

Report on the

Autauga County Commission

Autauga County, Alabama

October 1, 2012 through September 30, 2013

Filed: January 16, 2015



Department of Examiners of Public Accounts

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Ronald L. Jones, Chief Examiner



Ronald L. Jones
Chief Examiner

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

Dear Sir:

Under the authority of the *Code of Alabama 1975*, Section 41-5-21, we submit this report on the results of the audit of the Autauga County Commission, Autauga County, Alabama, for the period October 1, 2012 through September 30, 2013.

Sworn to and subscribed before me this
the 17th day of December, 2014.

Jan E Hall
Notary Public

Sworn to and subscribed before me this
the 17th day of December, 2014.

Jan E Hall
Notary Public

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Respectfully submitted,

Chris Newton

Chris Newton
Examiner of Public Accounts

Brent Mims

Brent Mims
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

SUMMARY

**Autauga County Commission
October 1, 2012 through September 30, 2013**

The Autauga County Commission (the “Commission”) is governed by a five-member body elected by the citizens of Autauga County. The members and administrative personnel in charge of governance of the Commission are listed on Exhibit 13. The Commission is the governmental agency that provides general administration, public safety, construction, and maintenance of county roads and bridges, sanitation services, and health and welfare services to the citizens of Autauga County.

This report presents the results of an audit the objectives of which were to determine whether the financial statements present fairly the financial position and results of financial operations and whether the Commission complied with applicable laws and regulations. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States as well as the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5-14.

An unmodified opinion was issued on the financial statements, which means that the Commission’s financial statements present fairly, in all material respects, its financial position and the results of its operations for the fiscal year ended September 30, 2013.

Tests performed during the audit did not disclose any significant instances of noncompliance with applicable state and local laws and regulations.

The following officials/administrative personnel were invited to an exit conference to discuss the contents of this report: Steven T. Golsan, County Administrator, and County Commissioners: Carl Johnson, Sid Thompson, Jay Thompson, Marshall Reese, and Danny Chavers.

The following individuals attended the exit conference, held at the offices of the County Commission: Steven T. Golsan, County Administrator, and County Commissioners: Carl Johnson and Marshall Reese and representatives from the Department of Examiners of Public Accounts: Teresa Dekle, Audit Manager; Chris Newton, Examiner, and Brent Mims, Examiner.

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Independent Auditor's Report

Independent Auditor's Report

To: County Administrator and Members of the Autauga County Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Autauga County Commission, as of and for the year ended September 30, 2013, and related notes to the financial statements, which collectively comprise the basic financial statements of the Autauga County Commission as listed in the table of contents as Exhibits 1 through 8.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Autauga County Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Autauga County Commission, as of September 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), the Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual and the Schedule of Funding Progress (Exhibits 9 through 12) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated November 19, 2014, on our consideration of the Autauga County Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the Autauga County Commission's internal control over financial reporting and compliance.



Ronald L. Jones
Chief Examiner

Department of Examiners of Public Accounts

Montgomery, Alabama

November 19, 2014

Management's Discussion and Analysis
(Required Supplementary Information)

Autauga County Commission
Management's Discussion and Analysis (MD&A)
September 2013

Our discussion and analysis of the Autauga County Commission's (the Commission) financial performance provides an overview of the Commission's financial activities for the fiscal year ended September 30, 2013. Please read in conjunction with the Commission's financial statements and notes to the financial statements, which immediately follow this analysis.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34. Prior year comparative data is included as required by GASB Statement No. 34.

FINANCIAL HIGHLIGHTS

Autauga County's assets exceed liabilities at the close of the fiscal year end September 30, 2013 by \$26.5 million. (See Exhibit # 1). The County's total net position increased by \$354,600.83 (See Exhibit # 6).

Total revenues for governmental activities were \$15.4 million and total expenses were \$15.01 million. (See Exhibit # 2).

The Commissions' governmental fund type balances increased by \$631,290.17 or 4.9% (See Exhibit # 5).

REPORT LAYOUT:

The annual report consists of a series of financial statements. Taken together they provide a comprehensive look at the Commission. This annual report presents the following components of the financial statements.

Government-wide financial statements provide information for the Commission as a whole and present a longer term view of the Commission's finances.

Fund financial statements provide detailed information for the Commission's significant funds. Governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

The remaining statements provide financial information about activities for which the Commission acts solely as a trustee or agent for the benefit of those outside of the government.

Notes to the financial statements provide additional information that is essential to understanding the Commission's financial condition.

The report also contains required supplementary information that further explains and supports the information in the financial statements.

Government-Wide Financial Statements:

Government-wide financial statements are designed to present a broad view of the Commission's financial position in a manner similar to a private-sector business. These statements include all assets and liabilities using the accrual basis of accounting. All current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The *Statement of Net Position* focuses on resources available for future operations. This statement presents a view of the assets the Commission owns, the liabilities it owes, and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Over a period of time, increases or decreases in net position may indicate whether the Commission's financial position is improving or deteriorating. To assess the overall health of the Commission you need to consider other non financial factors such as changes in the Commission's property tax base and the condition of the Commission's roads.

The *Statement of Activities* focuses on gross and net cost of the Commission's programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

Governmental activities are included in general government, public safety, highways and roads, health, welfare, culture and recreation, and to a small degree, education. Property taxes, sales taxes, gasoline taxes, and charges for services finance most of the activities.

Fund Financial Statements:

Fund Financial Statements focus separately on major governmental funds. The Commission establishes many funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies. The fund financial statements provide detailed information about the Commission's significant funds. The Commission's funds can be divided into two categories – governmental and fiduciary funds.

Governmental funds – The majority of the Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Commission's operations and the basic services it provides. Governmental fund statements assist the reader in determining the short-term financial resources available to finance future programs. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures and changes in fund balances provide reconciliation to the government-wide financial statements.

Fiduciary funds – The Commission is responsible for assets that are held on behalf of other organizations or individuals. The Commission is responsible to ensure the assets reported in these funds are used for their intended purpose. The fiduciary activities are reported in separate statements of fiduciary assets and changes in fiduciary net position. The Commission cannot use these assets to finance its operations, therefore, these activities have been excluded from the Commission's other financial statements.

Notes to Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to financial statements follow the presentation of the exhibits contained in this report.

Required Supplementary Information

Required supplementary information is expressed in exhibits 9 through 11 which are Budget to Actual comparisons of the governmental major funds of the County and Exhibit 12 which is the Schedule of Funding Progress. Autauga County adopts an annual appropriated budget for its General, Gasoline Tax and Reappraisal Funds. The comparison schedules are presented to demonstrate compliance with the fund budgets.

Additional Information

With the implementation of Government Accounting Standards Board (GASB) Statement 34, the County has now begun to report and depreciate general capital assets. The County has elected to depreciate these assets over their estimated useful life using the straight-line method of depreciation. The infrastructure portion related to general governmental activities, as stated in GASB Statement 34, requires that these assets (infrastructure – roads and bridges) be valued and reported within the Governmental column of the Government-wide Statement.

Government-wide Financial Analysis

The County assets exceeded liabilities by \$26.5 million dollars at the close of the Fiscal year. Management monitors net position because **it may** be a useful indicator of the County's financial position.

Statement of Net Position

	September 30, 2013	September 30, 2012
Current & Other Assets	\$ 19,170,065.55	\$ 18,069,183.54
Capital Assets, Net	\$ 26,570,854.59	\$ 27,098,439.95
Total Assets	\$ 45,740,920.14	\$ 45,167,623.49
Current & Other Liabilities	\$ 6,656,012.27	\$ 6,068,487.58
Long-Term Liabilities	\$ 12,627,699.24	\$ 12,996,528.11
Total Liabilities	\$ 19,283,711.51	\$ 19,065,015.69
 Net Investment in Capital Assets	 \$ 14,113,572.69	 \$ 14,391,891.07
Restricted for Road Projects	\$ 3,934,788.54	\$ 3,614,013.25
Restricted for Other Purposes	\$ 247,000.65	\$ 0.00
Unrestricted	\$ 8,161,846.75	\$ 8,096,703.48
 Total Net Position	 \$ 26,457,208.63	 \$26,102,607.80

As noted earlier, net position may serve over time as a useful indicator of the County's financial position.

The largest portion of the Commission's net position reflects its investment in capital assets (i.e., land, buildings, equipment, construction in progress, etc.); less any related debt used to acquire those assets to provide services to its citizens; consequently these assets are not available for future spending. Although the Commission's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities

An additional portion of the Commission's net position represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and others.

