgets may be adjusted during the fiscal year when approved by the county commission. Any changes must be within the revenues and reserves estimated to be available.

Note 3 - Deposits and Investments

Deposits

At September 30, 1994, the carrying amount of the county's deposits was \$4,536,826.67 and the bank balance was \$4,774,905.54. Of the bank balance, \$547,938.34 was covered by federal depository insurance, \$4,217,572.53 was covered by collateral held by the pledging bank's agent and pledged to the county and \$9,394.67 was uninsured and uncollateralized.

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended September 30, 1994 and 1993

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Investments

The county is legally authorized to invest in obligations of the U. S. Treasury and securities of federal agencies. The county's investments at year end are shown below.

September 30, 1993:	<u>Carrying Amount</u>	<u>Market Value</u>
Repurchase Agreement	\$ 40,955.23	\$ 40,955.23

Investments - Statutes authorize the county to invest in obligations of the U. S. Treasury and federal agency securities. 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 counterparty or its trust department or agent but not in the county's name.

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
Repurchase Agreements	40,955.23			40,955.23	40,955.23

Note 4 - Due From Other Governments

Amounts due from other governments at September 30, 1994 and 1993 were \$297,391.41 and \$227,820.66, respectively. These amounts are as follows:

	9-30-94	9-30-93
State:	\$ 277,082.12	\$ 205,041.41
Federal:	20,309.29	22,779.25
	<u>\$ 297,391.41</u>	<u>\$ 227,820.66</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended September 30, 1994 and 1993

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Note 5 - Changes in General Fixed Assets

A summary of changes in the county's general fixed assets at September 30, 1994 is as follows:

	Balance 10/1/93	Additions	Reductions	Balance 9/30/94
Land	\$1,062,243.00	\$ 108,300.00	\$	\$ 1,170,543.00
Buildings	5,778,900.08	1,500,000.00		7,278,900.08
Equipment and Furniture	8,292,240.46	436,394.81	25,777.00	8,702,858.27
Construction Equipment	37,200.00	50,587.78		87,787.78
Motor Vehicles	223,155.20	91,909.83	245,845.03	69,220.00
Total	\$15,393,738.74	\$2,187,192.42	\$ 271,622.03	\$17,309,309.13

A summary of changes in the county's general fixed assets at September 30, 1993 is as follows:

	Balance 10/01/92	Additions	Reductions	Balance 9/30/93
Land	\$1,062,243.00	\$	\$	\$ 1,062,243.00
Buildings	5,778,900.08			5,778,900.08
Equipment and Furniture	8,237,513.04	56,566.42	1,839.00	8,292,240.46
Construction Equipment		63,500.00	26,300.00	37,200.00
Motor Vehicles		268,031.20	44,876.00	223,155.20
Total	\$15,078,656.12	\$ 388,097.62	\$ 73,015.00	\$15,393,738.74

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NOTES TO THE FINANCIAL STATEMENTS
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Note 6 - Operating Leases

The Walker County Commission has entered into lease agreements for facilities and equipment. The leases are considered for accounting purposes to be operating leases. The expenditures for operating leases were \$ 36,640 for both September 30, 1994 and 1993 fiscal years. One lease terminated in February 1995.

Future minimum lease payments are as follows:

	Facilities	Equipment	Total
1994-95	\$ 700.00	\$ 14,975.00	\$ 15,675.00
1995-96	700.00		700.00
1996-97	700.00		700.00
1997-98	700.00		700.00
Thereafter	9,100.00		9,100.00
Total	\$ 11,900.00	\$ 14,975.00	\$ 26,875.00

Note 7 - Contingent Liabilities

Due to a General Services Administration (GSA) review and criminal investigation which involved the misuse and mishandling of Federal surplus property donated to the Walker County Commission, the GSA has demanded payment from the Commission in the amount of \$350,000 which is the fair market value of the property. The Commission intends on contesting this case.

Note 8 - Subsequent Events

On May 8, 1995, the Walker County Commission consented in a court order to construct a jail facility which will cost approximately \$8,000,000. The Walker County Commission has also agreed to an increase in pay for Civil Service Employees of an initial sum of \$300,000 with annual additional sums of \$150,000 per year. The monies necessary to fund the jail construction have been agreed upon by the Commission. However, the funding measures have not become law.

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended September 30, 1994 and 1993

Walker County
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Note 9 - Changes in General Long-Term Debt

The following is a summary of general long-term debt transactions for Walker County Commission for the years ended September 30, 1994 and 1993:

	General Obligation Warrants	Gasoline Tax Warrants	Notes Payable	Estimated Liability for Compensated Absences	Total
<u>1994 Fiscal Year</u>					
Debt Outstanding at October 1, 1993	\$ 2,535,000.00	\$ 1,800,000.00	\$ 263,030.10	\$	\$ 4,598,030.10
Warrants Retired	(135,000.00)	(175,000.00)			(310,000.00)
Warrants Refunded		(1,800,000.00)			(1,800,000.00)
Warrants Issued		2,670,000.00	(105,362.05)		2,670,000.00
Notes Principal Retired					(105,362.05)
Increase in Estimated Liabilities				270,354.40	270,354.40
Debt Outstanding at September 30, 1994	\$ 2,400,000.00	\$ 2,495,000.00	\$ 157,668.05	\$270,354.40	\$ 5,323,022.45

NOTES TO THE FINANCIAL STATEMENTS
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	General Obligation Warrants	Gasoline Tax Warrants	Notes Payable	Total
<u>1993 Fiscal Year</u>				
Debt Outstanding at				
October 1, 1992	\$ 2,660,000.00	\$ 1,940,000.00	\$ 76,236.78	\$ 4,676,236.78
Conversion of proprietary funds to special revenue funds				
Debt Outstanding at				
October 1, 1992,				
as adjusted	2,660,000.00	1,940,000.00	425,255.50	5,025,255.50
Warrants Retired	(125,000.00)	(140,000.00)	(265,000.00)	(265,000.00)
Notes Principal Retired			(162,225.40)	(162,225.40)
Debt Outstanding at				
September 30, 1993	\$ 2,535,000.00	\$ 1,800,000.00	\$ 263,030.10	\$ 4,598,030.10

Note 10 - Extinguishment of Debt

On October 4, 1993, the County issued \$2,670,000 in State Gasoline Tax Anticipation Refunding and Improvement Warrants Series 1993 with a weighted average interest rate of 4.73 percent for the purposes of 1) advance refunding \$1,800,000 of outstanding Series 1990 Gasoline Tax Anticipation Refunding and Improvement Warrants with a weighted average interest rate of 7.11 percent and 2) other highway improvements. Of the net proceeds (\$2,629,950 after payment of \$40,050 in bond discount and other issuance costs), \$1,953,304 was used to purchase U. S. Government Securities and \$676,646 was used for highway and road improvements. As a result, the Series 1990 Warrants are considered in-substance defeased and the liability for those warrants has been removed from the general long-term debt account group.

The County advance refunded the Series 1990 Gasoline Tax Anticipation Refunding Warrants and increased the total debt service payments over the next thirteen years by \$191,306; however, this produced an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$17,853.

For the Fiscal Years Ended September 30, 1994 and 1993

Note 11 - Defined Benefit Pension Plan**A. Plan Description**

The Walker County Commission contributes to the Employees' Retirement System of Alabama, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for the various state agencies and departments. The Walker County Commission's payroll for employees covered by the system and the total payroll for the fiscal years ended September 30, 1994, 1993, 1992 and 1991 are as follows:

	1994	1993	1992	1991
Covered Payroll	\$3,270,189.60	\$3,175,383.20	\$3,324,280.00	\$3,273,712.00
Total Payroll	\$3,861,364.70	\$3,676,693.38	\$3,794,872.37	\$3,679,566.25

Substantially all employees of the Walker County Commission are members of the Employees' Retirement System. Membership is mandatory for covered or eligible employees of the Walker County Commission. Benefits vest after 10 years of creditable service. Vested employees may retire with full benefits at age 60 or after 25 years of service. Retirement benefits are calculated by three methods with the retiree receiving payment under the method which yields the highest monthly benefit. The methods are (1) Minimum Guaranteed, (2) Money Purchase, and (3) Formula, of which the Formula method usually produces the highest monthly benefit. Under this method retirees are allowed 2.0125% of their average final salary (best three of the last ten years) for each year of service. Disability retirement benefits are calculated in the same manner except that a reduction factor is computed based upon .25% for each month the member is less than age 60 or each month of service less than 25 years for a maximum reduction of 25%. The Employees' Retirement System also provides pre-retirement death benefits in the amount of the annual salary for the fiscal year preceding death.

The Employees' Retirement System was established as of October 1, 1945, under the provisions of Act 515, Acts of Alabama 1945, for the purpose of providing retirement allowances and other specified benefits for State employees, State police, and on an elective basis to all cities, counties, towns and quasi-public organizations. The responsibility for general administration and operation of the Employees' Retirement System is vested in the Board of Control (currently 11 members). Benefit provisions are established by the Code of Alabama 1975, Sections 36-27-1 through 36-27-103, as amended, and Sections 36-27B-1 through 36-27B-6, as amended. Employees are required by statute to contribute 5 percent of their salary to the Employees' Retirement System. The Walker County Commission is required to contribute the remaining amounts necessary to fund the actuarially determined contributions to ensure sufficient assets will be available to pay benefits when due.

B. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess, on a going-concern basis, the funding status of the Employees' Retirement System, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is independent of the actuarial funding method used to determine contributions. The pension benefit obligation is an obligation of the Employees' Retirement System and not of the Walker County Commission.

The pension benefit obligation was determined as part of the latest available actuarial valuation. Significant actuarial assumptions used and results from the most recent valuation are as follows:

Fiscal Year	1994	1993	1992	1991
Date of Latest Actuarial Valuation	9/30/92	9/30/91	9/30/90	9/30/89
ASSUMPTIONS:				
Rate of return on the investment of present and future assets	8.0%	8.5%	8.5%	8.25%
Future salary increases	7.66% at age 20 to 5.05% at age 65	8.41% at age 20 to 5.8% at age 65		
Post retirement benefit increases	None	None	None	None
Funding Period	30 years	30 years	30 years	30 years
Future withdrawal, retirement, and death rates				
Pension benefit obligation (in thousands):				
Retirees and beneficiaries currently receiving benefits	\$3,088,488	\$2,401,924	\$1,943,627	\$1,887,029
Current employees:				
Accumulated employee contributions including allocated investment income	1,471,181	1,422,574	\$1,313,156	1,161,757
Employer-financed vested	797,598	870,655	939,107	818,254
Employer-financed nonvested	1,186,399	1,232,958	1,194,412	1,014,587
Total pension benefit obligation	\$6,543,666	\$5,928,111	5,390,302	4,881,627
Net assets available for benefits, at amortized cost or book value	\$7,382,613	\$6,777,915	6,102,236	5,458,273
Assets in Excess of Pension Benefit Obligation	\$ 838,947	\$ 849,804	711,934	576,646
Market Value of Net Assets listed above	\$7,945,535	\$7,048,895	6,039,978	5,655,053

NOTES TO THE FINANCIAL STATEMENTS
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C. Contribution Required and Contribution Made

Employer contributions required to fund benefits are determined following a level funding approach, and consist of a normal contribution, determined using the "entry age normal" method, and an accrued liability contribution that is expected to liquidate the accrued liability within the funding period. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described above.

The contributions to the Employees' Retirement System were made in accordance with the actuarially determined requirements computed through actuarial valuations performed as of the dates listed above. The percentages of the contributions which represent normal cost, the amortization of the unfunded actuarial accrued liability, funding of death benefits, funding of cost-of-living benefit increases, and administration costs and the amount of contributions made by Walker County Commission and the contributions made by the employees of Walker County Commission are as follows:

Fiscal Year	1994	1993	1992	1991
Normal cost percentage	9.32%	9.15%	9.59%	9.59%
Death Benefits	.15%	.20%	0.25%	0.25%
Administration	.18%	.18%	0.18%	0.18%
Total percentage of covered payroll	9.65%	9.53%	10.02%	10.02%
Contributions:				
Percentage contributed by Walker County Commission	4.65%	4.53%	5.02%	5.02%
Percentage contributed by employees	5.00%	5.00%	5.00%	5.00%
Contributed by Walker County Commission	152,064	143,845	166,879	164,340
Contributed by employees	163,509	158,769	166,214	163,686
Total Contributions	\$315,573	\$302,614	\$333,093	\$328,026

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended September 30, 1994 and 1993

Walker County
Commission

Retirement payments to members are obligations of the Employees' Retirement System of Alabama and not of the Walker County Commission.

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. This information is presented in the annual report of the Retirement Systems of Alabama for the year ended September 30, 1994.

Note 12 - Deferred Compensation

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

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant. The plan assets and liabilities are accounted for in the Deferred Compensation Fund and reported with the Agency Funds.

Note 13 - Reclassification - Change from Enterprise to Special Revenue

As of October 1, 1992, the Solid Waste Fund was reclassified from a proprietary fund to a special revenue fund, which increased fund balance by \$132,842.84.

Note 14 - Deficit Fund Balances

At September 30, 1994, the Hazardous Duty Pay Fund had a deficit fund balance of \$769.40.

Note 15 - Deficit Cash Balances

At September 30, 1994, the Hazardous Duty Pay Fund had a deficit cash balance of \$769.40. At September 30, 1993, the Drug Enforcement 93 Grant had a deficit cash balance of \$111.69 and the Land Redemption Fund had a deficit cash balance of \$107.41.