Statement of Activities

The following schedule compares the revenues and expenses for the current year. Governmental activities increased the County's net position by \$354,600.83.

Changes in Net Position

	September 30, 2013	September 30, 2012
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,515,403.91	\$ 1,561,020.27
Operating Grants and Contributions	4,200,177.06	4,231,779.80
Capital Grants and Contributions	91,010.29	20,834.39
General Revenues:		
Property Tax for General Purposes	3,194,350.63	3,034,161.61
Property Taxes for Specific Purposes	4,325,049.68	4,583,458.51
Miscellaneous Taxes	208,041.99	168,273.96
Grants Not Restricted	294,122.21	293,958.62
Interest Earned	42,119.30	114,073.79
Gain on Sale of Asset	135,190.10	
Miscellaneous	<u>1,359,937.88</u>	<u>1,382,500.12</u>
Total Revenues	<u>\$15,365,403.05</u>	<u>\$15,390,061.07</u>
Expenses		
General Government	\$ 5,202,860.55	\$ 5,605,321.78
Public Safety	4,798,715.13	4,963,128.83
Highways and Roads	3,346,658.17	3,656,408.16
Health	138,067.36	133,093.41
Welfare	621,675.34	673,657.07
Culture and Recreation	332,440.43	342,967.26
Education	42,500.00	45,000.00
Interest on Long-Term Debt	<u>527,885.24</u>	<u>526,005.30</u>
Total Expenses	<u>\$15,010,802.22</u>	<u>\$15,945,581.81</u>
Excess (deficiency)	<u>354,600.83</u>	<u>(555,520.74)</u>
Increase(Decrease) net position	\$ 354,600.83	\$ (555,520.74)
Net Position – Beginning	<u>26,102,607.80</u>	<u>26,658,128.54</u>
Net Position – Ending	<u>\$26,457,208.63</u>	<u>\$26,102,607.80</u>

The Commission's total revenues were approximately \$15.4 million. Approximately 37.8% was from program revenues and 62.2% from general revenues (including 48.5% from property taxes).

The total cost of all programs and services (excluding transfers) were approximately \$15 million. The Commission's expenses cover a range of services. The majority of the expenses are related to general government (34.7%) public safety (32.0%), and highways and roads (22.3%).

Net Cost of Services

The net cost of services is a comparison of the total cost for governmental functions and programs and the net cost remaining after reducing that total by the revenue generated from the specific function or program. For the current year total cost of services was \$15 million and charges for services plus operating and capital grants received were \$5.8 million leaving a net cost to the County of \$9.2 million.

Net Cost of Services

As of September 30, 2013

Total Costs Of Services		Net Costs Of Services
General Government	\$ 5,202,860.55	\$ 3,850,582.65
Public Safety	4,798,715.13	4,206,275.11
Highways and Roads	3,346,658.17	(257,363.07)
Health	138,067.36	138,067.36
Welfare	621,675.34	363,823.24
Culture and Recreation	332,440.43	332,440.43
Education	42,500.00	42,500.00
Interest on Long-Term Debt	<u>527,885.24</u>	<u>527,885.24</u>
Totals	<u>\$15,010,802.22</u>	<u>\$ 9,204,210.96</u>

As of September 30, 2012

Total Costs Of Services		Net Costs Of Services
General Government	\$ 5,605,321.78	\$ 4,223,746.56
Public Safety	4,963,128.83	3,895,697.35
Highways and Roads	3,656,408.16	622,924.56
Health	133,093.41	133,093.41
Welfare	673,657.07	342,512.91
Culture and Recreation	342,967.26	342,967.26
Education	45,000.00	45,000.00
Interest on Long-Term Debt	<u>526,005.30</u>	<u>526,005.30</u>
Totals	<u>\$15,945,581.81</u>	<u>\$10,131,947.35</u>

General Fund Budgetary Highlights

The County Commission has established an annual budget process whereby all departments submit an annual budget request to the Commission for the years operating expenses. The Commission reviews, adjusts as necessary and then adopts an original budget to fund operating needs of each department. Throughout the year, the original budget may be amended to reflect changes in funding needs. The Commission reviews amendment requests and approves or denies them.

There were no significant variations between the original budget and the final budget. The differences in the final budget and the actual amounts are due to the fact that the Commission budgets revenue based on the actual amounts collected from the last quarter of the previous year and the last 3 quarters of the current year.

Financial Analysis of Fund Balances

The financial performance of the County as a whole is reflected in its governmental funds. The total governmental fund balance at the end of the fiscal year increased by \$631,290.17 to \$13,486,886.08 million. Exhibit 5 gives a full breakdown of revenues, expenditures, and changes in fund balance of all governmental funds.

The following table provides a summary of changes in fund balance of the County's major funds as well as the combined other funds.

	9-30-2012 Balance	Net Increase or (Decrease)	9-30-2013 Balance
Fund			
General Fund	\$ 9,241,582.66	\$ 63,514.23	\$ 9,305,096.89
Gasoline Tax Fund	73,624.39	27,664.82	101,289.21
Other Governmental Fund	3,540,388.86	540,111.12	4,080,499.98
Totals	\$12,855,595.91	\$ 631,290.17	\$13,486,886.08

The General Fund had a net increase of \$63,514.23 or 0.7%. Revenues have been relatively flat over the past several years while there continues to be increased demand for expenditures for operations. Ad valorem and sales taxes had modest increases this year, 7.8% and 3.5% respectively. Also, one of the major reasons for the increase in fund balance this year is due to fewer dollars being spent for the county's new paving program. Revenue designated for new paving projects received in 2013 was \$449,666.00 while \$145,006.09 was expended on these projects.

The Gasoline Tax Fund had a net increase of \$27,664.82 This increase is not an unexpected or unusual change in fund balance.

Other Governmental Funds' fund balances increased by \$540,111.12. The Capital Improvement Fund Balance increased \$347,406.14 primarily due to a \$529,946.60 increase in payments received from the Alabama Trust Fund for oil and gas lease payments over the prior year. The remaining increases are primarily due to managing the expenditures of the funds comprising the Other Governmental Fund.

Capital Assets

The Autauga County Commission implemented the provisions of GASB Statement 34 in the 2003 fiscal year. The Commission is not required to retroactively report infrastructure acquired prior to October 1, 2003 and as a Phase 3 government has elected not to do so.

As of September 30, 2013 the Autauga County Commission has invested \$26,570,854.59 (net of depreciation) in capital assets for its governmental activities. This investment in capital assets includes land, buildings and improvements, equipment and furniture, motor vehicles, equipment under capital lease, and construction in progress. (See note 5 of Notes to the Financial Statements).

Major additions during 2013 are comprised of various road paying programs that make up the \$135,043.04 increase in Infrastructure in Progress and renovations on existing governmental buildings which account for the \$54,334.82 increase in Construction Progress.

Capital Asset Activity for the year ended September 30, 2013 is as follows:

	Governmental Activities (Net of Depreciation)	
	<u>2012FY</u>	<u>2013FY</u>
Capital Assets		
Land	\$ 563,853.66	\$ 563,853.66
Infrastructure in Progress	660,840.55	795,883.59
Construction in Progress	615,668.34	670,003.16
Land Improvements- Exhaustible	85,392.81	85,730.86
Infrastructure	7,910,895.22	7,751,834.55
Buildings	14,975,157.90	14,671,344.03
Equipment and Furniture	1,960,172.57	1,934,640.91
Assets Under Capital Leases	326,458.90	97,563.83
Total Capital Assets, Net	<u>\$ 27,098,439.95</u>	<u>\$ 26,570,854.59</u>

Debt Outstanding

As of September 30, 2013 the Commission decreased its total outstanding debt by \$295,000.00. In April 2013, the Commission issued a \$4.3 million General Obligation Warrant in which the proceeds of this warrant were used to advance refund the 2007 General Obligation Warrants in order to obtain cash flow savings in reduced annual payment due to the lower interest rate on the new warrants. The maturity of the Warrants remained the same. Capital Leases and Contracts Payable decreased \$47,790.14. The Estimated Liability for Compensated Absences increased \$29,956.97.

OUTSTANDING DEBT

	<u>2012 FY</u>	<u>2013FY</u>
General Obligation Warrants	\$12,710,000.00	\$12,415,000.00
Unamortized Discount	0.00	0 00
Notes Payable	0.00	0.00
Capital Lease Contracts Payable	90,072.04	42,281.90
Compensated Absences	<u>988,051.34</u>	<u>1,018,008.31</u>
Totals	<u>\$13,788,123.38</u>	<u>\$13,475,290.21</u>

Economic Factors:

The economic conditions of our area have become more stable. The costs associated with fuel, new paving projects, and law enforcement will have a significant impact on future budgets. In addition, Autauga County has received grants from the Alabama Transportation Rehabilitation and Improvement Program (ATRIP) in the amount of \$13.8 million to be spent on various road projects over the next few years. The county's matching funds for this program will be approximately \$2.8 million which will have a negative impact on the county's RRR Gasoline Tax Fund.

Commission maintains approximately 500 miles of unpaved roads and 400 miles of paved roads. Maintenance of the roadways continues to have a significant impact on the county's budget.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general review of the Commission's finances and to illustrate the Commission's accountability for money received. If you have any questions concerning this report or should need further financial information, please contact the County Administrator, Autauga County Commission, 135 North Court Street Suite B, Prattville, Alabama, 36067 or call (334) 358-6701

Basic Financial Statements

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Statement of Net Position ***September 30, 2013***

	Governmental Activities
<u>Assets</u>	
Cash and Cash Equivalents	\$ 10,006,342.10
Cash with Fiscal Agent	158,657.93
Investments	3,141,910.65
Receivables (Note 4)	737,062.20
Property Taxes Receivable	5,092,246.53
Accrued Interest Receivable	7,246.39
Inventories	26,599.75
Capital Assets (Note 5):	
Nondepreciable	2,029,740.41
Depreciable, Net	24,541,114.18
Total Assets	<u>45,740,920.14</u>
<u>Liabilities</u>	
Payables (Note 8)	149,667.17
Deferred Revenue	5,299,384.87
Accrued Wages and Benefits Payable	226,881.04
Accrued Interest Payable	132,488.22
Long-Term Liabilities:	
Portions Due Within One Year:	
Warrants Payable	718,000.00
Capital Lease Contracts Payable	27,790.14
Liability for Compensated Absences	101,800.83
Portions Due After One Year:	
Warrants Payable	11,697,000.00
Capital Lease Contracts Payable	14,491.76
Liability for Compensated Absences	916,207.48
Total Liabilities	<u>19,283,711.51</u>
<u>Net Position</u>	
Net Investment in Capital Assets	14,113,572.69
Restricted for:	
Road Projects	3,934,788.54
Capital Projects	41,406.21
Debt Service	158,657.93
Other Purposes	46,936.51
Unrestricted	<u>8,161,846.75</u>
Total Net Position	<u><u>\$ 26,457,208.63</u></u>

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

Statement of Activities ***For the Year Ended September 30, 2013***

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<u>Governmental Activities</u>			
General Government	\$ 5,202,860.55	\$ 1,189,268.67	\$ 163,009.23
Public Safety	4,798,715.13	326,135.24	266,304.78
Highways and Roads	3,346,658.17		3,513,010.95
Health	138,067.36		
Welfare	621,675.34		257,852.10
Culture and Recreation	332,440.43		
Education	42,500.00		
Interest on Long-Term Debt	527,885.24		
Total Governmental Activities	<u>\$ 15,010,802.22</u>	<u>\$ 1,515,403.91</u>	<u>\$ 4,200,177.06</u>

General Revenues

Taxes

Property Taxes for General Purposes

Property Taxes for Specific Purposes

Miscellaneous Taxes

Grants and Contributions Not Restricted
to Specific Programs

Investment Earnings

Gain on Disposition of Assets

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position	
	Total Governmental Activities	
\$	\$	(3,850,582.65)
		(4,206,275.11)
91,010.29		257,363.07
		(138,067.36)
		(363,823.24)
		(332,440.43)
		(42,500.00)
		(527,885.24)
<u>\$ 91,010.29</u>		<u>(9,204,210.96)</u>

3,194,350.63
4,325,049.68
208,041.99
294,122.21
42,119.30
135,190.10
1,359,937.88
<u>9,558,811.79</u>
354,600.83
26,102,607.80
<u>\$ 26,457,208.63</u>

Balance Sheet
Governmental Funds
September 30, 2013

	General Fund	Gasoline Tax Fund
<u>Assets</u>		
Cash and Cash Equivalents	\$ 7,056,149.72	\$ 66,236.03
Cash with Fiscal Agents		
Investments	2,230,712.61	
Receivables (Note 4)	476,884.67	98,744.80
Property Taxes Receivable	4,532,429.17	
Inventories	7,672.34	18,927.41
Total Assets	<u>14,303,848.51</u>	<u>183,908.24</u>
<u>Liabilities and Fund Balances</u>		
<u>Liabilities</u>		
Payables (Note 8)	116,687.15	29,656.22
Deferred Revenue	4,722,339.87	
Accrued Wages and Benefits Payable	159,724.60	52,962.81
Total Liabilities	<u>4,998,751.62</u>	<u>82,619.03</u>
<u>Fund Balances</u>		
Nonspendable:		
Inventories	7,672.34	18,927.41
Restricted for:		
Highways, Roads and Bridges		82,361.80
Other Purposes		
Unassigned	9,297,424.55	
Total Fund Balances	<u>9,305,096.89</u>	<u>101,289.21</u>
Total Liabilities and Fund Balances	<u>\$ 14,303,848.51</u>	<u>\$ 183,908.24</u>

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

Reappraisal Fund	Other Governmental Funds	Total Governmental Funds
\$ 34,745.07	\$ 2,849,211.28	\$ 10,006,342.10
	158,657.93	158,657.93
	911,198.04	3,141,910.65
	161,432.73	737,062.20
559,817.36		5,092,246.53
		26,599.75
594,562.43	4,080,499.98	19,162,819.16

3,323.80	149,667.17
577,045.00	5,299,384.87
14,193.63	226,881.04
594,562.43	5,675,933.08

	26,599.75
	3,833,499.33
	247,000.65
	9,297,424.55
	4,080,499.98
	13,486,886.08
\$ 594,562.43	\$ 4,080,499.98
\$	\$ 19,162,819.16

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***Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
September 30, 2013***

Total Fund Balances - Governmental Funds (Exhibit 3) \$ 13,486,886.08

Amounts reported for governmental activities in the Statement of Net Position
(Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources, and therefore
are not reported as assets in governmental funds. These assets consist of: 26,570,854.59

Accrued interest receivable is not available soon enough to pay for the current
period's expenditures, and therefore is not shown in the funds. 7,246.39

Deferred charges related to issuance costs on long-term liabilities are not reported
in the funds.

Certain liabilities are not due and payable in the current period and therefore are not
reported as liabilities in the funds. These liabilities at year-end consist of:

	Amounts Due or Payable Within One Year	Amounts Due or Payable After One Year	
Warrants Payable	\$ 718,000.00	\$ 11,697,000.00	
Capital Lease Contracts Payable	27,790.14	14,491.76	
Accrued Interest Payable	132,488.22		
Liability for Compensated Absences	101,800.83	916,207.48	
Total Long-Term Liabilities	\$ 980,079.19	\$ 12,627,699.24	
			<u>(13,607,778.43)</u>

Total Net Position - Governmental Activities (Exhibit 1) \$ 26,457,208.63

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2013

	General Fund	Gasoline Tax Fund
<u>Revenues</u>		
Taxes	\$ 7,179,339.94	\$
Licenses and Permits	63,936.90	
Intergovernmental	1,486,110.62	1,148,209.09
Charges for Services	1,105,877.66	
Miscellaneous	1,163,851.16	81,355.36
Total Revenues	<u>10,999,116.28</u>	<u>1,229,564.45</u>
<u>Expenditures</u>		
Current:		
General Government	3,863,668.95	
Public Safety	4,552,098.96	
Highways and Roads	18,642.68	1,380,337.37
Health	138,067.36	
Welfare	596,788.77	
Culture and Recreation	318,366.31	
Education	42,500.00	
Capital Outlay	176,632.11	457,930.62
Debt Service:		
Principal Retirement	20,000.00	27,790.14
Interest on Fiscal Charges	3,438.75	
Other Debt Service - Issuance Costs		
Total Expenditures	<u>9,730,203.89</u>	<u>1,866,058.13</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,268,912.39</u>	<u>(636,493.68)</u>
<u>Other Financing Sources (Uses)</u>		
Transfers In		373,000.00
Sale of Capital Assets		291,158.50
Debt Issued		
Premium on Debt Issued		
Payments to Refunded Bond Escrow Agent		
Discount on Debt Issued		
Transfers Out	(1,205,398.16)	
Total Other Financing Sources (Uses)	<u>(1,205,398.16)</u>	<u>664,158.50</u>
Net Changes in Fund Balances	63,514.23	27,664.82
Fund Balances - Beginning of Year	9,241,582.66	73,624.39
Fund Balances - End of Year	<u>\$ 9,305,096.89</u>	<u>\$ 101,289.21</u>