SUPPLEMENTAL INFORMATION

Walker County
Commission

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
September 30, 1994
Exhibit #7

	1993 State Gasoline Warrants Issuance	Special One Cent Gasoline Tax	Public Buildings, Roads and Bridges	Public Highway and Traffic	Landfill
ASSETS					
Cash	\$ 3,499.22	\$ 104,162.63	\$ 74,818.98	\$ 102,603.56	\$ 160.71
Investments at Cost					
Accounts Receivable					
Due From Other Funds					
Due From Other Governmental Units					
TOTAL ASSETS	\$ 3,499.22	\$ 104,162.63	\$ 74,818.98	\$ 102,603.56	\$ 160.71
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$	\$	\$	\$	\$
Due To Other Funds					
Due To Other Governmental Units					
TOTAL LIABILITIES					
FUND BALANCES					
Unreserved	3,499.22	104,162.63	74,818.98	102,603.56	160.71
TOTAL FUND BALANCES	3,499.22	104,162.63	74,818.98	102,603.56	160.71
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,499.22	\$ 104,162.63	\$ 74,818.98	\$ 102,603.56	\$ 160.71

Walker County
Commission

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
September 30, 1994

Exhibit #7
Sheet #2

	RRR Gasoline Tax	Secondary Road	Resapraieal	Gasoline Tax	Law Enforcement (LEPA)
ASSETS					
Cash	\$ 649,094.19	\$ 184,956.79	\$ 61,005.30	\$ 333,163.85	\$ 234.79
Investments at Cost	559,241.26			162,374.24	
Accounts Receivable					
Due From Other Funds	39,969.82	24,701.22		138,192.26	
Due From Other Governmental Units					
TOTAL ASSETS	\$ 1,248,305.27	\$ 209,658.01	\$ 61,005.30	\$ 633,730.35	\$ 234.79
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$	\$	\$	\$	\$
Due To Other Funds					
Due To Other Governmental Units					
TOTAL LIABILITIES					
FUND BALANCES					
Unreserved	1,248,305.27	209,658.01	61,005.30	633,730.35	234.79
TOTAL FUND BALANCES	1,248,305.27	209,658.01	61,005.30	633,730.35	234.79
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,248,305.27	\$ 209,658.01	\$ 61,005.30	\$ 633,730.35	\$ 234.79

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
September 30, 1994

Exhibit #7
Sheet #3

	Coal Tax	Law Enforcement Planning Committee- EMTUSA	Drug Enforcement 93 Grant	Drug Enforcement 94 Grant	Drug Enforcement
ASSETS					
Cash	\$ 537,621.21	\$ 193.25	\$ 20,555.09	\$ 2,130.14	\$ 6,497.77
Investments at Cost	308,200.87				
Accounts Receivable			4,023.83		4,199.21
Due From Other Funds	74,218.82	2,580.42	74.25	17,654.62	
Due From Other Governmental Units					
TOTAL ASSETS	\$ 920,040.90	\$ 2,773.67	\$ 24,653.17	\$ 19,784.76	\$ 10,696.98
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$	\$ 1,915.67	74.25	\$ 4,023.83	\$
Due To Other Funds				7,834.40	
Due To Other Governmental Units					
TOTAL LIABILITIES		1,915.67	74.25	11,858.23	
FUND BALANCES					
Unreserved	920,040.90	858.00	24,578.92	7,926.53	10,696.98
TOTAL FUND BALANCES	920,040.90	858.00	24,578.92	7,926.53	10,696.98
TOTAL LIABILITIES AND FUND BALANCES	\$ 920,040.90	\$ 2,773.67	\$ 24,653.17	\$ 19,784.76	\$ 10,696.98

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
September 30, 1994

Walker County
Commission

		Totals
		Current Year
ASSETS		
Cash		
Investments at Cost	3,027.64	\$ 2,083,725.12
Accounts Receivable	122,682.62	1,029,816.37
Due From Other Funds		122,682.62
Due From Other Governmental Units		8,223.04
		297,391.41
TOTAL ASSETS		\$ 3,541,838.56
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable		\$ 74.25
Due To Other Funds		5,939.50
Due To Other Governmental Units		7,834.40
		13,848.15
TOTAL LIABILITIES		
FUND BALANCES		
Unreserved	125,710.26	3,527,990.41
	125,710.26	3,527,990.41
TOTAL FUND BALANCES		\$ 3,541,838.56
TOTAL LIABILITIES AND FUND BALANCES		

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 1994

	1993 State Gasoline Warrants Issuance	Special One Cent Gasoline Tax	Public Buildings, Roads and Bridges	Public Highway and Traffic	Landfill
<u>REVENUES</u>					
Taxes	\$	\$	\$	\$	\$
Intergovernmental				291,449.33	13,495.43
Charges for Services					
Fines and Forfeitures	5,032.07	2,273.32	8,190.57	22,651.65	(173.00)
Miscellaneous					
	5,032.07	377,945.42	743,624.50	314,100.98	13,322.43
TOTAL REVENUES					
<u>EXPENDITURES</u>					
Current:					
General Government			144.17		
Public Safety					
Highways and Roads		406,507.60	20,859.40	324,495.07	165,892.15
Sanitation					
Culture and Recreation			2,186.00	21,545.79	
Capital Outlay					
Debt Services:					
Principal Retirement	12,567.21		6,229.85		
Interest and Fiscal Charges					
	12,567.21	406,507.60	29,419.42	346,040.86	165,892.15
TOTAL EXPENDITURES					
	(7,535.14)	(28,562.18)	714,205.08	(31,939.88)	(152,569.72)
Excess (deficiency) of revenues over expenditures					
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds From Refunding Warrants	676,646.29				151,062.68
Operating Transfers In	37,894.63		(820,278.55)		
Operating Transfers Out	(703,506.56)				
	11,034.36		(820,278.55)		151,062.68
TOTAL OTHER FINANCING SOURCES (USES)					
	3,499.22	(28,562.18)	(106,073.47)	(31,939.88)	(1,507.04)
Excess (deficiency) of revenues over expenditures and other sources (uses)					
		132,724.81	180,892.45	134,543.44	1,667.75
Fund Balances at beginning of year					
	\$	\$	\$	\$	\$
	3,499.22	104,162.63	74,818.98	102,603.56	160.71
Fund Balances at end of year					

Walker County
Commission

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 1994

Exhibit #8
Sheet #2

	RRR			Law Enforcement	
	Gasoline Tax	Secondary Road	Reappraisal	Gasoline Tax	(LRPA)
REVENUES					
Taxes					
Intergovernmental	\$ 656,753.45	\$ 245,199.96	\$ 500,141.71	\$ 1,538,751.62	
Charges for Services					
Fines and Forfeitures	12,467.88	6,021.75	3,220.01	79,275.82	3.2
Miscellaneous					
TOTAL REVENUES	669,221.33	251,221.71	503,361.72	1,618,027.44	3.2
EXPENDITURES					
Current:					
General Government			230,848.90		1,800.0
Public Safety					
Highways and Roads	512,981.14	81,561.75		1,550,274.71	
Sanitation					
Culture and Recreation			264,827.56	144,342.78	
Capital Outlay					
Debt Service:					
Principal Retirement					
Interest and Fiscal Charges					
TOTAL EXPENDITURES	512,981.14	81,561.75	495,676.46	1,694,617.49	1,800.0
Excess (deficiency) of revenues over expenditures	156,240.19	169,659.96	7,685.26	(76,590.05)	(1,796.7)
OTHER FINANCING SOURCES (USES)					
Proceeds From Refunding Warrants					
Operating Transfers In	902,166.56			111,956.95	1,800.0
Operating Transfers Out	(274,111.11)	(198,660.00)			
TOTAL OTHER FINANCING SOURCES (USES)	628,055.45	(198,660.00)		111,956.95	1,800.0
Excess (deficiency) of revenues over expenditures and other sources (uses)	784,295.64	(29,000.04)	7,685.26	35,366.90	3.2
Fund Balances at beginning of year	464,009.63	238,658.05	53,320.04	598,363.45	231.5
Fund Balances at end of year	\$ 1,248,305.27	\$ 209,658.01	\$ 61,005.30	\$ 633,730.35	\$ 234.7

Walker County
Commission

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 1994

Exhibit #8
Sheet #3

	ADECA Grant	Coal Tax	Airport Grant	Law Enforcement Planning Committee- HMTUSA	Drug Enforcement 92 Grant
REVENUES					
Taxes	\$ 4,840.00	\$ 1,236,303.02	\$ 10,480.00	\$ 6,380.00	\$
Intergovernmental					
Charges for Services					
Fines and Forfeitures		92,734.68	1,072.60	6.10	
Miscellaneous					
TOTAL REVENUES	4,840.00	1,329,037.70	11,552.60	6,386.10	
EXPENDITURES					
Current:					
General Government	4,356.00			6,428.10	
Public Safety		952,858.25			
Highways and Roads					
Sanitation	484.00				
Culture and Recreation		96,408.60	11,644.60		
Capital Outlay					
Debt Services:					
Principal Retirement					
Interest and Fiscal Charges					
TOTAL EXPENDITURES	4,840.00	1,049,266.85	11,644.60	6,428.10	
Excess (deficiency) of revenues over expenditures		279,770.85	(92.00)	(42.00)	
OTHER FINANCING SOURCES (USES)					
Proceeds From Refunding Warrants			92.00	900.00	(25,113.16)
Operating Transfers In					
Operating Transfers Out					
TOTAL OTHER FINANCING SOURCES (USES)			92.00	900.00	(25,113.16)
Excess (deficiency) of revenues over expenditures and other sources (uses)		279,770.85		858.00	(25,113.16)
Fund Balances at beginning of year		640,270.05			25,113.16
Fund Balances at end of year	\$	\$ 920,040.90	\$	\$ 858.00	\$

Walker County
Commission

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 1994

Exhibit #8
Sheet #4

	Drug Enforcement 93 Grant	Drug Enforcement 94 Grant	Drug Enforcement	Solid Waste	Totals Current Year
REVENUES					
Taxes	\$	\$	\$	\$	\$
Intergovernmental	107,085.23	17,654.62			2,847,550.76
Charges for Services				533,952.63	2,878,594.21
Fines and Forfeitures	3,379.50	1,390.05	15,726.20		547,448.06
Miscellaneous					15,726.20
					237,546.22
TOTAL REVENUES	110,464.73	19,044.67	15,726.20	533,952.63	6,526,865.45
EXPENDITURES					
Current:					
General Government					232,793.07
Public Safety					208,098.10
Highways and Roads	158,242.56	24,030.89	15,040.55		3,849,537.92
Sanitation				526,568.45	692,460.60
Culture and Recreation			1,500.00	16,558.00	484.00
Capital Outlay					559,013.33
Debt Service:					
Principal Retirement				105,362.05	105,362.05
Interest and Fiscal Charges				11,932.83	30,729.89
TOTAL EXPENDITURES	158,242.56	24,030.89	16,540.55	660,421.33	5,678,478.96
Excess (deficiency) of revenues over expenditures	(47,777.83)	(4,986.22)	(814.35)	(126,468.70)	848,386.49
OTHER FINANCING SOURCES (USES)					
Proceeds From Refunding Warrants					676,646.29
Operating Transfers In	55,893.42	12,912.75		153,270.45	1,427,949.44
Operating Transfers Out					(2,021,669.38)
TOTAL OTHER FINANCING SOURCES (USES)	55,893.42	12,912.75		153,270.45	82,926.35
Excess (deficiency) of revenues over expenditures and other sources (uses)	8,115.59	7,926.53	(814.35)	26,801.75	931,312.84
Fund Balances at beginning of year	16,463.33		11,511.33	98,908.51	2,596,677.57
Fund Balances at end of year	24,578.92	7,926.53	10,696.98	125,710.26	3,527,990.41

COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
September 30, 1994

Exhibit #9

	1991 Road and Bridge Warrants	1993 Gasoline Tax Refunding and Capital Improvement Warrants	Totals Current Year
ASSETS			
Cash With Fiscal Agent	\$ 278.82	\$ 46,231.60	\$ 46,510.42
TOTAL ASSETS	\$ 278.82	\$ 46,231.60	\$ 46,510.42
FUND BALANCES			
Reserved for Debt Service	\$ 278.82	\$ 46,231.60	\$ 46,510.42
TOTAL FUND BALANCES	\$ 278.82	\$ 46,231.60	\$ 46,510.42

Walker County
Commission

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL DEBT SERVICE FUNDS

For the Fiscal Year Ended September 30, 1994

Exhibit #10

	1990 RRR Gasoline Tax Refunding Warrants	1991 Road and Bridge Warrants	1993 Gasoline Tax Refunding and Capital Improvement Warrants	Totals Current Year
REVENUES				
Miscellaneous	\$	\$ 7.25	\$ 3,527.44	\$ 3,534.69
TOTAL REVENUES		7.25	3,527.44	3,534.69
EXPENDITURES				
Debt Service:				
Principal Retirement	3,000.00	135,000.00	175,000.00	310,000.00
Interest and Fiscal Charges		157,252.50	102,458.61	262,711.11
TOTAL EXPENDITURES	3,000.00	292,252.50	277,458.61	572,711.11
Excess (deficiency) of revenues over expenditures	(3,000.00)	(292,245.25)	(273,931.17)	(569,176.42)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In		292,252.50	274,111.11	566,363.61
Operating Transfers Out	(37,894.63)			(37,894.63)
Proceeds From Warrant Issuance			1,953,303.71	1,953,303.71
Payments to Escrow Agent for Refunding Warrants			(1,953,303.71)	(1,953,303.71)
TOTAL OTHER FINANCING SOURCES (USES)	(37,894.63)	292,252.50	274,111.11	528,468.98
Excess (deficiency) of revenues over expenditures and other sources (uses)	(40,894.63)	7.25	179.94	(40,707.44)
Fund Balances at beginning of year	86,946.29	271.57		87,217.86
Residual Equity Transfers In/(Out)	(46,051.66)		46,051.66	
Fund Balances at end of year	\$	\$ 278.82	\$ 46,231.60	\$ 46,510.42

COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
September 30, 1994

Walker County
Commission

	Walker County Airport	CDBG Grant 89-900	CDBG Grant 92-15	Totals Current Year
ASSETS				
Cash	\$ 22,027.05	\$ 148,690.70	\$ 2,000.00	\$ 172,717.75
TOTAL ASSETS	\$ 22,027.05	\$ 148,690.70	\$ 2,000.00	\$ 172,717.75
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Deferred Revenue	\$	\$ 5,433.10	\$ 2,000.00	\$ 7,433.10
Due to Other Governmental Units		75,846.95		75,846.95
TOTAL LIABILITIES		81,280.05	2,000.00	83,280.05
FUND BALANCES				
Unreserved	22,027.05	67,410.65		89,437.70
TOTAL FUND BALANCES	22,027.05	67,410.65		89,437.70
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,027.05	\$ 148,690.70	\$ 2,000.00	\$ 172,717.75

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended September 30, 1994

Walker County
Commission

	Walker County Airport	CDBG Grant 89-900	CDBG Grant 92-15	Totals Current Year
<u>REVENUES</u>				
Taxes	\$ 521.61	\$	\$	\$ 521.61
Intergovernmental		486,757.97	249,389.35	736,147.32
Miscellaneous	21,744.75	150,000.00		171,744.75
	22,266.36	636,757.97	249,389.35	908,413.68
<u>TOTAL REVENUES</u>				
<u>EXPENDITURES</u>				
Current:				
General Government	12,124.24			12,124.24
Sanitation	1,831.50	569,347.32	249,389.35	818,736.67
Capital Outlay				1,831.50
	13,955.74	569,347.32	249,389.35	832,692.41
<u>TOTAL EXPENDITURES</u>				
Excess (deficiency) of revenues over expenditures	8,310.62	67,410.65		75,721.27
<u>OTHER FINANCING SOURCES (USES)</u>	(92.00)			(92.00)
Operating Transfers Out	(92.00)			(92.00)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>				
Excess (deficiency) of revenues over expenditures and other sources (uses)	8,218.62	67,410.65		75,629.27
Fund Balances at beginning of year	13,808.43			13,808.43
Fund Balances at end of year	22,027.05	67,410.65	\$	\$ 89,437.70

COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
September 30, 1994

Walker County
Commission

	Expendable Trust Funds				
	Revenue Commissioner Supernumerary	District Attorney Supernumerary	Law Library	Probate Judge's Special	Revenue Commissioner's Special
<u>ASSETS</u>					
Cash	\$ 1,595.45	\$ 26,500.00	\$ 17,894.31	\$ 7,569.96	\$ 4,873.66
Accounts Receivable					
Property and Rights Held Under					
Deferred Compensation Plan					
TOTAL ASSETS	\$ 1,595.45	\$ 26,500.00	\$ 17,894.31	\$ 7,569.96	\$ 4,873.66
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Cash Deficit	\$	\$	\$	\$	\$
Accounts Payable					
Due To Other Funds					
Due To Other Governmental Units					
Obligations to Employees Under					
Deferred Compensation Plan					
TOTAL LIABILITIES					
<u>FUND BALANCES</u>					
Reserved for Trust Fund Requirements	1,595.45	26,500.00	17,894.31	7,569.96	4,873.66
TOTAL FUND BALANCES	1,595.45	26,500.00	17,894.31	7,569.96	4,873.66
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,595.45	\$ 26,500.00	\$ 17,894.31	\$ 7,569.96	\$ 4,873.66

Walker County
Commission

COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
September 30, 1994

Exhibit #13
Sheet #2

	Expendable Trust Funds		Agency Funds		
	Manufactured Homes Trust	Hazardous Duty Pay	Excess From Land Sales	Fiduciary	Land Redemption
<u>ASSETS</u>					
Cash	\$ 2,941.00	\$	\$ 11,684.83	\$ 45,382.38	\$ 1,343.46
Accounts Receivable					939.56
Property and Rights Held Under Deferred Compensation Plan					
TOTAL ASSETS	2,941.00	\$	11,684.83	\$ 45,382.38	2,283.02
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Cash Deficit	\$	769.40	\$	\$ 45,382.38	\$ 2,283.02
Accounts Payable					
Due To Other Funds					
Due To Other Governmental Units					
Obligations to Employees Under Deferred Compensation Plan					
TOTAL LIABILITIES		769.40	11,684.83	45,382.38	2,283.02
<u>FUND BALANCES</u>					
Reserved for Trust Fund Requirements	2,941.00	(769.40)			
TOTAL FUND BALANCES	2,941.00	(769.40)			
TOTAL LIABILITIES AND FUND BALANCES	2,941.00	\$	11,684.83	\$ 45,382.38	2,283.02

COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
September 30, 1994

Walker County
Commission

	Agency Funds			Totals	
	Juvenile Court Advisory Committee	Deferred Compensation	County Sales Tax	Current Year	
ASSETS					
Cash	\$ 9,087.19	\$	\$ 785,031.59	\$	\$ 913,903.83
Accounts Receivable					\$ 939.56
Property and Rights Held Under		10,668.20			10,668.20
Deferred Compensation Plan					
	\$ 9,087.19	\$ 10,668.20	\$ 785,031.59	\$	\$ 925,511.59
TOTAL ASSETS					
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Cash Deficit	\$		\$		\$ 769.40
Accounts Payable			23,550.95		59,350.23
Due To Other Funds	9,087.19		761,480.64		23,550.95
Due To Other Governmental Units					770,567.83
Obligations to Employees Under		10,668.20			10,668.20
Deferred Compensation Plan					
	\$ 9,087.19	\$ 10,668.20	\$ 785,031.59		\$ 864,906.61
TOTAL LIABILITIES					
FUND BALANCES					
Reserved for Trust Fund Requirements					\$ 60,604.98
					\$ 60,604.98
TOTAL FUND BALANCES					
	\$ 9,087.19	\$ 10,668.20	\$ 785,031.59	\$	\$ 925,511.59
TOTAL LIABILITIES AND FUND BALANCES					

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended September 30, 1994

	Revenue Commissioner Supernumerary	District Attorney Supernumerary	Law Library	Probate Judge's Special	Revenue Commissioner's Special
REVENUES					
Taxes			\$ 11,839.07	\$	\$
Licenses and Permits					
Charges for Services	3,010.45	23,500.00	475.71	2,440.53	2,389.30
Miscellaneous	3,010.45	23,500.00	12,314.78	2,440.53	2,389.30
TOTAL REVENUES					
EXPENDITURES					
Current:					
General Government	2,850.00		22,138.33		25.50
Public Safety					934.00
Capital Outlay					959.50
TOTAL EXPENDITURES					
Excess (deficiency) of revenues over expenditures	160.45	23,500.00	(9,823.55)	2,440.53	1,429.80
Fund Balances at beginning of year	1,435.00	3,000.00	27,717.86	5,129.43	3,443.86
Fund Balances at end of year	1,595.45	26,500.00	17,894.31	7,569.96	4,873.66

Walker County
Commission

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended September 30, 1994

Exhibit #14
Sheet #2

	Manufactured Homes Trust	Hazardous Duty Pay	Totals Current Year
<u>REVENUES</u>			
Taxes	\$ 1,094.00	\$	\$ 11,839.07
Licenses and Permits			1,094.00
Charges for Services		51,428.12	51,428.12
Miscellaneous			31,815.99
<u>TOTAL REVENUES</u>	<u>1,094.00</u>	<u>51,428.12</u>	<u>96,177.18</u>
<u>EXPENDITURES</u>			
Current:			
General Government		59,483.44	25,013.83
Public Safety			59,483.44
Capital Outlay		59,483.44	934.00
<u>TOTAL EXPENDITURES</u>			<u>85,431.27</u>
Excess (deficiency) of revenues over expenditures	1,094.00	(8,055.32)	10,745.91
Fund Balances at beginning of year	1,847.00	7,285.92	49,859.07
Fund Balances at end of year	\$ 2,941.00	\$ (769.40)	\$ 60,604.98

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

For the Year Ended September 30, 1994

Walker County
Commission

	Balance 10-1-93	Additions	Reductions	Balance 9-30-94
<u>Fiduciary Fund</u>				
<u>Assets</u>				
Cash	\$44,470.99	\$911.39		\$45,382.38
<u>Liabilities</u>				
Accounts Payable	44,470.99	911.39		45,382.38
<u>Excess From Land Sales Fund</u>				
<u>Assets</u>				
Cash	8,737.16	5,983.92	3,036.25	11,684.83
<u>Liabilities</u>				
Accounts Payable	8,737.16	5,983.92	3,036.25	11,684.83
<u>Land Redemption Fund</u>				
<u>Assets</u>				
Cash	(107.41)	27,036.41	25,585.54	1,343.46
Accounts Receivable	997.06		57.50	939.56
Total Assets	889.65	27,036.41	25,643.04	2,283.02
<u>Liabilities</u>				
Accounts Payable	889.65	27,975.97	26,582.60	2,283.02
<u>County Sales Tax Fund</u>				
<u>Assets</u>				
Cash	668,330.96	8,731,826.28	8,615,125.65	785,031.59
<u>Liabilities</u>				
Due to Other Funds	20,049.93	23,550.95	20,049.93	23,550.95
Due to Other Governmental Units	648,281.03	8,731,826.28	8,618,626.67	761,480.64
Total Liabilities	668,330.96	8,755,377.23	8,638,676.60	785,031.59
<u>Juvenile Court Advisory Committee Fund</u>				
<u>Assets</u>				
Cash	1,644.23	97,442.96	90,000.00	9,087.19
<u>Liabilities</u>				
Due to Other Governmental Units	1,644.23	97,442.96	90,000.00	9,087.19
<u>Payroll Fund</u>				
<u>Assets</u>				
Cash	3,737.85	4,932,226.69	4,935,964.54	
<u>Liabilities</u>				
Accounts Payable	\$3,737.85	\$4,932,226.69	\$4,935,964.54	

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 1994

Walker County
Commission

	Balance 10-1-93	Additions	Reductions	Balance 9-30-94
<u>Accounts Payable Clearing Fund</u>				
Assets				
Cash	\$16,334.22	\$7,702,595.14	\$7,718,929.36	
Liabilities				
Due to Other Funds	16,334.22	7,702,595.14	7,718,929.36	
<u>Deferred Compensation Fund</u>				
Assets				
Property and Rights Held Under Deferred Compensation Plan	9,669.23	3,103.66	2,104.69	10,668.20
Liabilities				
Obligations to Employees Under Deferred Compensation Plan	9,669.23	3,103.66	2,104.69	10,668.20
<u>Totals - All Agency Funds</u>				
Assets				
Cash	743,148.00	21,498,022.79	21,388,641.34	852,529.45
Accounts Receivable	997.06		57.50	939.56
Property and Rights Held Under Deferred Compensation Plan	9,669.23	3,103.66	2,104.69	10,668.20
Total Assets	753,814.29	21,501,126.45	21,390,803.53	864,137.21
Liabilities				
Accounts Payable	57,835.65	4,967,097.97	4,965,583.39	59,350.23
Due to Other Funds	36,384.15	7,726,146.09	7,738,979.29	23,550.95
Due to Other Governmental Units	649,925.26	8,829,269.24	8,708,626.57	770,567.83
Obligations to Employees Under Deferred Compensation Plan	9,669.23	3,103.66	2,104.69	10,668.20
Total Liabilities	\$753,814.29	\$21,525,616.96	\$21,415,294.04	\$864,137.21

SCHEDULE OF DEBT PRINCIPAL AND INTEREST REQUIREMENTS TO MATURITY
September 30, 1994

Walker County
Commission

Fiscal Year Ended	Series 1991 Warrants		1993 State Gasoline Tax Anticipation Refunding and Improvement Warrants		First National Bank Long-Term Note Payable		AmSouth Bank Long-Term Note Payable		Total Principal and Interest Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
September 30, 1995	\$140,000.00	\$149,550.00	\$165,000.00	\$111,912.50	\$33,678.81	\$2,475.01	\$16,856.82	\$914.34	\$620,387.48
September 30, 1996	150,000.00	141,135.00	170,000.00	106,550.00	83,027.35	3,372.65	17,636.63	265.37	671,987.00
September 30, 1997	160,000.00	131,870.00	175,000.00	100,345.00	6,468.44	35.04			573,718.48
September 30, 1998	165,000.00	121,956.25	185,000.00	93,520.00					565,476.25
September 30, 1999	180,000.00	111,257.50	190,000.00	85,750.00					567,007.50
September 30, 2000	190,000.00	99,600.00	200,000.00	77,580.00					567,180.00
September 30, 2001	200,000.00	84,167.50	210,000.00	68,580.00					562,747.50
September 30, 2002	215,000.00	73,780.00	215,000.00	58,920.00					562,700.00
September 30, 2003	225,000.00	59,367.50	230,000.00	48,815.00					563,182.50
September 30, 2004	240,000.00	43,962.50	240,000.00	37,775.00					561,737.50
September 30, 2005	260,000.00	27,272.50	250,000.00	26,015.00					563,287.50
September 30, 2006	275,000.00	9,281.25	265,000.00	13,515.00					562,796.25
Totals	\$2,400,000.00	\$1,053,200.00	\$2,495,000.00	\$829,277.50	\$123,174.60	\$5,882.70	\$34,493.45	\$1,179.71	\$6,942,207.96