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

Reappraisal Fund	Other Governmental Funds	Total Governmental Funds
\$ 548,102.36	\$	\$ 7,727,442.30
		63,936.90
	2,291,943.20	4,926,262.91
	4,636.00	1,110,513.66
	21,878.85	1,267,085.37
548,102.36	2,318,458.05	15,095,241.14
507,202.36	5,967.24	4,376,838.55
		4,552,098.96
	1,489,245.41	2,888,225.46
		138,067.36
		596,788.77
		318,366.31
		42,500.00
40,900.00	54,334.82	729,797.55
	645,000.00	692,790.14
	421,433.50	424,872.25
	39,494.53	39,494.53
548,102.36	2,655,475.50	14,799,839.88
	(337,017.45)	295,401.26
	5,427,229.16	5,800,229.16
		291,158.50
	4,300,000.00	4,300,000.00
	21,346.45	21,346.45
	(4,246,516.04)	(4,246,516.04)
	(30,100.00)	(30,100.00)
	(4,594,831.00)	(5,800,229.16)
	877,128.57	335,888.91
	540,111.12	631,290.17
	3,540,388.86	12,855,595.91
\$	\$ 4,080,499.98	\$ 13,486,886.08

***Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2013***

Net Change in Fund Balances - Total Governmental Funds (Exhibit 5) \$ 631,290.17

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2)
are different because:

Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Depreciation	\$ (1,234,805.01)	
Capital Outlay	<u>729,797.55</u>	(505,007.46)

In the Statement of Activities, donations of capital assets are recorded as revenue, whereas in the governmental funds, the proceeds from the sale increase financial resources. 133,390.50

In the Statement of Activities, only the gain on the sale of capital assets is recognized, whereas, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the changes in net position differs from the change in fund balance by the cost of the capital assets sold, net of accumulated depreciation.

Sale of Capital Assets	\$ (291,158.50)	
Gain/(Loss) on Disposition of Capital Assets	<u>135,190.10</u>	(155,968.40)

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

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. This is the amount by which debt issued exceeds payments:

Debt Issued:		
Proceeds from Issuance	\$ (4,300,000.00)	
Gain on Refunding	(296,516.04)	
Repayments:		
Payment to Escrow	4,246,516.04	
Principal Retirement	692,790.14	
Net Adjustment		342,790.14

Issuance costs associated with bond issues are deferred and amortized over the life of the debt. Current year amounts amortized were as follows:

Amortization of Debt Issuance Costs	(93,523.16)
-------------------------------------	-------------

Some expenses reported in the Statement of Activities do not require the use of current fiscal resources and therefore are not reported as an expenditure in governmental funds. These consist of:

Net Increase in Liability for Compensated Absences	\$ (29,956.97)	
Net Decrease in Accrued Interest Payable	30,004.70	
Net Adjustment		47.73

Revenues in the Statement of Activities that do not provide current financial resources, such as an increase in accrued interest receivable, are not reported as revenues in the funds.

	1,581.31
Change in Net Position of Governmental Activities (Exhibit 2)	<u>\$ 354,600.83</u>

Statement of Fiduciary Net Position
September 30, 2013

	Private-Purpose Trust Funds	Agency Funds
<u>Assets</u>		
Cash and Cash Equivalents	\$ 2,655,834.60	\$ 39,667.63
Total Assets	<u>2,655,834.60</u>	<u>39,667.63</u>
<u>Liabilities</u>		
Payables (Note 8)		39,667.63
Total Liabilities		<u>\$ 39,667.63</u>
<u>Net Position</u>		
Held in Trust for Individuals, Organizations and Other Governments	2,655,834.60	
Total Net Position	<u>\$ 2,655,834.60</u>	

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

Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2013

	Private-Purpose Trust Funds
<u>Additions</u>	
Contributions from:	
Land Redemption Fees	\$ 28,611.20
Fiduciary Fund	6,807.15
Probate Judge Fiduciary Funds	885,695.00
Total Additions	<u>921,113.35</u>
<u>Deductions</u>	
Land Redemptions	18,611.47
Payments to Beneficiaries	254,974.50
Total Deductions	<u>273,585.97</u>
Changes in Net Position	647,527.38
Net Position - Beginning of the Year	<u>2,008,307.22</u>
Net Position - End of Year	<u><u>\$ 2,655,834.60</u></u>

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

Notes to the Financial Statements

For the Year Ended September 30, 2013

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Autauga County Commission (the “Commission”) have been prepared in conformity with accounting principles generally accepted in the United States of America (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

The Commission is a general purpose local government governed by separately elected commissioners. Generally accepted accounting principles (GAAP) require that the financial statements present the Commission (the primary government) and its component units. Component units are legally separate entities for which a primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based on the application of the above criteria, there are no component units that should be included as part of the financial reporting entity of the Commission.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Commission. These statements include the financial activities of the primary government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Commission’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Commission does not allocate indirect expenses to the various functions. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Notes to the Financial Statements

For the Year Ended September 30, 2013

Fund Financial Statements

The fund financial statements provide information about the Commission's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds in the other governmental funds' column.

The Commission reports the following major governmental funds:

- ◆ **General Fund** – The general fund is the primary operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund. The Commission primarily received revenues from collections of property taxes and revenues collected by the State of Alabama and shared with the Commission. Also, the fund is used to report the expenditure of special county property taxes for building and maintaining public buildings, roads and bridges as well as the expenditure of motor vehicle license taxes and fees and drivers' license revenues for public buildings and furnishings.
- ◆ **Gasoline Tax Fund** – This fund is used to account for the expenditures of the gasoline taxes for the activities of the public works/highway department as related to maintenance, development, and resurfacing of roads, bridges, and right-of-ways.
- ◆ **Reappraisal Fund** – This fund is to account for the expenditures of property taxes related to the county's reappraisal program.

The Commission reports the following governmental fund types in the Other Governmental Funds' column:

Governmental Fund Types

- ◆ **Special Revenue Funds** – These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- ◆ **Debt Service Funds** – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and for the accumulation of resources for principal and interest payments maturing in future years.
- ◆ **Capital Projects Funds** – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Notes to the Financial Statements

For the Year Ended September 30, 2013

The Commission reports the following fiduciary fund types:

Fiduciary Fund Types

- ◆ **Private-Purpose Trust Funds** – These funds are used to report all trust agreements under which principal and income benefit individuals, private organizations, or other governments.
- ◆ **Agency Funds** – These funds are used to report assets held by the Commission in a purely custodial capacity. The Commission collects these assets and transfers them to the proper individual, private organizations, or other government.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. General long-term debt issued and acquisitions under capital leases are reported as other financing sources.

Notes to the Financial Statements

For the Year Ended September 30, 2013

Under the terms of grant agreements, the Commission funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Commission's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

D. Assets, Liabilities, and Net Position/Fund Balances

1. Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the County Commission to invest in obligations of the U. S. Treasury and securities of federal agencies and certificates of deposit. Investments consist of certificates of deposit and are reported at cost.

2. Receivables

Sales tax receivables are based on the amounts collected within 60 days after year-end. Sales tax receivables consist of taxes that have been paid by consumers for September. This tax is normally remitted to the Commission within the next 60 days.

Millage rates for property taxes 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 the following October 1 and are delinquent after December 31. Amounts receivable, net of estimated refunds and estimated uncollectible amounts, are recorded for the property taxes levied in the current year. However, since the amounts are not available to fund current year operations, the revenue is deferred and recognized in the subsequent fiscal year when the taxes are both due and collectible and available to fund operations.

Receivables due from other governments include amounts due from grantors for grants issued for specific programs and capital projects.

Receivables from external parties are amounts that are being held in a trustee or agency capacity by the fiduciary funds.

3. Inventories

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

Notes to the Financial Statements

For the Year Ended September 30, 2013

4. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the government-wide financial statements. Such 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. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Major outlays of capital assets and improvements are capitalized as projects are constructed.