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
September 30, 1993

Exhibit #17

	Special One Cent Gasoline Tax	Public Buildings, Roads and Bridges	Public Highway and Traffic	Landfill	RRR Gasoline Tax
ASSETS					
Cash	\$ 132,724.81	\$ 76,882.33	\$ 134,543.44	\$ 1,667.75	\$ 244,314.29
Investments at Cost		94,010.12			158,460.98
Accounts Receivable		10,000.00			61,234.36
Due From Other Funds					
Due From Other Governmental Units					
TOTAL ASSETS	\$ 132,724.81	\$ 180,892.45	\$ 134,543.44	\$ 1,667.75	\$ 464,009.63
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Cash Deficit	\$	\$	\$	\$	\$
Due To Other Funds					
Due To Other Governmental Units					
Deferred Revenue					
TOTAL LIABILITIES					
FUND BALANCES					
Unreserved	132,724.81	180,892.45	134,543.44	1,667.75	464,009.63
TOTAL FUND BALANCES	132,724.81	180,892.45	134,543.44	1,667.75	464,009.63
TOTAL LIABILITIES AND FUND BALANCES	\$ 132,724.81	\$ 180,892.45	\$ 134,543.44	\$ 1,667.75	\$ 464,009.63

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
September 30, 1993

Exhibit #17
Sheet #2

	Secondary Road	Reappraisal	Gasoline Tax	Law Enforcement (LEPA)	ADECA Grant
ASSETS					
Cash	\$ 228,424.33	\$ 53,320.04	\$ 314,553.25	\$ 231.57	\$ 2,420.00
Investments at Cost			157,236.87		
Accounts Receivable					
Due From Other Funds	10,233.72		133,573.33		
Due From Other Governmental Units					
TOTAL ASSETS	\$ 238,658.05	\$ 53,320.04	\$ 605,363.45	\$ 231.57	\$ 2,420.00
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Cash Deficit	\$	\$	\$ 7,000.00	\$	\$
Due To Other Funds					
Due To Other Governmental Units					2,420.00
Deferred Revenue			7,000.00		2,420.00
TOTAL LIABILITIES					
FUND BALANCES					
Unreserved	238,658.05	53,320.04	598,363.45	231.57	
TOTAL FUND BALANCES	238,658.05	53,320.04	598,363.45	231.57	
TOTAL LIABILITIES AND FUND BALANCES	\$ 238,658.05	\$ 53,320.04	\$ 605,363.45	\$ 231.57	\$ 2,420.00

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
September 30, 1993

Exhibit #17
Sheet #3

	Coal Tax	Drug Enforcement 92 Grant	Drug Enforcement 93 Grant	Drug Enforcement	Solid Waste	Totals Current Year
ASSETS						
Cash	\$ 242,825.35	\$ 23,940.11	\$	\$ 538.49	\$ 323.04	\$ 1,456,708.80
Investments at Cost	407,444.70					817,152.67
Accounts Receivable					98,585.47	98,585.47
Due From Other Funds			337.95	10,972.84		21,310.79
Due From Other Governmental Units		1,173.05	21,606.20			227,820.66
TOTAL ASSETS	\$ 650,270.05	\$ 25,113.16	\$ 21,944.15	\$ 11,511.33	\$ 98,908.51	\$ 2,621,578.39
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Cash Deficit	\$	\$	111.68	\$	\$	111.68
Due To Other Funds	10,000.00					17,000.00
Due To Other Governmental Units			5,369.14			5,369.14
Deferred Revenue						2,420.00
TOTAL LIABILITIES	10,000.00		5,480.82			24,900.82
FUND BALANCES						
Unreserved	640,270.05	25,113.16	16,463.33	11,511.33	98,908.51	2,596,677.57
TOTAL FUND BALANCES	640,270.05	25,113.16	16,463.33	11,511.33	98,908.51	2,596,677.57
TOTAL LIABILITIES AND FUND BALANCES	\$ 650,270.05	\$ 25,113.16	\$ 21,944.15	\$ 11,511.33	\$ 98,908.51	\$ 2,621,578.39

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

Walker County
Commission

	Special One Cent Gasoline Tax	Public Buildings, Roads and Bridges	Public Highway and Traffic	Landfill	RRR Gasoline Tax
REVENUES					
Taxes	\$ 367,584.73	\$ 746,926.60	\$ 289,393.88	\$ 29,550.83	\$ 680,963.49
Intergovernmental					
Charges for Services					
Fines and Forfeitures	3,186.19	67,449.63	35,514.24	125.87	14,102.61
Miscellaneous					
	370,770.92	814,376.23	324,908.12	29,676.70	695,066.10
TOTAL REVENUES					
EXPENDITURES					
Current:					
General Government					
Public Safety					307,811.09
Highways and Roads	383,995.32	230,381.69	254,899.39	406,045.58	
Sanitation			85.00		
Welfare					
Culture and Recreation			218.72		
Capital Outlay					
Debt Services:					
Principal Retirement		3,887.77			
Interest and Fiscal Charges					
	383,995.32	234,269.46	255,203.11	406,045.58	307,811.09
	(13,224.40)	580,106.77	69,705.01	(368,443.95)	387,255.01
TOTAL EXPENDITURES					
Excess (deficiency) of revenues over expenditures					
				361,200.00	(320,214.31)
OTHER FINANCING SOURCES (USES)					
Operating Transfers In		(621,310.53)	(7,461.30)		
Operating Transfers Out		(621,310.53)	(7,461.30)	361,200.00	(320,214.31)
TOTAL OTHER FINANCING SOURCES (USES)					
	(13,224.40)	(41,203.76)	62,243.71	(15,168.88)	67,040.70
Excess (deficiency) of revenues over expenditures and other sources (uses)					
	145,949.21	222,096.21	72,299.73	16,836.63	396,968.93
Fund Balances at beginning of year, As Restated	132,724.81	180,892.45	134,543.44	1,667.75	464,009.63
Fund Balances at end of year					

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

	Secondary Road	Reappraisal	Gasoline Tax	Law Enforcement (LEPA)	ADECA Grant
<u>REVENUES</u>					
Taxes					
Intergovernmental	\$ 236,395.66	206,011.51	\$ 1,493,630.90	\$	4,840.00
Charges for Services					
Fines and Forfeitures	3,438.98	3,150.84	146,947.67	31.25	
Miscellaneous					
	239,834.64	209,162.35	1,640,578.57	31.25	4,840.00
TOTAL REVENUES					
<u>EXPENDITURES</u>					
Current:					
General Government		193,616.72		1,800.00	4,356.00
Public Safety					
Highways and Roads	37,366.14		1,680,477.32		
Sanitation					
Welfare					484.00
Culture and Recreation		719.76	141,445.56		
Capital Outlay			23,475.31		
Debt Service:			1,500.09		
Principal Retirement					
Interest and Fiscal Charges				1,800.00	4,840.00
TOTAL EXPENDITURES					
	37,366.14	194,336.48	1,846,898.28		
	202,468.50	14,825.87	(206,319.71)	(1,768.75)	
Excess (deficiency) of revenues over expenditures					
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating Transfers In			302,934.66		
Operating Transfers Out			(12,000.00)		
TOTAL OTHER FINANCING SOURCES (USES)			290,934.66		
Excess (deficiency) of revenues over expenditures and other sources (uses)				(1,768.75)	
Fund Balances at beginning of year, As Restated	36,189.55	38,494.17	513,748.50	2,000.32	
Fund Balances at end of year	238,658.05	53,320.04	598,363.45	231.57	\$

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

Exhibit #18
Sheet #3

	Coal Tax	Airport Grant	Drug Enforcement 91 Grant	Drug Enforcement 92 Grant	Drug Enforcement 93 Grant
<u>REVENUES</u>					
Taxes					
Intergovernmental					
Charges for Services	\$ 1,227,660.75	\$ 10,454.60	\$	\$ 123,041.28	\$ 21,606.20
Fines and Forfeitures				3,298.87	675.90
Miscellaneous	138,087.20				
<u>TOTAL REVENUES</u>	<u>1,365,747.95</u>	<u>10,454.60</u>		<u>126,340.15</u>	<u>22,282.10</u>
<u>EXPENDITURES</u>					
Current:					
General Government		11,616.00		171,377.96	29,827.76
Public Safety					
Highways and Roads	1,129,452.78				
Sanitation					
Welfare					
Culture and Recreation	104,560.00				
Capital Outlay					
Debt Service:	52,761.47				
Principal Retirement	1,213.00				
Interest and Fiscal Charges					
	1,287,987.25	11,616.00		171,377.96	29,827.76
<u>TOTAL EXPENDITURES</u>	<u>1,287,987.25</u>	<u>11,616.00</u>		<u>171,377.96</u>	<u>29,827.76</u>
Excess (deficiency) of revenues over expenditures	77,760.70	(1,161.40)		(45,037.81)	(7,545.66)
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating Transfers In	127,369.50	1,161.40		50,476.31	24,008.99
Operating Transfers Out	(120,721.24)		(8,217.75)		
	6,648.26	1,161.40	(8,217.75)	50,476.31	24,008.99
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>6,648.26</u>	<u>1,161.40</u>	<u>(8,217.75)</u>	<u>50,476.31</u>	<u>24,008.99</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	84,408.96		(8,217.75)	5,438.50	16,463.33
Fund Balances at beginning of year, As Restated	555,861.09		8,217.75	19,674.66	
Fund Balances at end of year	\$ 640,270.05	\$	\$	\$ 25,113.16	\$ 16,463.33

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

Exhibit #18
Sheet #4

	Drug Enforcement	Solid Waste	Totals Current Year
REVENUES			
Taxes	\$	\$	\$
Intergovernmental			2,548,183.59
Charges for Services		405,518.62	2,860,326.01
Fines and Forfeitures	1,677.50		435,069.45
Miscellaneous			1,677.50
			416,009.25
TOTAL REVENUES	1,677.50	405,518.62	6,261,265.80
EXPENDITURES			
Current:			
General Government	13,035.80		207,032.72
Public Safety			218,597.52
Highways and Roads			4,024,383.73
Sanitation		437,897.95	843,943.53
Welfare			85.00
Culture and Recreation	3,520.00		484.00
Capital Outlay			250,464.04
Debt Service:			
Principal Retirement		85,988.62	162,225.40
Interest and Fiscal Charges		17,106.26	23,707.12
	16,555.80	540,992.83	5,730,923.06
TOTAL EXPENDITURES	(14,878.30)	(135,474.21)	530,342.74
Excess (deficiency) of revenues over expenditures			
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	9,322.31	101,539.88	978,013.05
Operating Transfers Out	(376.31)		(1,090,301.44)
	8,946.00	101,539.88	(112,288.39)
TOTAL OTHER FINANCING SOURCES (USES)	(5,932.30)	(33,934.33)	418,054.35
Excess (deficiency) of revenues over expenditures and other sources (uses)			
Fund Balances at beginning of year, As Restated	17,443.63	132,842.84	2,178,623.22
Fund Balances at end of year	\$ 11,511.33	\$ 98,908.51	\$ 2,596,677.57

COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
September 30, 1993

	1990 RRR Gasoline Tax Refunding Warrants	1991 Road and Bridge Warrants	Totals Current Year
ASSETS			
Cash With Fiscal Agent	\$ 86,946.29	\$ 271.57	\$ 87,217.86
TOTAL ASSETS	\$ 86,946.29	\$ 271.57	\$ 87,217.86
FUND BALANCES			
Reserved For Debt Service	\$ 86,946.29	\$ 271.57	\$ 87,217.86
TOTAL FUND BALANCES	\$ 86,946.29	\$ 271.57	\$ 87,217.86

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

Walker County
Commission

	1990 RRR Gasoline Tax Refunding Warrants	1991 Road and Bridge Warrants	Totals Current Year
REVENUES			
Miscellaneous	\$ 3,718.53	\$ 33.85	\$ 3,752.38
TOTAL REVENUES	3,718.53	33.85	3,752.38
EXPENDITURES			
Debt Service:			
Principal Retirement	140,000.00	125,000.00	265,000.00
Interest and Fiscal Charges	135,480.00	164,246.25	299,726.25
TOTAL EXPENDITURES	275,480.00	289,246.25	564,726.25
Excess (deficiency) of revenues over expenditures	(271,761.47)	(289,212.40)	(560,973.87)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	275,618.36	289,246.25	564,864.61
TOTAL OTHER FINANCING SOURCES (USES)	275,618.36	289,246.25	564,864.61
Excess (deficiency) of revenues over expenditures and other sources (uses)	3,856.89	33.85	3,890.74
Fund Balances at beginning of year	83,089.40	237.72	83,327.12
Fund Balances at end of year	\$ 86,946.29	\$ 271.57	\$ 87,217.86

Walker County
Commission

COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
September 30, 1993

Exhibit #21

	Walker County Airport	CDBG Grant 89-900	CDBG Grant 92-15	Totals Current Year
<u>ASSETS</u>				
Cash	\$ 13,808.43	\$ 3,653.52	\$ 36,424.40	\$ 53,886.35
	\$ 13,808.43	\$ 3,653.52	\$ 36,424.40	\$ 53,886.35
<u>TOTAL ASSETS</u>				
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Deferred Revenue	\$	\$ 3,653.52	\$ 36,424.40	\$ 40,077.92
		3,653.52	36,424.40	40,077.92
<u>TOTAL LIABILITIES</u>				
<u>FUND BALANCES</u>				
Unreserved	13,808.43			13,808.43
	13,808.43			13,808.43
<u>TOTAL FUND BALANCES</u>				
	\$ 13,808.43	\$ 3,653.52	\$ 36,424.40	\$ 53,886.35
<u>TOTAL LIABILITIES AND FUND BALANCES</u>				