Depreciation on all assets is provided on the straight-line basis over the assets estimated useful life. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Land Improvements – Exhaustible	\$ 50,000	20 years
Infrastructure	\$100,000	25 – 40 years
Buildings and Improvements	\$ 50,000	20 – 50 years
Equipment and Furniture	\$ 5,000	5 – 10 years
Roads	\$250,000	20 – 50 years
Bridges	\$ 50,000	40 – 50 years
Assets Under Capital Lease	\$ 5,000	5 – 10 years

The majority of governmental activities infrastructure assets are roads and bridges. The Association of County Engineers has determined that due to the climate and materials used in road construction, the base of the roads in the county will not deteriorate and therefore should not be depreciated. The remaining part of the roads, the surface, will deteriorate and will be depreciated. The entire costs of bridges in the county will be depreciated.

5. Long-Term Obligations

In the government-wide financial statements and in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities and in the statement of net position. Warrants payable are reported gross.

In the fund financial statements, governmental fund types recognize warrant issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Notes to the Financial Statements

For the Year Ended September 30, 2013

6. Compensated Absences

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

Annual Leave

Employees are entitled to be paid time off for vacation each year. Vacation leave is paid according to hours accumulated per pay period. After the first year of employment, regular full-time employees earn one week or 40 hours of vacation time per year. After the second year, vacation leave is increased to two weeks per year. After ten years of employment, the employee earns three weeks of vacation leave per year. After twenty years, the employee earns four weeks of vacation leave per year.

Employees are encouraged to take vacations annually, but can carry over accumulated vacation leave. Reasonable accumulation is allowed, but accumulated hours are not to exceed 200 hours. Unused vacation leave is paid at termination or retirement at the current rate of salary.

Sick Leave

Sick leave accrues at 4 hours per paycheck for regular full-time employees. An employee may use sick leave as it is accumulated. Employees may accumulate up to 720 hours of sick leave (90 working days). At that point, sick leave no longer accrues, until the balance of hours drops below the 720 hour maximum. Employees who have exhausted sick pay must take unpaid time from work, when authorized, and may request vacation or use other paid leave time they have accrued. Employees leaving Autauga County employment are not compensated for any accrued sick leave, unless they retire and draw a state retirement. In this case, they are compensated for half of their accrued hours.

Compensatory Leave

Compensatory leave is provided to permanent full-time employees. Employees accrue compensatory time for hours worked in excess of 40 per week at one and one-half times the regular hours. Employees may accrue and carry forward hours in excess of 40 hours at the discretion of the employee's supervisor. Compensatory leave year runs from July 1 to June 30.

The Commission uses the termination method to accrue its sick leave liability. 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.

Notes to the Financial Statements

For the Year Ended September 30, 2013

7. Net Position/Fund Equity

Net position is reported on the government-wide financial statements and is required to be classified for accounting and reporting purposes into the following net position categories:

- ◆ **Net Investment in Capital Assets** – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Deferred outflows or resources and deferred inflows or resources attributable to acquisition, construction and improvement of those assets should also be included in this component. Any significant unspent related debt proceeds, or deferred inflows of resources attributable to the unspent amount at year-end related to capital assets are not included in this calculation. Debt proceeds or deferred inflows of resources at the end of the reporting period should be included in the same net position amount (restricted, unrestricted) as the unspent amount.
- ◆ **Restricted** – Constraints imposed on net position by external creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation.
- ◆ **Unrestricted** – Is the amount of assets, deferred outflows or resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restriction components of net position. Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Commission.

Fund balance is reported in governmental funds in the fund financial statements under the following five categories:

- A. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained in-tact. Examples of nonspendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include: inventories, prepaid items, and long-term receivables.
- B. Restricted fund balances consist of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- C. Committed fund balances consist of amounts that are subject to a purpose constraint imposed by formal action or resolution of the Commission, which is the highest level of decision-making authority, before the end of the fiscal year and that require the same level of formal action to remove or modify the constraint.

Notes to the Financial Statements

For the Year Ended September 30, 2013

- D. Assigned fund balances consist of amounts that are intended to be used by the Commission for specific purposes. The Commission authorized the County Administrator to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority to remove the constraint.
- E. Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Note 2 – Stewardship, Compliance, and Accountability

Budgets

Budgets are adopted on a basis of accounting consistent with accounting principles generally accepted in the United States of America (GAAP) for the General Fund with the exception of motor vehicle ad valorem taxes which are budgeted only to the extent expected to be received rather than on the modified accrual basis of accounting. All other governmental funds budget on a basis of accounting consistent with GAAP. Capital projects funds adopt project-length budgets. All appropriations lapse at fiscal year-end.

The present statutory basis for county budgeting operations is the County Financial Control Act of 1935, as amended by Act Number 2007-488, Acts of Alabama. According to the terms of the law, at some meeting in September of each year, but in any event not later than October 1, the Commission must estimate the anticipated revenues, estimated expenditures and appropriations for the respective amounts that are to be used for each of such purposes. The appropriations must not exceed the total revenues available for appropriation plus any balances on hand. Expenditures may not legally exceed appropriations.

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.

Notes to the Financial Statements

For the Year Ended September 30, 2013

Note 3 – Deposits

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Commission will not be able to cover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Commission's deposits at year-end were entirely covered by federal depository insurance or by the Security for Alabama Funds Enhancement Program (SAFE Program). The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the *Code of Alabama 1975*, Sections 41-14A-1 through 41-14A-14. Under the SAFE Program all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance. All of the Commission's investments were in certificates of deposit. These certificates of deposit are classified as "Deposits" in order to determine insurance and collateralization. However, they are classified as "Investments" on the financial statements.

Note 4 – Receivables

On September 30, 2013, receivables for the Commission's individual major funds are as follows:

Governmental Funds	General Fund	Gasoline Tax Fund	Other Governmental Funds	Total Governmental Funds
Receivables:				
Accounts Receivable	\$150,473.26	\$	\$ 6,826.14	\$157,299.40
Intergovernmental	164,509.12	98,744.80	154,606.59	417,860.51
Sales Tax	134,737.97			134,737.97
External Parties	27,164.32			27,164.32
Total Receivables	<u>\$476,884.67</u>	<u>\$98,744.80</u>	<u>\$161,432.73</u>	<u>\$737,062.20</u>

Notes to the Financial Statements

For the Year Ended September 30, 2013

Governmental funds report deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At September 30, 2013, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Ad Valorem Taxes	\$5,024,318.67	\$257,838.56
Unexpended Reappraisal Funds		17,227.64
Total Deferred/Unearned for Governmental Funds	<u>\$5,024,318.67</u>	<u>\$275,066.20</u>

Note 5 – Capital Assets

Capital asset activity for the year ended September 30, 2013, was as follows:

	Balance October 1, 2012	Additions/ Reclassification	Retirements/ Reclassification	Balance September 30, 2013
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 563,853.66	\$	\$	\$ 563,853.66
Infrastructure in Progress	660,840.55	135,043.04		795,883.59
Construction in Progress	615,668.34	54,334.82		670,003.16
Total Capital Assets, Not Being Depreciated	<u>1,840,362.55</u>	<u>189,377.86</u>		<u>2,029,740.41</u>
Capital Assets Being Depreciated:				
Land Improvements – Exhaustible	97,161.73	5,329.38		102,491.11
Infrastructure	8,871,880.64			8,871,880.64
Buildings and Improvements	21,344,790.14	400,000.00		21,744,790.14
Equipment and Furniture	7,411,474.02	668,480.81	(363,125.67)	7,716,829.16
Assets Under Capital Leases	538,950.70		(400,000.00)	138,950.70
Total Capital Assets Being Depreciated	<u>38,264,257.23</u>	<u>1,073,810.19</u>	<u>(763,125.67)</u>	<u>38,574,941.75</u>
Less Accumulated Depreciation for:				
Land Improvements – Exhaustible	(11,768.92)	(4,991.33)		(16,760.25)
Infrastructure	(960,985.42)	(159,060.67)		(1,120,046.09)
Buildings and Improvements	(6,369,632.24)	(703,813.87)		(7,073,446.11)
Equipment and Furniture	(5,451,301.45)	(538,044.07)	207,157.27	(5,782,188.25)
Equipment Under Capital Lease	(212,491.80)	(13,895.07)	185,000.00	(41,386.87)
Total Accumulated Depreciation	<u>(13,006,179.83)</u>	<u>(1,419,805.01)</u>	<u>392,157.27</u>	<u>(14,033,827.57)</u>
Total Capital Assets Being Depreciated, Net	<u>25,258,077.40</u>	<u>(335,994.82)</u>	<u>(370,968.40)</u>	<u>24,541,114.18</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,098,439.95</u>	<u>\$ (156,616.96)</u>	<u>\$(370,968.40)</u>	<u>\$ 26,570,854.59</u>
(*) The Commission reclassified Assets Under Capital Lease (\$400,000) and the related Accumulated Depreciation expense (\$185,000) to Equipment and Furniture during the fiscal year upon completion of the lease agreement.				