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

Walker County
Commission

	Walker County Airport	CDBG Grant 89-900	CDBG Grant 92-15	Totals Current Year
<u>REVENUES</u>				
Intergovernmental				
Miscellaneous	\$ 23,040.85	\$ 43,961.98	\$ 41,261.50	\$ 85,223.48
				23,040.85
TOTAL REVENUES	23,040.85	43,961.98	41,261.50	108,264.33
<u>EXPENDITURES</u>				
Current:				
General Government	16,192.23	43,961.98	41,261.50	16,192.23
Sanitation				85,223.48
TOTAL EXPENDITURES	16,192.23	43,961.98	41,261.50	101,415.71
Excess (deficiency) of revenues over expenditures	6,848.62			6,848.62
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers Out	(1,161.40)			(1,161.40)
	(1,161.40)			(1,161.40)
TOTAL OTHER FINANCING SOURCES (USES)				
Excess (deficiency) of revenues over expenditures and other sources (uses)	5,687.22			5,687.22
Fund Balances at beginning of year	8,121.21			8,121.21
Fund Balances at end of year	13,808.43	\$	\$	\$ 13,808.43

COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
September 30, 1993

Exhibit #23

	Expendable Trust Funds				
	Revenue Commissioner Supernumerary	District Attorney Supernumerary	Law Library	Probate Judge's Special	Revenue Commissioner's Special
ASSETS					
Cash	\$ 1,435.00	\$ 3,000.00	\$ 27,717.86	\$ 5,129.43	\$ 3,443.86
Accounts Receivable					
Property and Rights Held Under					
Deferred Compensation Plan					
TOTAL ASSETS	\$ 1,435.00	\$ 3,000.00	\$ 27,717.86	\$ 5,129.43	\$ 3,443.86
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Cash Deficit	\$	\$	\$	\$	\$
Accounts Payable					
Due To Other Funds					
Due To Other Governmental Units					
Obligations to Employees					
Under Deferred Compensation Plan					
TOTAL LIABILITIES					
FUND BALANCES					
Reserved for Trust Fund Requirements	1,435.00	3,000.00	27,717.86	5,129.43	3,443.86
TOTAL FUND BALANCES	1,435.00	3,000.00	27,717.86	5,129.43	3,443.86
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,435.00	\$ 3,000.00	\$ 27,717.86	\$ 5,129.43	\$ 3,443.86

COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
September 30, 1993Exhibit #23
Sheet #2

	Expendable Trust Funds		Agency Funds		
	Manufactured Homes Trust	Hazardous Duty Pay	Accounts Payable Clearing	Land Redemption	Juvenile Court Advisory Committee
ASSETS					
Cash	\$ 1,847.00	\$ 7,623.87	\$ 16,334.22	\$ 997.06	\$ 1,644.23
Accounts Receivable					
Property and Rights Held Under Deferred Compensation Plan					
TOTAL ASSETS	\$ 1,847.00	\$ 7,623.87	\$ 16,334.22	\$ 997.06	\$ 1,644.23
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Cash Deficit	\$	\$	\$	107.41	\$
Accounts Payable				889.65	
Due To Other Funds		337.95	16,334.22		1,644.23
Due To Other Governmental Units					
Obligations to Employees					
Under Deferred Compensation Plan		337.95	16,334.22	997.06	1,644.23
TOTAL LIABILITIES					
FUND BALANCES					
Reserved for Trust Fund Requirements	1,847.00	7,285.92			
TOTAL FUND BALANCES	1,847.00	7,285.92			
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,847.00	\$ 7,623.87	\$ 16,334.22	\$ 997.06	\$ 1,644.23

Walker County
Commission

COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
September 30, 1993

Exhibit #23
Sheet #3

	Agency Funds					Totals	
	Payroll	Excess From Land Sales	Fiduciary	Deferred Compensation	County Sales Tax	Current Year	
ASSETS							
Cash							
Accounts Receivable							
Property and Rights							
Held Under Deferred							
Compensation Plan				9,669.23			9,669.23
TOTAL ASSETS	\$ 3,737.85	\$ 8,737.16	\$ 44,470.99	\$ 9,669.23	\$ 668,330.96	\$	793,452.43 997.06
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Cash Deficit							
Accounts Payable	\$ 3,737.85	\$ 8,737.16	\$ 44,470.99			\$	107.41 57,835.65 36,722.10
Due To Other Funds							
Due To Other							
Governmental Units							
Obligations to Employees							
Under Deferred							
Compensation Plan				9,669.23			649,925.26
TOTAL LIABILITIES	\$ 3,737.85	\$ 8,737.16	\$ 44,470.99	\$ 9,669.23	\$ 668,330.96		9,669.23 754,259.65
FUND BALANCES							
Reserved for Trust							
Fund Requirements							49,859.07
TOTAL FUND BALANCES							49,859.07
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,737.85	\$ 8,737.16	\$ 44,470.99	\$ 9,669.23	\$ 668,330.96	\$	804,118.72

Walker County
Commission

Exhibit #24

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

	Revenue Commissioner Supernumerary	District Attorney Supernumerary	Law Library	Probate Judge's Special	Revenue Commissioner's Special
REVENUES					
Taxes			\$ 12,491.81	\$	\$
Licenses and Permits					
Charges for Services	2,400.00	3,000.00	734.41	293.71	266.42
Miscellaneous					
	2,400.00	3,000.00	13,226.22	293.71	266.42
TOTAL REVENUES					
EXPENDITURES					
Current:					
General Government	2,400.00		12,640.96		703.73
Public Safety					
	2,400.00		12,640.96		703.73
TOTAL EXPENDITURES					
Excess (deficiency) of revenues over expenditures		3,000.00	585.26	293.71	(437.31)
Fund Balances at beginning of year	1,435.00		27,132.60	4,835.72	3,881.17
Fund Balances at end of year	1,435.00	3,000.00	27,717.86	5,129.43	3,443.86

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

Walker County
Commission

	Manufactured Homes Trust	Hazardous Duty Pay	Totals Current Year
REVENUES			
Taxes			
Licenses and Permits	\$ 1,163.00		\$ 12,491.81
Charges for Services		53,819.57	1,163.00
Miscellaneous			53,819.57
			6,694.54
TOTAL REVENUES	1,163.00	53,819.57	74,168.92
EXPENDITURES			
Current:			
General Government		51,781.99	15,744.69
Public Safety		51,781.99	51,781.99
TOTAL EXPENDITURES			67,526.68
Excess (deficiency) of revenues over expenditures	1,163.00	2,037.58	6,642.24
Fund Balances at beginning of year	684.00	5,248.34	43,216.83
Fund Balances at end of year	\$ 1,847.00	\$ 7,285.92	\$ 49,859.07

Walker County
 Commission
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the Year Ended September 30, 1993

	Balance 10-1-92	Additions	Reductions	Balance 9-30-93
<u>Fiduciary Fund</u>				
Assets				
Cash	\$43,403.89	\$1,067.10		\$44,470.99
Liabilities				
Accounts Payable	43,403.89	1,067.10		44,470.99
<u>Excess From Land Sales Fund</u>				
Assets				
Cash	6,546.83	5,356.15	3,165.82	8,737.16
Liabilities				
Accounts Payable	6,546.83	5,356.15	3,165.82	8,737.16
<u>Land Redemption Fund</u>				
Assets				
Cash	1,242.74	31,561.78	32,911.93	(107.41)
Accounts Receivable		997.06		997.06
Liabilities				
Accounts Payable	1,242.74	32,558.84	32,911.93	889.65
<u>County Sales Tax Fund</u>				
Assets				
Cash	338,435.26	7,937,998.95	7,608,103.25	668,330.96
Liabilities				
Due to Other Funds		20,049.93		20,049.93
Due to Other Governmental Units	338,435.26	7,917,949.02	7,608,103.25	648,281.03
Total Liabilities	338,435.26	7,937,998.95	7,608,103.25	668,330.96
<u>Juvenile Court Advisory Committee Fund</u>				
Assets				
Cash	18,373.71	109,270.52	126,000.00	1,644.23
Liabilities				
Due to Other Governmental Units	18,373.71	109,270.52	126,000.00	1,644.23
<u>Payroll Fund</u>				
Assets				
Cash	74,067.53	4,675,315.04	4,745,644.72	3,737.85
Liabilities				
Accounts Payable...	\$74,067.53	\$4,675,315.04	\$4,745,644.72	\$3,737.85

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 1993

Walker County
Commission

	Balance 10-1-92	Additions	Reductions	Balance 9-30-93
<u>Accounts Payable Clearing Fund</u>				
<u>Assets</u>				
Cash		\$6,005,909.64	\$5,989,575.42	\$16,334.22
<u>Liabilities</u>				
Accounts Payable		5,989,575.42	5,989,575.42	16,334.22
Due to Other Funds		16,334.22		
Total Liabilities		6,005,909.64	5,989,575.42	16,334.22
<u>Deferred Compensation Fund</u>				
<u>Assets</u>				
Property and Rights Held Under Deferred Compensation Plan	6,189.35	3,671.88	192.00	9,669.23
<u>Liabilities</u>				
Obligations to Employees Under Deferred Compensation Plan	6,189.35	3,671.88	192.00	9,669.23
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	482,089.96	18,766,479.18	18,505,401.14	743,148.00
Accounts Receivable		997.06		997.06
Property and Rights Held Under Deferred Compensation Plan	6,189.35	3,671.88	192.00	9,669.23
Total Assets	488,259.31	18,771,148.12	18,505,593.14	753,814.29
<u>Liabilities</u>				
Accounts Payable	125,260.99	10,703,872.55	10,771,297.89	57,835.65
Due to Other Funds		36,384.15		36,384.15
Due to Other Governmental Units	356,808.97	8,027,219.54	7,734,103.25	649,925.26
Obligations to Employees Under Deferred Compensation Plan	6,189.35	3,671.88	192.00	9,669.23
Total Liabilities	\$488,259.31	\$18,771,148.12	\$18,505,593.14	\$753,814.29

SUPPLEMENTARY INFORMATION

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 1994

Walker County
Commission

Federal Grantor/ Pass Through Grantor/ Program Title	Identification Number	Assistance Period	Budget		Accrued or (Deferred) Revenue 10-1-93	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 9-30-94
			Total	Federal Share				
U.S. Department of Housing and Urban Development								
Passed Through Alabama Department of Economic and Community Affairs								
Community Development Block Grant								
Small Cities Program (M)	14.219	7/16/92-2/24/94	\$374,987.00	\$300,000.00	(\$36,424.40)	\$249,389.35	\$249,389.35	(\$2,000.00)
CY-CN-PF-92-015		8/12/93-4/27/95	669,503.44	389,472.44	(3,653.52)	322,510.46	322,510.46	
CY-SF-PF-89-900		8/12/93-3/3/94	60,527.56	60,527.56		55,094.46	55,094.46	(5,433.10)
CY-SF-PF-88-900								
Total Department of Housing and Urban Development			1,105,018.00	750,000.00	(40,077.92)	626,994.27	626,994.27	(7,433.10)
Appalachian Regional Commission								
Passed Through Alabama Department of Economic and Community Affairs								
Appalachian Supplements to Federal Grant-in-Aid (Community Development)								
CO-11234-93-I-302-0812	23.002	9/1/93-4/28/95	200,000.00	200,000.00		109,153.05	109,153.05	
Total Appalachian Regional Commission			200,000.00	200,000.00		109,153.05	109,153.05	
U.S. Department of Justice								
Passed Through Alabama Department of Economic and Community Affairs								
Drug Control and System Improvement								
Formula Grant	16.579	8/1/92-7/31/93	173,053.15	129,789.87	1,173.05			74.25
DB-92-03-0006		8/1/93-7/31/94	179,772.00	134,828.00	21,606.20	107,085.23	107,085.23	17,654.62
DB-93-03-0008		8/1/94-7/31/95	152,805.00	114,604.00		17,654.62	17,654.62	
DB-94-03-0003								
Total Department of Justice			505,630.15	379,221.87	22,779.25	124,739.85	124,739.85	17,728.87
U.S. Department of Transportation								
Passed Through Federal Aviation Administration								
Airport Improvement Program	20.106	7/27/92-3/10/95	41,750.00	36,900.00		10,480.00	10,480.00	
ATP-92-1-3-01-0096-0492								
Passed Through Alabama Emergency Management Agency								
Interagency Hazardous Materials Public Sector Training and Planning Grants # 3HMT64	20.703	7/1/93-6/30/94	9,570.00	7,975.00		6,380.00	6,380.00	2,580.42
Total Department of Transportation			51,320.00	44,875.00		16,860.00	16,860.00	2,580.42
Total Federal Financial Assistance			\$1,861,968.15	\$1,374,096.87	(\$17,298.67)	\$877,747.17	\$877,747.17	\$12,876.19