Notes to the Financial Statements

For the Year Ended September 30, 2013

Depreciation expense was charged to functions/programs of the primary government as follows:

	Current Year Depreciation Expense
<u>Governmental Activities:</u>	
General Government	\$ 519,871.37
Public Safety	227,793.58
Highways and Roads	453,174.30
Welfare	23,405.41
Culture and Recreation	10,560.35
Total Depreciation Expense – Governmental Activities	<u>\$1,234,805.01</u>

Note 6 – Defined Benefit Pension Plan

A. Plan Description

The 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.

Substantially all employees of the Commission are members of the Employees' Retirement System of Alabama. Membership is mandatory for covered or eligible employees of the Commission. Benefits vest after 10 years of creditable service.

The provisions of Act Number 2012-377, Acts of Alabama, established a new defined benefit plan tier, Tier 2, for employees hired on or after January 1, 2013. Employees who were hired prior to January 1, 2013 are considered to be Tier 1 employees.

Vested Tier 1 employees may retire with full benefits at age 60 or after 25 years of service. Vested Tier 2 employees may retire after completing at least 10 years of service at the age of 62. Retirement benefits are calculated by two methods with the retiree receiving payment under the method which yields the highest monthly benefit. The methods are (1) Minimum Guaranteed, and (2) Formula, of which the Formula method usually produces the highest monthly benefit. Under this method Tier 1 retirees are allowed 2.0125% of their average final salary (best three of the last ten years) for each year of service, whereas Tier 2 retirees are allowed 1.65% of their average final salary (best five of the last ten years) for each year of service with a benefit cap of 80% of the average final salary. Retirees may also elect to receive a reduced retirement allowance (*Special Privileges at Retirement*) in order to provide an allowance to a designated beneficiary after the member's death. Disability retirement benefits are calculated in the same manner. Pre-retirement death benefits in the amount of the annual salary for the fiscal year preceding death are provided to plan members.

Notes to the Financial Statements

For the Year Ended September 30, 2013

The Employees' Retirement System was established as of October 1, 1945, under the provisions of Act Number 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. Benefit provisions are established by the *Code of Alabama 1975*, Sections 36-27-1 through 36-27-103, as amended, Sections 36-27-120 through 36-27-139, as amended, and Sections 36-27B-1 through 36-27B-6. Authority to amend the plan rests with the Legislature of Alabama. However, the Legislature has granted the Commission authority to accept or reject various Cost-Of-Living-Adjustments (COLAs) granted to retirees.

The Retirement Systems of Alabama issues a publicly available financial report that includes financial statements and required supplementary information for the Employees' Retirement System of Alabama. That report may be obtained by writing to The Retirement Systems of Alabama, 201 South Union Street, Montgomery, Alabama 36130-2150.

B. Funding Policy

The Commission elected not to increase the employee contribution rate as provided by Act Number 2011-676, Acts of Alabama. As provided by Act Number 2012-377, Acts of Alabama, Tier 1 employees are those hired before January 1, 2013, with the exception of full-time law enforcement officers, are required by statute to contribute 5 percent of their salary to the Employees' Retirement System. Tier 2 employees, those hired on or after January 1, 2013, with the exception of full-time law enforcement officers, are required by statute to contribute 6 percent of their salary to the Employees' Retirement Systems. As of January 1, 2001, Tier 1 full-time law enforcement officers are required to contribute 6 percent of their salary to the Employees' Retirement System while the Tier 2 full-time law enforcement officers hired after January 1, 2013 are required to contribute 7 percent of their salary to the Employee's Retirement System. The 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. The contribution requirements of the Commission are established by the Employees' Retirement System based on annual actuarial valuations. The employer's contribution rate for the year ended September 30, 2013 was 7.66% for Tier 1 employees and 5.36% for Tier 2 employees based on the actuarial valuation performed as of September 30, 2012.

Notes to the Financial Statements
For the Year Ended September 30, 2013

C. Annual Pension Cost

For the year ended September 30, 2013, the Commission's annual pension cost of \$376,917.67 was equal to the Commission's required and actual contribution. The required contribution was determined using the "entry age normal" method. The actuarial assumptions as of September 30, 2012, the latest actuarial valuation date, were: (a) 8 percent investment rate of return on present and future assets, and (b) projected salary increases ranging from 7.75 percent at age 20 to 4.61 percent at age 65. Both (a) and (b) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period as of September 30, 2012 was 30 years.

The following is three-year trend information for the Commission:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/2013	\$376,918	100%	\$0
09/30/2012	\$355,689	100%	\$0
09/30/2011	\$369,192	100%	\$0

D. Funded Status and Funding Progress

As of September 30, 2012, the most recent actuarial valuation date, the plan was 73.3 percent funded. The actuarial accrued liability for benefits was \$13,531,892 and the actuarial value of assets was \$9,925,514 resulting in an unfunded actuarial accrued liability (UAAL) of \$3,606,378. The covered payroll (annual payroll of active employees covered by the plan) was \$4,705,653, and the ratio of the UAAL to the covered payroll was 76.6 percent.

The Schedule of Funding Progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Notes to the Financial Statements
For the Year Ended September 30, 2013

Note 7 – Contingent Liabilities

Under the provisions of Act Number 79-357, Acts of Alabama, a sheriff is eligible to become a supernumerary sheriff upon retirement after sixteen (16) years of service credit as a law enforcement officer, twelve (12) of which have been as a sheriff, and who has attained the age of fifty-five (55) years. The Autauga County Sheriff, who has elected to participate in this retirement plan, makes monthly contributions out of his salary as required by law. The Commission has a responsibility to properly manage these funds in order to provide the necessary monthly payments to the Sheriff when he retires. Should the Sheriff decide to withdraw from the plan for whatever reason, the Commission is obligated to refund the Sheriff's total contribution which at September 30, 2013 amounted to \$68,426.90.

Note 8 – Payables

On September 30, 2013, payables for the Commission's individual major funds and fiduciary funds are as follows:

	Accounts Payable	Payable to External Parties	Total
<u>Governmental Funds:</u>			
General Fund	\$116,687.15	\$	\$116,687.15
Gasoline Tax Fund	29,656.22		29,656.22
Reappraisal Fund	3,323.80		3,323.80
Total Governmental Funds	149,667.17		149,667.17
<u>Fiduciary Fund:</u>			
Agency Funds	12,503.31	27,164.32	39,667.63
Total Fiduciary Funds	\$ 12,503.31	\$27,164.32	\$ 39,667.63

Notes to the Financial Statements

For the Year Ended September 30, 2013

Note 9 – Lease Obligations

Capital Leases

The Commission is obligated under certain leases accounted for as capital leases. Assets under capital leases totaled \$138,950.70 for governmental activities at September 30, 2013. If the Commission completes the lease payments according to the schedules below, which is the stated intent of the Commission, ownership of the leased equipment will pass to the Commission. The lease purchase contracts give the Commission the right to cancel the lease with 30 days written notice and payment of a pro rata share of the current year's lease payments. Until that time, the leased equipment will be identified separately on the balance sheet. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of September 30th.

Fiscal Year Ending	Governmental Activities
September 30, 2014	\$27,790.14
2015	14,491.76
Total Minimum Lease Payments	42,281.90
Less: Amount Representing Interest	
Present Value of Net Minimum Lease Payments	<u>\$42,281.90</u>

Note 10 – Long-Term Debt

On April 1, 2007, the Commission issued General Obligation Warrants, Series 2007, to provide funds for the costs of construction and improvements for various projects. These warrants were refunded April 1, 2013.

On April 1, 2009, the Commission issued General Obligation Warrants, Series 2009A, to complete construction costs for the Administrative Building in the amount of \$1,000,000 and to refinance the capital lease agreement with the Autauga County Public Building Authority.

On February 24, 2012, the Commission issued General Obligation Warrants, Series 2012 to provide for the refunding of the General Obligation Warrants, Series 1997, and to provide funds for improvements to the County Courthouse and provision of administrative office space for County Employees.