(M) = Major Program

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

Walker County
Commission

Federal Grantor/ Pass Through Grantor/ Program Title	Identification Number	Assistance Period	Budget		Accrued or (Deferred) Revenue 10-1-92	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 9-30-93
			Total	Federal Share				
U.S. Department of Housing and Urban Development								
Passed Through Alabama Department of Economic and Community Affairs Community Development Block Grant Small Cities Program	14.219	7/16/92-2/24/94	\$374,987.00	\$300,000.00		\$41,261.50	\$41,261.50	(\$36,424.40)
CY-CM-PF-92-015		8/12/93-4/27/95	669,503.44	389,472.44		43,961.98	43,961.98	(3,653.52)
CY-SF-PF-89-900		8/12/93-3/3/94	60,527.56	60,527.56				
CY-SF-PF-88-900								
Total Department of Housing and Urban Development			1,105,018.00	750,000.00		85,223.48	85,223.48	(40,077.92)
Appalachian Regional Commission								
Passed Through Alabama Department of Economic and Community Affairs Appalachian Supplements to Federal Grant-in-Aid (Community Development)	23.002	9/1/93-4/28/95	200,000.00	200,000.00				
CO-11234-93-I-302-0812			200,000.00	200,000.00				
Total Appalachian Regional Commission								
U.S. Department of Justice								
Passed Through Alabama Department of Economic and Community Affairs Drug Control and System Improvement Formula Grant	16.579	8/1/91-7/31/92	191,245.00	143,434.00	2,048.79			1,173.05
DB-91-03-0001		8/1/92-7/31/93	173,053.15	129,789.87	19,414.49	110,375.68	110,375.68	21,606.20
DB-92-03-0006		8/1/93-7/31/94	179,772.00	134,828.00		21,606.20	21,606.20	22,779.25
DB-93-03-0003			544,070.15	408,051.87	21,463.28	131,981.88	131,981.88	
Total Department of Justice								
U.S. Department of Transportation								
Passed Through Federal Aviation Administration Airport Improvement Program	20.106	7/27/92-3/10/95	41,750.00	36,900.00		10,454.60	10,454.60	
AIP-92-1-3-01-0096-0492								
Passed Through Alabama Emergency Management Agency Interagency Hazardous Materials Public Sector Training and Planning Grants #3HMT64	20.703	7/1/93-6/30/94	9,570.00	7,975.00				
Total Department of Transportation			51,320.00	44,875.00		10,454.60	10,454.60	
Total Federal Financial Assistance			\$1,900,408.15	\$1,402,926.87	\$21,463.28	\$227,659.96	\$227,659.96	(\$17,298.67)

(M) = Major Program

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER CY-SF-PF-88-900
For the Fiscal Year Ended September 30, 1994

Walker County
 Commission

	<u>Total Budget</u> Grant Funds	<u>Current Year</u> <u>Activity</u> Grant Funds	<u>Cumulative Totals</u>	
			Actual	Budget
<u>Revenues</u>				
Federal Funds				
Received From				
ADECA	\$60,527.56	\$55,094.46	\$55,094.46	\$60,527.56
				(\$5,433.10)
Total	60,527.56	55,094.46	55,094.46	60,527.56
				(5,433.10)
<u>Expenditures By</u>				
<u>Budget Cost Category</u>				
Administration	7,745.00	1,500.00	1,500.00	7,745.00
Engineering	8,331.00	2,897.90	2,897.90	8,331.00
Construction	44,451.56	50,696.56	50,696.56	44,451.56
Total	\$60,527.56	\$55,094.46	\$55,094.46	\$60,527.56
				\$5,433.10

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER CY-CM-PF-92-015
For the Fiscal Year Ended September 30, 1994

Walker County
Commission

	Total Budget		Current Year Activity		Prior Year Activity		Cumulative Totals	
	Grant Funds	Local Match	Grant Funds	Local Match	Grant Funds	Local Match	Actual	Favorable (Unfavorable)
Revenues								
Federal Funds								
Received From								
ADECA	\$300,000.00		\$249,389.35	4,227.61	\$41,261.50	56,203.96	\$290,650.85	\$300,000.00 (\$9,349.15)
Local Match		74,987.00					60,431.57	74,987.00 (14,555.43)
Totals	300,000.00	74,987.00	249,389.35	4,227.61	41,261.50	56,203.96	351,082.42	374,987.00 (23,904.58)
Expenditures By								
Budget Cost Category								
Administration	28,797.00		11,544.68		17,278.00		28,822.68	28,797.00 (25.68)
Engineering	40,200.00		25,523.00		15,834.00		41,357.00	40,200.00 (1,157.00)
Construction	231,003.00	74,987.00	212,321.67	4,227.61	8,149.50	56,203.96	280,902.74	305,990.00 25,087.26
Totals	\$300,000.00	\$74,987.00	\$249,389.35	\$4,227.61	\$41,261.50	\$56,203.96	\$351,082.42	\$374,987.00 \$23,904.58

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER DB-93-03-0008
For the Fiscal Year Ended September 30, 1994

Exhibit #31

	Total Budget		Current Year Activity			Prior Year Activity			Cumulative Totals	
	Grant Funds	Local Match	Grant Funds	Local Match		Grant Funds	Local Match	Actual	Budget	Favorable (Unfavorable)
Revenues										
Federal Funds										
Received From										
ADECA	\$134,828.00		\$107,085.23	35,695.06		\$21,606.20	7,202.07	\$128,691.43	\$134,828.00	(\$6,136.57)
Local Match		44,944.00						42,997.13	44,944.00	(2,046.87)
Totals	134,828.00	44,944.00	107,085.23	35,695.06		21,606.20	7,202.07	171,588.56	179,772.00	(8,183.44)
Expenditures By										
Budget Cost Category										
Operating Expenses	5,382.00	1,795.00	4,576.26	1,525.40		1,589.44	529.81	8,220.91	7,177.00	(1,043.91)
Personnel Cost	129,446.00	43,149.00	102,508.97	34,169.66		20,016.76	6,672.26	163,367.65	172,595.00	9,227.35
Totals	\$134,828.00	\$44,944.00	\$107,085.23	\$35,695.06		\$21,606.20	\$7,202.07	\$171,588.56	\$179,772.00	\$8,183.44

Walker County
Commission

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER DB-94-03-0003
For the Fiscal Year Ended September 30, 1994

Exhibit #32

	Total Budget		Current Year Activity		Cumulative Totals	
	Grant Funds	Local Match	Grant Funds	Local Match	Actual	Favorable (Unfavorable)
Revenues						
Federal Funds						
Received From						
ADECA	\$114,604.00		\$17,654.62	5,884.87	\$17,654.62	(\$96,949.38)
Local Match		38,201.00			5,884.87	(32,316.13)
Totals	114,604.00	38,201.00	17,654.62	5,884.87	23,539.49	(129,265.51)
Expenditures By						
Budget Cost Category						
Operating Expenses	2,181.00	727.00	370.98		370.98	2,537.02
Personnel Cost	112,423.00	37,474.00	17,283.64	5,884.87	23,168.51	126,728.49
Totals	\$114,604.00	\$38,201.00	\$17,654.62	\$5,884.87	\$23,539.49	\$129,265.51

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER HB-93-13
For the Fiscal Year Ended September 30, 1994

Walker County
 Commission

	Total Budget Grant Funds	Current Year Activity Grant Funds	Prior Year Activity Grant Funds	Cumulative Totals	
				Actual	Budget
<u>Revenues</u>					
State Funds					
Received from ADECA	\$9,680.00	\$4,840.00	\$4,840.00	\$9,680.00	\$9,680.00
Totals	9,680.00	4,840.00	4,840.00	9,680.00	9,680.00
<u>Expenditures By Budget Cost Category</u>					
Grants and Benefits	9,680.00	4,840.00	4,840.00	9,680.00	9,680.00
Totals	\$9,680.00	\$4,840.00	\$4,840.00	\$9,680.00	\$9,680.00

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER CO-11234-93-I-302-0812
For the Fiscal Year Ended September 30, 1994

Walker County
Commission

	<u>Total Budget</u> Grant Funds	<u>Current Year</u> <u>Activity</u> Grant Funds	<u>Cumulative Totals</u>	
			<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>				
<u>Federal Funds</u>				
Received From				
ADECA	\$200,000.00	\$109,153.05	\$109,153.05	\$200,000.00 (\$90,846.95)
Totals	200,000.00	109,153.05	109,153.05	200,000.00 (\$90,846.95)
<u>Expenditures By</u>				
<u>Budget Cost Category</u>				
Engineering	22,669.00			22,669.00
Construction	177,331.00	109,153.05	109,153.05	177,331.00 68,177.95
Totals	\$200,000.00	\$109,153.05	\$109,153.05	\$200,000.00 \$90,846.95

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER CY-CM-PF-92-015
For the Fiscal Year Ended September 30, 1993

Walker County
Commission

	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	\$300,000.00		\$41,261.50		\$41,261.50	\$300,000.00	(\$258,738.50)
Local Match		74,987.00		56,203.96	56,203.96	74,987.00	(18,783.04)
Totals	300,000.00	74,987.00	41,261.50	56,203.96	97,465.46	374,987.00	(277,521.54)
Expenditures by Budget							
Cost Category							
Construction	231,003.00	74,987.00	17,278.00	56,203.96	73,481.96	305,990.00	232,508.04
Engineering	40,200.00		15,834.00		15,834.00	40,200.00	24,366.00
Administration	28,797.00		8,149.50		8,149.50	28,797.00	20,647.50
Totals	\$300,000.00	\$74,987.00	\$41,261.50	\$56,203.96	\$97,465.46	\$374,987.00	\$277,521.54

Walker County
Commission

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER CY-SF-PF-89-900
For the Fiscal Year Ended September 30, 1993

Exhibit #36

	Total Budget		Current Year Activity		Cumulative Totals		
	Grant Funds	Local Match	Grant Funds	Local Match	Actual	Budget	Favorable (Unfavorable)
<u>Revenues</u>							
Federal Funds							
Received From ADECA	\$389,472.44		\$43,961.98		\$43,961.98	\$369,472.44	(\$345,510.46)
Local Match		280,031.00				280,031.00	(280,031.00)
Totals	389,472.44	280,031.00	43,961.98		43,961.98	649,503.44	(\$625,541.46)
<u>Expenditures by Budget</u>							
Cost Category							
Construction	299,217.44	280,031.00				579,248.44	579,248.44
Engineering	40,000.00		31,961.98		31,961.98	40,000.00	8,038.02
Administration	50,255.00		12,000.00		12,000.00	50,255.00	38,255.00
Totals	\$389,472.44	\$280,031.00	\$43,961.98		\$43,961.98	\$669,503.44	\$625,541.46

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER DB-93-03-0003
For the Fiscal Year Ended September 30, 1993

Walker County
Commission

	Total Budget		Current Year Activity		Actual	Cumulative Totals	
	Grant Funds	Local Match	Grant Funds	Local Match		Budget	Favorable (Unfavorable)
Revenues							
Federal Funds							
Received From ADECA	\$134,828.00		\$21,606.20	7,202.07	\$21,606.20	\$134,828.00	(\$113,221.80)
Local Match		44,944.00			7,202.07	44,944.00	(37,741.93)
Totals	134,828.00	44,944.00	21,606.20	7,202.07	28,808.27	179,772.00	(150,963.73)
Expenditures by Budget							
Cost Category							
Operating Expenses	5,382.00	1,795.00	1,589.44	529.81	2,119.25	7,177.00	5,057.75
Personnel Costs	129,446.00	43,149.00	20,016.76	6,672.26	26,689.02	172,595.00	145,905.98
Totals	\$134,828.00	\$44,944.00	\$21,606.20	\$7,202.07	\$28,808.27	\$179,772.00	\$150,963.73

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ADECA CONTRACT NUMBER DB-92-03-0006
For the Fiscal Year Ended September 30, 1993

Walker County
Commission

	Total Budget			Current Year Activity			Prior Year Activity			Cumulative Totals	
	Grant	Local	Match	Grant	Local	Match	Funds	Grant	Local	Actual	Favorable (Unfavorable)
Revenues											
Federal Funds											
Received From											
ADECA	\$129,789.87	43,263.28		\$110,375.68	36,791.78		\$19,414.49	6,471.50		\$129,790.17	\$0.30
Local Match										43,263.28	
Totals	129,789.87	43,263.28		110,375.68	36,791.78		19,414.49	6,471.50		173,053.45	0.30
Expenditures By											
Budget Cost Category											
Operating Expenses	7,852.39	2,617.45		6,677.73	2,327.47		2,329.74	776.58		12,111.52	(1,641.68)
Personnel Cost	121,937.48	40,645.83		103,697.95	34,464.31		17,084.75	5,694.92		160,941.93	1,641.38
Totals	\$129,789.87	\$43,263.28		\$110,375.68	\$36,791.78		\$19,414.49	\$6,471.50		\$173,053.45	(\$0.30)

ADDITIONAL INFORMATION

Walker County
Commission

MEMBERS OF THE COUNTY COMMISSION

AND COUNTY TREASURERS

October 1, 1992 through September 30, 1994

Exhibit #39

<u>Commission Members</u>		<u>Term Expires</u>
Honorable Joseph C. Kimbrell	Chairman	1996
Honorable Horace Ivey	Member	1996
Honorable Joe A. Love	Member	1996
Honorable Wayne Woodrow Henderson	Member	1996
Honorable Clyde A. Clark	Member	1996
Honorable John Edward Roberts	Chairman	1993
Honorable Neal Akins	Member	1993
Honorable Andy Owen Naramore	Member	1993
<u>County Treasurers</u>		
Honorable Johnny Ray Bradford	Treasurer	1996
Honorable John Lynn	Treasurer	1993

COMPLIANCE REPORT BASED ON THE AUDITS OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Walker County
Commission

We have audited the primary government financial statements of the Walker County Commission as of and for the years ended September 30, 1994 and 1993, and have issued our qualified report thereon dated September 22, 1995.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Walker County Commission is the responsibility of the Walker 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 Walker County Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audits 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 Walker 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 Walker County Commission had not complied, in all material respects, with those provisions.

This report is intended for the information of management, 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

September 22, 1995

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

Exhibit #41

We have audited the primary government financial statements of the Walker County Commission as of and for the years ended September 30, 1994 and 1993 and have issued our qualified report thereon dated September 22, 1995.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audits of the financial statements of the Walker County Commission for the years ended September 30, 1994 and 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 Walker 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, Property, Equipment and Capital Outlay, Liabilities, Revenues/Receipts, Payroll/Personnel and Expenditures.

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 judgement, 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.

As of September 30, 1994, \$9,394.17 of the Commission's deposits were uninsured and uncollateralized.

A comparison was not made by the Commission of the reconciled bank balances maintained by the Walker County Treasurer and the book balances on the Commission's general ledger.

In accordance with Generally Accepted Accounting Principles, revenues should be accrued when they are both "measurable and available". The Commission failed to properly accrue revenues in several funds, including funds used to account for federal financial assistance.

Under the modified accrual basis of accounting, expenditures and the related liabilities should be recorded when expenditures are incurred. The Commission failed to properly accrue expenditures and the related liabilities for the fiscal years ended September 30, 1994 and 1993. This failure resulted in a material understatement of both expenditures and liabilities.

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 audits of the financial statements of the Walker County Commission for the years ended September 30, 1994 and 1993.

In accordance with Generally Accepted Accounting Principles, revenues should be accrued when they are both "measurable and available". The Commission failed to properly accrue revenues in several funds, including funds used to account for federal financial assistance.

Under the modified accrual basis of accounting, expenditures and the related liabilities should be recorded when expenditures are incurred. The Commission failed to properly accrue expenditures and the related liabilities for the fiscal years ended September 30, 1994 and 1993. This failure resulted in a material understatement of both expenditures and liabilities.

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

Walker County
Commission

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

September 22, 1995

We have audited the primary government financial statements of the Walker County Commission as of and for the years ended September 30, 1994 and 1993, and have issued our qualified report thereon dated September 22, 1995.

We have also audited the Walker County Commission's compliance with the requirements governing types of services allowed or unallowed; matching, level of effort, or earmarking; the Department of Housing and Urban Development's approval of the request for release of funds; environmental review; performance assessment report; program income; federal personnel; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended September 30, 1994. The management of the Walker County Commission is responsible for the Walker County 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 Walker County Commission's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Walker County Commission complied, in all material respects, with the requirements governing types of services allowed or unallowed; matching, level of effort, or earmarking; The Department of Housing and Urban Development's approval of the request for release of funds; environmental review; performance assessment report; program income; federal personnel; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended September 30, 1994.

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

September 22, 1995

Walker County
Commission

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

Exhibit #43

We have audited the primary government financial statements of the Walker County Commission as of and for the years ended September 30, 1994 and 1993, and have issued our qualified report thereon dated September 22, 1995.

We have applied procedures to test the Walker County Commission's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedules of Federal Financial Assistance, for the years ended September 30, 1994 and 1993: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, Davis-Bacon Act, 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 Walker 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 Walker County Commission had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with those requirements, which is 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

September 22, 1995

Walker County
Commission

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

We have audited the primary government financial statements of the Walker County Commission as of and for the years ended September 30, 1994 and 1993, and have issued our qualified report thereon dated September 22, 1995.

In connection with our audits of the financial statements of the Walker County Commission, and with our consideration of the Walker County Commission's 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 years ended September 30, 1994 and 1993. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed 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 Walker County Commission's compliance with this requirement. 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 requirement listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Walker County Commission had not complied, in all material respects, with this requirement.

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

September 22, 1995

Program	Finding/Noncompliance	Costs
U.S. Department of Justice Drug Control and System Improvement Formula Grant CFDA # 16.579		
8/1/92 - 7/31/93 Grant # DB-92-03-006	A general compliance requirement pertaining to all federally assisted programs is that reports required under terms of the grant agreement should be filed in a timely manner. In accordance with the Narcotics Enforcement Team grant agreement, quarterly fiscal reports are due in the Alabama Law Enforcement Planning Office by the 15th day of the month following the end of the quarter. We noted numerous instances where the reports were not filed until after the required due date.	N/A
8/1/93 - 7/31/94 Grant # DB-93-03-0008		

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

Walker County
Commission

We have audited the primary government financial statements of the Walker County Commission as of and for the years ended September 30, 1994 and 1993 and have issued our qualified report thereon dated September 22, 1995. We have also audited the compliance of the Walker County Commission with requirements applicable to major federal financial assistance programs and have issued our report thereon dated September 22, 1995.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Walker County Commission complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the years ended September 30, 1994 and 1993, we considered the internal control structure of the Walker County Commission in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of the Walker County Commission and on the compliance of the Walker County Commission 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 internal control structure policies and procedures relevant to our audits of the financial statements in a separate report dated September 22, 1995.

The management of the Walker 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.

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

Walker County
Commission

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:

<u>General Requirement</u> <u>Control Categories</u>	<u>Specific Requirement</u> <u>Control Categories</u>
1) Political Activity	1) Types of Services Allowed
2) Civil Rights	or Unallowed
3) Cash Management	2) Environmental Review
4) Federal Financial Reports	3) Matching, Level of Effort, or Earmarking
5) Davis-Bacon Act	4) Amounts Claimed or used for Matching
6) Allowable Costs/Cost Principles	5) Claims for Advances and Reimbursements
7) Administrative Requirements	6) HUD's Approval of the Request for Release of Funds
8) Drug-Free Workplace	7) Performance Assessment Report
	8) Program Income
	9) Federal Personnel

Accounting Control

<u>Categories</u>
1) Cash
2) Investments
3) Receivables
4) Property, Equipment and Capital Outlay
5) Liabilities
6) Revenues/Receipts
7) Payroll/Personnel
8) Expenditures

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

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

Walker County
Commission

During the year ended September 30, 1994, the Walker County Commission expended 71.43 percent of its total federal financial assistance under major federal financial assistance programs. During the year ended September 30, 1993, the Walker County Commission had no major federal financial assistance programs and expended 57.97 percent of its total federal financial assistance under the following nonmajor federal financial assistance program - Drug Control and System Improvement Formula Grant.

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 the 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 Walker County Commission's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance and the aforementioned nonmajor programs. 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 Walker County Commission's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A comparison was not made by the Commission of the reconciled bank balances maintained by the Walker County Treasurer and the book balances on the Commission's general ledger.

In accordance with Generally Accepted Accounting Principles, revenues should be accrued when they are both "measurable and available". The Commission failed to properly accrue revenues in several funds, including funds used to account for federal financial assistance.

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.

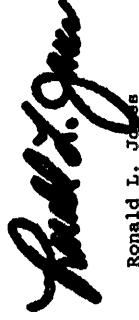
Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure policies and procedures used in administering federal financial assistance that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the compliance of the Walker County Commission, with requirements applicable to its major federal financial assistance programs for the year ended September 30, 1994, and this report does not affect our report thereon dated September 22, 1995.

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

Walker County
Commission

In accordance with Generally Accepted Accounting Principles, revenues should be accrued when they are both "measurable and available". The Commission failed to properly accrue revenues in several funds, including funds used to account for federal financial assistance.

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

September 22, 1995

AUDITEE RESPONSE

Walker County Commission
P.O. Box 1447
Jasper, Alabama 35501

SERVING THE CITIZENS OF
WALKER COUNTY

JOSEPH (JOE) KIMBRELL
CHAIRMAN

OPEN MEETING 9:30 A.M.
FIRST MONDAY
THIRD MONDAY 6:30 P.M.
TELEPHONE (205) 384-7230

COMMISSIONER DISTRICT ONE
HORACE IVEY
345 19TH STREET
JASPER, AL 35501

COMMISSIONER DISTRICT TWO
DONALD L. TITTLE
143 JACKSON DRIVE
CARBON HILL, AL 35549

COMMISSIONER DISTRICT THREE
JOE LOVE
1499 HUTTERMILK ROAD
CORDOVA, AL 35550

COMMISSIONER DISTRICT FOUR
W.W. (WOODY) HENDERSON
P.O. BOX 67
BURNWELL, AL 35038

February 23, 1996

Mr. Doug Clark, Director
County Audit Division
State of Alabama
Department of Examiners of Public Accounts
P. O. Box 302251
Montgomery, Alabama 36130-2251

Dear Mr. Clark:

After our Exit Conference, we were given a letter noting the items that need correction. Our response to this letter is as follows:

Finding: At September 30, 1994 \$9,394.67 of the Commission's deposits were uninsured and uncollateralized.

Response: This problem has been corrected in that additional securities have been pledged by the bank and additional measures have been taken to insure that securities pledged against deposits are checked on a regular basis.

Finding: As of September 30, 1994 the Hazardous Duty Fund had a deficit fund balance of \$769.40.

Response: This problem has been corrected by the clerk paying the Hazardous Duty Pay to employees being instructed to check with the Administrator regarding balances in the Hazardous Duty Fund prior to payments to insure sufficient funds are available in the account.

Finding: In accordance with Internal Revenue Service regulations, certain employees using County-owned vehicles in the course of their normal assigned functions are subject to a \$3.00 per day assessment to be included in the individual's gross wages reported on their W-2 form. We noted several individuals using County-owned vehicles that were not being assessed the \$3.00 per day.

Mr. Doug Clark, Director
February 23, 1996
Page Two

Response: We are working with the Internal Revenue Service to correct this problem and awaiting information from them as to which employees are exempt and which employees should have this assessment included in their gross wages on their W-2 forms. This matter will be corrected as soon as the necessary information is received.

Finding: In accordance with generally accepted accounting principles, revenues should be accrued when they are both "measurable and available". The Commission failed to properly accrue revenues in several funds and were not accrued in funds used to account for federal financial assistance.

Response: This matter is being corrected and will be reflected in the year ending September, 1996.

Finding: Under the modified accrual basis of accounting, expenditures and the related liabilities should be recorded when expenditures are incurred. The Commission failed to properly accrue expenditures and the related liabilities for the fiscal years ended September 30, 1994 and 1993. This failure resulted in a material understatement of both expenditures and liabilities.

Response: This problem was caused by computer related problems which have been corrected by the purchase of a new computer and program.

Finding: In accordance with the Narcotics Enforcement Team grant agreement, quarterly fiscal reports are due in the Alabama Law Enforcement Planning Office by the 15th day of the month following the end of the quarter. We noted numerous instances where the reports were not filed until after the required due date.

Response: This finding has been corrected and all reports are now sent to the Alabama Law Enforcement Planning Office by the 15th day of the month following the end of the quarter.

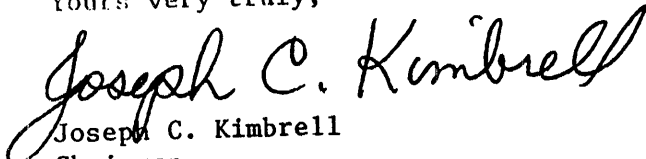
Finding: A comparison was not made by the Commission of the reconciled bank balances maintained by the Walker County Treasurer and the book balances on the Commission's general ledger.

Response: This finding has been corrected in that the Treasurer's reports are now computerized which make it easier for comparisons between the Commission office and the Treasurer office.

Mr. Doug Clark, Director
February 23, 1996
Page Two

If further information is needed, please do not hesitate to let us know and we will be as helpful as possible in response.

Yours very truly,


Joseph C. Kimbrell
Chairman

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WALKER COUNTY COMMISSION
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR PERIOD OCTOBER 1, 1995 - SEPTEMBER 30, 1996

	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE FUND	EXPENDABLE TRUST	SEPTEMBER 30, TOTALS
REVENUES:							
Taxes	2,780,760.11	2,448,398.24	3,233.85	0.00	0.00	11,357.14	5,243,749.54
License and Permits	76,957.98	0.00	0.00	0.00	0.00	589.00	77,546.98
Intergovernmental Revenue	679,747.93	3,094,170.48	328,196.00	0.00	0.00	0.00	4,102,114.41
Charges for Service	1,046,884.86	638,577.29	0.00	0.00	0.00	46,566.63	1,732,028.78
Fines and Forfeits	26,401.29	0.00	0.00	0.00	0.00	34,518.83	60,920.12
Miscellaneous Revenue	209,579.76	449,885.05	23,157.62	0.00	0.00	214,505.71	897,128.14
Loan Proceeds	675,374.00	0.00	0.00	0.00	0.00	0.00	675,374.00
Total Revenues	5,495,705.93	6,631,031.06	354,587.47	0.00	0.00	307,537.31	12,788,861.77
EXPENDITURES:							
General Government	2,779,032.41	258,229.59	12,659.19	0.00	0.00	53,825.57	3,103,746.66
Public Safety	2,321,420.16	230,639.37	0.00	0.00	0.00	53,358.95	2,605,418.51
Highway and Roads	0.00	4,473,746.20	0.00	0.00	0.00	0.00	4,473,746.20
Sanitation	15,000.00	695,597.77	80,406.32	0.00	0.00	0.00	791,004.09
Health	102,211.70	0.00	0.00	0.00	0.00	0.00	102,211.70
Welfare	42,368.69	0.00	0.00	0.00	0.00	0.00	42,368.69
Culture and Recreation	30,939.60	0.00	0.00	0.00	0.00	0.00	30,939.60
Capital Outlay	315,878.64	223,603.64	255,633.89	0.00	0.00	10,177.33	805,293.50
Debt Service	400,000.00	59,581.81	0.00	320,000.00	0.00	0.00	779,581.81
Principal Retirement	2,333.33	11,722.55	0.00	247,685.00	0.00	0.00	261,740.88
Interest & Fiscal Agent Fees	6,009,184.53	5,953,120.93	348,699.40	567,685.00	0.00	117,361.85	12,996,051.71
Total Expenditures	(513,478.60)	677,910.13	5,888.07	(567,685.00)	0.00	190,175.46	(207,189.04)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES							2,681,751.73
OTHER SOURCES/USES	981,613.73	1,057,425.31	69,905.23	572,806.75	0.00	0.00	(2,549,489.00)
Operating Transfers In	(251,147.74)	(2,224,850.45)	(73,491.71)	0.00	0.00	0.00	(22,603.90)
Operating Transfers Out	(13,391.90)	(26,272.00)	0.00	60.44	0.00	0.00	109,657.00
Prior Period Adjustment	717,074.09	(1,193,697.22)	(3,586.48)	572,862.19	0.00	17,000.00	(97,532.00)
Total Other Financing Sources (Uses)	203,595.49	(515,787.09)	2,301.59	5,182.19	0.00	207,175.46	3,968,221.00
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	270,126.02	3,400,949.82	102,967.76	(60.44)	0.00	194,238.76	3,870,689.68
Beginning Fund Balance October 1, 1995	473,721.51	2,885,162.73	105,269.35	5,121.75	0.00	401,414.22	
Ending Fund Balance September 30, 1996							

WALKER COUNTY, ALABAMA

BONDS AND WARRANTS PAYABLE

FOR PERIOD ENDING SEPTEMBER 30, 1996

	FINAL MATURITY DATE	INTEREST RATE	TOTAL BONDS DUE
<u>Public Building Refunding Warrants 1991</u>	February 1, 2006	5.25 - 6.75%	2,110,000.00
<u>RRR Gas Refunding Warrants 1993</u>	August 1, 2006	2.75 - 5.10%	2,160,000.00

I, Joseph C. Kimbrell, hereby certify that the above report of Walker County's financial standing as of September 30, 1995, is a true and correct statement to the best of my knowledge and belief. More detailed information can be found in the office of the County Commission.