On April 1, 2013, the Commission issued General Obligation Warrants, Series 2013, to provide for the advance refunding of the General Obligation Warrants, Series 2007.

Notes to the Financial Statements

For the Year Ended September 30, 2013

The Commission entered into capital lease agreements for the purpose of acquiring the Farmer's Building and two backhoes. On June 18, 2013, the last payment was made to the Farmer's Market Authority for the Farmer's Building.

The following is a summary of long-term debt transactions for the Commission for the year ended September 30, 2013:

	Debt Outstanding 10/01/2012	Issued/ Increased	Repaid/ Decreased	Debt Outstanding 10/01/2013	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Warrants Payable:					
Warrants Payable	\$12,710,000.00	\$4,300,000.00	\$(4,595,000.00)	\$12,415,000.00	\$718,000.00
Discount		(30,100.00)	30,100.00		
Premium		21,346.45	(21,346.45)		
Loss on Refunding		(296,516.04)	296,516.04		
Total Warrants Payable	12,710,000.00	3,994,730.41	(4,289,730.41)	12,415,000.00	718,000.00
<u>Other Liabilities:</u>					
Capital Lease Contracts Payable	90,072.04		(47,790.14)	42,281.90	27,790.14
Estimated Liability for Compensated Absences	988,051.34	29,956.97		1,018,008.31	101,800.83
Total Other Liabilities	1,078,123.38	29,956.97	(47,790.14)	1,060,290.21	129,590.97
Total Governmental Activities Long-Term Liabilities	\$13,788,123.38	\$4,024,687.38	\$(4,337,520.55)	\$13,475,290.21	\$847,590.97

Payments on the warrants payable that pertain to the Commission's governmental activities are made by the General Fund. The capital lease liability for the governmental activities will be liquidated by the Gasoline Tax Fund (100%).

The compensated absences liability attributable to the governmental activities will be liquidated by several of the Commission's governmental funds. In the past, approximately 68.5% has been paid by the General Fund, 29% by the Gasoline Tax Fund, and the remainder by the Reappraisal Fund. The worker's compensation liability will generally be liquidated through the Commission's General Fund.

Notes to the Financial Statements

For the Year Ended September 30, 2013

The following is a schedule of debt service requirements to maturity:

Fiscal Year Ending	Governmental Activities				Total Principal and Interest Requirements
	Warrants Payable		Capital Leases		
	Principal	Interest	Principal	Interest	
September 30, 2014	\$ 718,000.00	\$ 396,474.90	\$27,790.14	\$	\$ 1,142,265.04
2015	724,000.00	380,429.25	14,491.76		1,118,921.01
2016	742,000.00	362,417.80			1,104,417.80
2017	755,000.00	342,152.65			1,097,152.65
2018	778,000.00	319,718.80			1,097,718.80
2019-2023	4,093,000.00	1,237,240.60			5,330,240.60
2024-2028	4,045,000.00	579,976.92			4,624,976.92
2029	560,000.00	26,320.00			586,320.00
Total	\$12,415,000.00	\$3,644,730.92	\$42,281.90	\$	\$16,102,012.82

Bond Issuance Costs, Deferred Charges on Refunding and Discounts

The Commission had issuance costs, as well as discounts in connection with the issuance of its General Obligation Warrants, Series 2007. These costs and discount were retired when the Series 2007 General Obligation Warrants were refunded by the General Obligation Warrants, Series 2013. The gain on refunding, premium, issuance costs and discount associated with the General Obligation Refunding Warrants, Series 2013 were recognized in the current year.

	Issuance Costs	Discount	Deferred Charges on Refunding	Premium
Total Issuance Costs, Deferred Charges on Refunding, Discounts and Premiums Amount Amortized Prior Years	\$ 167,754.88 (34,737.19)	\$ 30,100.00	\$ 296,516.04	\$ 21,346.45
Balance Issuance Costs, Deferred Charges on Refunding, Discounts and Premiums Current Amount Amortized	133,017.69 (133,017.69)	30,100.00 (30,100.00)	296,516.04 (296,516.04)	21,346.45 (21,346.45)
Balance Issuance Costs, Deferred Charges on Refunding, Discounts and Premiums	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Notes to the Financial Statements

For the Year Ended September 30, 2013

Defeased Debt

On April 1, 2013, the Commission issued \$4,300,000.00 in General Obligation Refunding Warrants, Series 2013 with an average interest rate of 2.13 percent to advance refund \$3,950,000.00 of outstanding General Obligation Warrants, Series 2007 with an average interest rate of 4 percent. The net proceeds of \$4,246,516.04 were used to purchase U. S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the General Obligation Warrants, Series 2007. As a result, the General Obligation Warrants, Series 2007 are considered to be defeased and the liability for those warrants has been removed.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt is \$296,516.04. This difference was recognized in the current fiscal year. As a result of the advance refunding, the Commission increased its total debt service requirements by \$266,208.68, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$231,954.35.

Note 11 – Risk Management

The Commission has workers' compensation insurance through the Association of County Commissions of Alabama (ACCA) Workers' Compensation Self Insurance Fund, a public entity risk pool. Premiums are based on a rate per \$100 of remuneration for each class of employee which is adjusted by an experience modifier for the individual county. At year-end, pool participants are eligible to receive refunds of unused premiums and the related investment earnings. The Commission may qualify for additional discounts based on losses and premium size. Employment-related practices damage protection is limited to \$2,000,000 per incident with a \$25,000 deductible. Defense expenses are payable within the limits of insurance.

The Commission is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission has purchased general liability insurance through a commercial insurance carrier. Coverage is provided up to \$1,000,000 per claim for a maximum total coverage of \$3,000,000. The Commission also purchases commercial insurance for other risks of loss, including property and casualty insurance. Settled claims resulting from these claims have not exceeded commercial insurance coverage in any of the past three years.

The Commission has employee health insurance coverage through the Local Government Health Insurance Program, administered by the State Employee's Health Insurance Board (SEHIB).

Employees may choose to participate in a plan administered by Blue Cross/Blue Shield which functions as a public entity risk pool. The plan is self-sustaining through member premiums. Monthly premiums are determined annually by the plan's actuary and are based on the pool's claims experience, considering any remaining fund balance on hand available for claims.

Notes to the Financial Statements

For the Year Ended September 30, 2013

Note 12 – Interfund Transactions

Interfund Transfers

The amounts of interfund transfers during the fiscal year ending September 30, 2013, were as follows:

	Transfers In		Total
	Gasoline Tax Fund	Other Governmental Funds	Governmental Funds
Transfers Out:			
General Fund	\$373,000.00	\$ 832,398.16	\$1,205,398.16
Other Governmental Funds		4,594,831.00	4,594,831.00
Total Governmental Funds	<u>\$373,000.00</u>	<u>\$5,427,229.16</u>	<u>\$5,800,229.16</u>

The Commission typically used transfers to fund ongoing operating subsidies.

Note 13 – Related Organizations

The Commission appoints a majority of the members to the Board for several entities, which are summarized for reporting purposes: water authorities created under the *Code of Alabama 1975*, Section 11-88-1; fire departments created under the *Code of Alabama 1975*, Section 10-3A-1; Autauga County Industrial Development Authority, Autauga County Public Building Authority, Autauga County Sewer Authority, Autauga County Partnership for Children, Autauga County Retired Teachers Foundation, and Autauga County Public Education Cooperative District. The Commission, however, is not financially accountable, because it does not impose its will and have a financial benefit or burden relationship, for these entities and they are not considered part of the Commission's financial reporting entity. They are considered related organizations of the County Commission.

Note 14 – Subsequent Event

On September 18, 2014, the Commission issued \$7,830,000 in General Obligation Refunding Warrants, Series 2014 to advance refund the General Obligation Warrants, Series 2009A and to obtain \$1.8 million in capital improvement funds.