Joseph C. Kimbrell
 Joseph C. Kimbrell, Chairman
 Walker County Commission

WALKER COUNTY COMMISSION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR PERIOD OCTOBER 1, 1994 - SEPTEMBER 30, 1995

	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE FUND	EXPENDABLE TRUST	SEPTEMBER 30, 1995 TOTALS
REVENUES:							
Taxes	2,752,128.94	2,330,528.28	3,912.70	0.00	0.00	14,081.59	5,100,651.51
License and Permits	80,726.59	0.00	0.00	0.00	0.00	1,088.00	81,814.59
Intergovernmental Revenue	825,109.78	2,929,844.21	113,846.95	0.00	0.00	0.00	3,868,800.94
Charges for Services	948,121.26	595,574.28	0.00	0.00	0.00	48,210.98	1,591,906.52
Fines and Forfeits	5,109.79	0.00	0.00	0.00	0.00	23,748.78	30,858.57
Miscellaneous Revenue	352,331.57	259,028.84	28,743.30	0.00	0.00	112,623.25	752,727.16
Total Revenues	4,963,527.93	6,114,975.61	146,503.15	0.00	0.00	201,752.60	11,426,759.29
EXPENDITURES:							
General Government	2,420,947.26	257,978.43	8,036.86	0.00	0.00	63,383.17	2,732,345.77
Public Safety	1,953,248.10	173,904.66	0.00	0.00	0.00	58,746.39	2,185,899.15
Highway and Roads	0.00	4,086,557.42	0.00	0.00	0.00	0.00	4,086,557.42
Sanitation	15,000.00	649,999.54	33,686.77	0.00	0.00	0.00	698,686.31
Health	106,437.14	0.00	0.00	0.00	0.00	0.00	106,437.14
Welfare	103,169.28	0.00	0.00	0.00	0.00	0.00	103,169.28
Culture and Recreation	85,026.16	0.00	0.00	0.00	0.00	0.00	85,026.16
Capital Outlay	124,499.72	224,194.99	172,923.65	0.00	0.00	5,224.92	526,843.28
Debt Service	3,074.36	73,519.53	0.00	566,462.50	0.00	0.00	643,056.39
Total Expenditures	4,811,402.02	5,446,156.62	214,647.28	566,462.50	0.00	129,354.48	11,188,020.90
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	152,125.91	668,820.99	(68,144.13)	(566,462.50)	0.00	72,398.12	258,738.35
OTHER SOURCES/USES							
Operating Transfers In	247,203.46	1,368,067.58	8,382.00	566,402.06	0.00	0.00	2,190,055.11
Operating Transfers Out	(430,610.92)	(1,749,429.32)	(9,312.86)	0.00	0.00	(702.00)	(2,190,055.11)
Prior Period Adjustment	35,044.24	0.00	0.00	0.00	0.00	0.00	35,044.24
Total Other Financing Sources (Uses)	(148,363.22)	(381,361.74)	(930.86)	566,402.06	0.00	(702.00)	35,044.24
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,762.69	287,459.25	(69,074.99)	(60.44)	0.00	71,696.12	293,782.56
Beginning Fund Balance October 1, 1994	336,451.81	3,113,490.57	172,042.75	0.00	0.00	122,542.64	3,744,527.77
Ending Fund Balance September 30, 1995	340,214.50	3,400,949.82	102,967.76	(60.44)	0.00	194,238.76	4,038,310.44

WALKER COUNTY, ALABAMA
BONDS AND WARRANTS PAYABLE

FOR PERIOD ENDING SEPTEMBER 30, 1995

	<div>FINAL MATURITY DATE</div>	<div>INTEREST RATE</div>	<div>TOTAL BONDS DUE</div>
<u>Public Building Refunding Warrants 1991</u>			
	February 1, 2006	5.25 - 6.75%	2,260,000.00
<u>RRR Gas Refunding Warrants 1993</u>			
	August 1, 2006	2.75 - 510%	2,330,000.00

I, Joseph C. Kimbrell, hereby certify that the above report of Walker County's financial standing as of September 30, 1995, is a true and correct statement to the best of my knowledge and belief. More detailed information can be found in the office of the County Commission.

Joseph C. Kimbrell
Joseph C. Kimbrell, Chairman
Walker County Commission

APPENDIX D

PROPOSED OPINION OF BOND COUNSEL

**Haskell Slaughter & Young, L.L.C.
Birmingham, Alabama**

The Walker County Public Building Authority
Jasper, Alabama

Dear Sirs:

We have examined certified copies of proceedings and other documents showing the organization under the laws of the State of Alabama of THE WALKER COUNTY PUBLIC BUILDING AUTHORITY (herein called the "Authority"), together with copies of proceedings of the Authority and other documents submitted to us pertaining to the issuance and validity of

\$13,020,000

THE WALKER COUNTY PUBLIC BUILDING AUTHORITY

**Revenue Warrants
(Walker County Jail Project)
Series 1996**

Dated December 1, 1996

(which warrants are herein called the "Series 1996 Warrants"). We have not examined any of the executed Series 1996 Warrants, but we have been furnished with appropriate certificates respecting their form and due execution. In our examination of all documents pertaining to the issuance of the Series 1996 Warrants, we have assumed the authenticity of documents submitted to us as originals, the conformity to the original documents of documents submitted to us as copies, the authenticity of the originals of such latter documents and the correctness of any facts stated in such documents.

The documents submitted to us show as follows:

(a) the Series 1996 Warrants have been issued under a Mortgage and Trust Indenture dated as of December 1, 1996 (herein called the "Indenture"), between the Authority and Compass Bank, as trustee (herein, together with its successors in trust under the Indenture, called the "Trustee");

(b) the Authority and Walker County, Alabama (herein called the "County"), have entered into a Lease Agreement dated as of December 1, 1996 (herein called the "Lease"), pursuant to which the Authority has agreed to acquire, construct and equip the Project (as defined in the Lease and herein called the "Project") and to lease the same to the County for an initial term extending until 12:00 o'clock midnight on September 30, 1997;

(c) the Lease provides that, while any of the Series 1996 Warrants shall remain outstanding and unpaid, the term of the Lease shall be automatically renewed on October 1 in each year for a one-year term extending to and including the then next succeeding September 30 unless the County shall notify the Authority no later than August 1 of any year of its election not to renew the term of the Lease for the then next succeeding one-year term;

(d) the Lease obligates the County to pay rent directly to the Trustee, for the account of the Authority, on such dates and in such amounts as shall, together with certain proceeds from the sale of the Series 1996 Warrants and other moneys, be sufficient to provide for the payment, when due, of the principal of and the interest and premium (if any) on the Series 1996 Warrants; and

(e) in the Indenture the Authority has reserved the right to issue additional warrants (herein called "Additional Warrants") for certain specified purposes, without express limit as to principal amount and on a parity with the Series 1996 Warrants as respects the security afforded by the Indenture, but only upon compliance with the applicable conditions specified in the Indenture.

Based upon and subject to the foregoing, we are of the following opinion:

(1) The Authority is a public corporation organized and existing under the constitution and laws of the State of Alabama and has all requisite power and authority under the laws of the State of Alabama, including particularly the provisions of Code of Alabama 1975, Title 11, Chapter 15, (i) to sell, issue and deliver the Series 1996 Warrants, (ii) to use the proceeds thereof to acquire, expand, improve and equip the Project, (iii) to own, lease and dispose of the Project, and (iv) to enter into and perform its obligations under the Lease and the Indenture.

(2) The Lease has been duly authorized, executed and delivered by the Authority and by the County and constitutes a valid and binding agreement of the Authority and of the County which is legally enforceable in accordance with its terms, except that (i) the enforceability of any of the agreements contained in the Lease may be limited by bankruptcy, insolvency, reorganization and other similar laws affecting the enforcement of creditors' rights generally, and (ii) any court before which any enforcement proceeding may be brought will have discretion, in accordance with general equitable principles, to deny or limit the remedy of specific performance or other equitable relief with respect to contractual obligations other than for the payment of money.

(3) The Indenture has been duly authorized, executed and delivered by the Authority and constitutes a valid and binding agreement of the Authority which is legally enforceable in accordance with its terms, except that (i) the enforceability of any of the agreements contained in the Indenture may be limited by bankruptcy, insolvency, reorganization and other similar laws affecting the enforcement of creditors' rights generally, and (ii) any court before which any enforcement proceeding may be brought will have discretion, in accordance with general equitable principles, to deny or limit the remedy of specific performance or other equitable relief with respect to contractual obligations other than for the payment of money.

(4) The Series 1996 Warrants have been duly authorized, executed, issued and delivered by the Authority, have been duly authenticated by the Trustee and are legal, valid and binding special obligations of the Authority, entitled to the benefits and security of the Lease and the Indenture, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws affecting the enforcement of creditors' rights generally.

(5) Under the Indenture the payment of the principal of and the interest and premium (if any) on the Series 1996 Warrants is secured, pro rata and without preference or priority of the Series 1996 Warrants over any of the Additional Warrants, (i) by the mortgage contained in the Indenture covering the Project, (ii) by a valid pledge and assignment of the rent which is required by the Lease to be paid to the Trustee in respect of the Series 1996 Warrants, (iii) by a valid pledge and assignment of all other revenues to be derived by the Authority from the Project, and (iv) by a valid assignment to the Trustee of all right, title and interest of the Authority in and to the Lease (except certain expense payment, indemnification and other rights retained by the Authority).

(6) The Indenture creates a valid lien upon the interest of the Authority in the real property subject to the lien thereof, subject to (i) "Permitted Encumbrances" (as defined in the Indenture and herein called "Permitted Encumbrances"), (ii) any liens (e.g., liens for taxes) that under the laws of the State of Alabama or of the United States of America are accorded preference over prior contractual liens and (iii) bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally; provided, however, that the mortgage covering the Project contained in the Indenture shall not be subject to foreclosure.

(7) The Indenture creates a valid lien upon the interest of the Authority in any property subject to the lien thereof which does not constitute real property under the laws of the State of Alabama, so long as such property is located in the County and subject to (i) Permitted Encumbrances, (ii) any liens (e.g., liens for taxes) that under the laws of the State of Alabama or of the United States of America are accorded preference over prior contractual liens and (iii) bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally; provided, however, that the mortgage covering the Project contained in the Indenture shall not be subject to foreclosure.

(8) Neither the registration of any security under the Securities Act of 1933, as amended, nor the qualification of any trust indenture under the Trust Indenture Act of 1939, as amended, is required in connection with the offering, sale and issuance of any of the Series 1996 Warrants.

(9) The Series 1996 Warrants do not constitute an indebtedness of the Authority or of the County within the meaning of any constitutional provision or statutory limitation of the State of Alabama, or a charge against the general credit of the Authority, nor shall the Authority be obligated to pay the principal of or the interest on the Series 1996 Warrants except from (i) the revenues to be derived by the Authority from the Project or (ii) any other moneys which may be received from or in connection with the Project or which may be made available to the Trustee under the Indenture or the Lease.

(10) Under existing statutes the interest income on the Series 1996 Warrants is exempt from income taxation by the State of Alabama.

(11) Under existing statutes, regulations, rulings and court decisions, the interest on the Series 1996 Warrants (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) of the next preceding sentence is subject to the condition that the Authority and the County must comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 1996 Warrants in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such

requirements could cause the interest on the Series 1996 Warrants to be so included in gross income retroactive to the date of issuance of the Series 1996 Warrants. The Authority and the County have covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Series 1996 Warrants.

We have not examined the title of the Authority to any property, whether real, personal or mixed, constituting part of the Project, and we therefore express no opinion thereon.

We have been employed solely for the purpose of preparing certain legal documents and supporting certificates, reviewing the transcript of proceedings by which the Series 1996 Warrants have been authorized to be issued and rendering an opinion in conventional form relating solely to the validity and legality of the Series 1996 Warrants, to the legal security for their payment, to the exemption of the interest thereon from income taxation by the State of Alabama, to the exclusion of the interest thereon from gross income for federal income tax purposes and to certain related matters. While we have participated in the preparation of the Authority's Official Statement with respect to the Series 1996 Warrants, we have not been requested independently to check or verify, and have not independently checked or verified, the factual information contained therein, and we therefore express no opinion with respect to such Official Statement.

Yours very truly,