Required Supplementary Information

***Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended September 30, 2013***

	Budgeted Amounts		Actual Amounts
	Original	Final	Budgetary Basis
<u>Revenues</u>			
Taxes	\$ 5,395,291.00	\$ 5,395,291.00	\$ 5,631,062.88
Licenses and Permits	40,472.00	40,472.00	55,090.42
Intergovernmental	1,572,801.50	1,602,908.99	1,320,601.67
Charges for Services	1,046,957.00	1,046,957.00	1,105,877.66
Miscellaneous	1,023,389.00	1,025,954.55	1,114,243.02
Total Revenues	9,078,910.50	9,111,583.54	9,226,875.65
<u>Expenditures</u>			
Current:			
General Government	3,622,691.00	3,658,600.91	3,283,635.53
Public Safety	4,601,215.50	4,684,435.35	4,462,449.20
Highways and Roads			
Health	121,125.00	121,125.00	127,561.05
Welfare	593,069.00	658,326.00	596,115.86
Culture and Recreation	322,810.00	322,910.00	318,366.31
Education	42,500.00	42,500.00	42,500.00
Capital Outlay	4,000.00	32,107.49	176,632.11
Debt Service			
Principal Retirement			
Interest on Fiscal Charges			
Total Expenditures	9,307,410.50	9,520,004.75	9,007,260.06
Excess (Deficiency) of Revenues Over Expenditures	(228,500.00)	(408,421.21)	219,615.59
<u>Other Financing Sources (Uses)</u>			
Transfers In	281,402.00	281,402.00	
Sale of Capital Assets			
Transfers Out	(52,902.00)	(52,902.00)	
Total Other Financing Sources (Uses)	228,500.00	228,500.00	
Net Changes in Fund Balances		(179,921.21)	219,615.59
Fund Balances - Beginning of Year	3,881,760.00	3,881,760.00	3,805,756.16
Fund Balances - End of Year	\$ 3,881,760.00	\$ 3,701,838.79	\$ 4,025,371.75

	Budget to GAAP Differences	Actual Amounts GAAP Basis
(1) (2) \$	1,548,277.06	\$ 7,179,339.94
(2)	8,846.48	63,936.90
(2)	165,508.95	1,486,110.62
		1,105,877.66
(2)	49,608.14	1,163,851.16
	<u>1,772,240.63</u>	<u>10,999,116.28</u>
(3)	580,033.42	3,863,668.95
(3)	89,649.76	4,552,098.96
(3)	18,642.68	18,642.68
(3)	10,506.31	138,067.36
(3)	672.91	596,788.77
		318,366.31
		42,500.00
		176,632.11
(3)	20,000.00	20,000.00
(3)	3,438.75	3,438.75
	<u>722,943.83</u>	<u>9,730,203.89</u>
	<u>1,049,296.80</u>	<u>1,268,912.39</u>
(4)	<u>(1,205,398.16)</u>	<u>(1,205,398.16)</u>
	<u>(1,205,398.16)</u>	<u>(1,205,398.16)</u>
	(156,101.36)	63,514.23
(5)	<u>5,435,826.50</u>	<u>9,241,582.66</u>
	<u>\$ 5,279,725.14</u>	<u>\$ 9,305,096.89</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended September 30, 2013

**Explanation of differences between Actual Amounts
Budgetary Basis and Actual Amounts GAAP Basis:**

With the exception of the following, the Commission budgets on the modified accrual basis of accounting:

- (1) The Commission recognizes motor vehicle ad valorem taxes as they are received without regard to when they are earned.

Some amounts are combined with the General Fund for reporting purposes, but are budgeted separately:

(2) Revenues	
Public Buildings, Roads and Bridges Fund	\$ 1,585,056.55
Public Highway Traffic Fund	157,265.30
CDBG Fund	<u>12,670.00</u>
(3) Expenditures	
Public Buildings, Roads and Bridges Fund	(706,313.83)
CDBG Fund	<u>(16,630.00)</u>
(4) Other Financing Sources/(Uses), Net	
Public Buildings, Roads and Bridges Fund	<u>\$ (1,205,398.16)</u>

Net Decrease in Fund Balance - Budget to GAAP

- (5) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the Commission's budget. This amount differs from the fund balance reported in the Statement of Revenues, Expenditures and Changes in Fund Balance because of the cumulative effect of transactions such as those described above.

\$ 17,248.78

1,754,991.85

(722,943.83)

(1,205,398.16)

\$ (156,101.36)

***Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gasoline Tax Fund
For the Year Ended September 30, 2013***

	Budgeted Amounts		Actual Amounts
	Original	Final	Budgetary Basis
<u>Revenues</u>			
Intergovernmental	\$ 1,145,569.00	\$ 1,145,569.00	\$ 1,148,209.09
Miscellaneous	3,941.00	352,834.65	81,355.36
Total Revenues	1,149,510.00	1,498,403.65	1,229,564.45
<u>Expenditures</u>			
Current:			
Highways and Roads	2,142,226.00	2,219,093.40	1,380,337.37
Capital Outlay	160,000.00	432,026.25	457,930.62
Debt Service			
Principal Retirement	27,791.00	27,791.00	27,790.14
Total Expenditures	2,330,017.00	2,678,910.65	1,866,058.13
Excess (Deficiency) of Revenues Over Expenditures	(1,180,507.00)	(1,180,507.00)	(636,493.68)
<u>Other Financing Sources (Uses)</u>			
Transfers In	1,180,507.00	1,180,507.00	373,000.00
Sale of Capital Assets			291,158.50
Total Other Financing Sources (Uses)	1,180,507.00	1,180,507.00	664,158.50
Net Changes in Fund Balances			27,664.82
Fund Balances - Beginning of Year	57,796.00	57,796.00	73,624.39
Fund Balances - End of Year	\$ 57,796.00	\$ 57,796.00	\$ 101,289.21

Budget to GAAP Differences	Actual Amounts GAAP Basis
\$	\$ 1,148,209.09
	81,355.36
	1,229,564.45
	1,380,337.37
	457,930.62
	27,790.14
	1,866,058.13
	(636,493.68)
	373,000.00
	291,158.50
	664,158.50
	27,664.82
	73,624.39
\$	\$ 101,289.21

***Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Reappraisal Fund
For the Year Ended September 30, 2013***

	Budgeted Amounts		Actual Amounts
	Original	Final	Budgetary Basis
<u>Revenues</u>			
Taxes	\$ 565,330.00	\$ 565,330.00	\$ 548,102.36
Total Revenues	565,330.00	565,330.00	548,102.36
<u>Expenditures</u>			
Current:			
General Government	559,050.00	523,405.00	507,202.36
Capital Outlay	6,280.00	41,925.00	40,900.00
Total Expenditures	565,330.00	565,330.00	548,102.36
Excess (Deficiency) of Revenues Over Expenditures			
Net Changes in Fund Balances			
Fund Balances - Beginning of Year			
Fund Balances - End of Year	\$	\$	\$

Budget to GAAP Differences	Actual Amounts GAAP Basis
\$	\$ 548,102.36
	548,102.36
	507,202.36
	40,900.00
	548,102.36
\$	\$

Schedule of Funding Progress
Defined Benefit Pension Plan
For the Year Ended September 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)*	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
09/30/2012 ²	\$ 9,925,514	\$13,492,263	\$3,566,749	73.60%	\$4,705,653	75.80%
09/30/2011 ¹	\$ 9,948,924	\$13,712,770	\$3,763,846	72.60%	\$5,147,163	73.10%
09/30/2010**	\$10,047,762	\$13,338,223	\$3,290,461	75.30%	\$5,171,984	63.60%

* Reflects liability for cost of living benefit increases granted on or after October 1, 1978.

**Reflects the impact of Act Number 2011-27, Acts of Alabama, which closes the DROP program to new applicants after March 24, 2011.

¹ Reflects changes in actuarial assumptions.

² Reflects changes to interest smoothing methodology.

The actuarial value of assets was set equal to the market value of assets as of September 30, 2012.

Additional Information

Commission Members and Administrative Personnel
October 1, 2012 through September 30, 2013

Commission Members		Term Expires
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Hon. Danny Chavers	Chairman (*)	2016
Hon. Carl Johnson	Chairman (**)	2016
Hon. A. G. Carter	Vice-Chairman	Deceased
Hon. Sid Thompson	Member	2016
Hon. Jay Thompson	Member	2012
Hon. Marshall Reese	Member	2016

Administrative Personnel

Steven T. Golsan	Treasurer/Administrator	Indefinite
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(*) Resigned as Chairman August 19, 2013

(**) Chairman from September 3, 2013 – Current

***Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance With
Government Auditing Standards***

Independent Auditor's Report

To: County Administrator and Members of the Autauga County Commission.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Autauga County Commission as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Autauga County Commission's basic financial statements and have issued our report thereon dated November 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Autauga County Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Autauga County Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Autauga County Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Autauga County Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under ***Government Auditing Standards***.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the Autauga County Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Ronald L. Jones
Chief Examiner

Department of Examiners of Public Accounts

Montgomery, Alabama

November 19, 2014