



# Limestone County Commission

## Limestone County, Alabama

October 1, 2023 through September 30, 2024

Filed: August 1, 2025

ALABAMA DEPARTMENT OF  
**EXAMINERS** of Public Accounts

Rachel Laurie Riddle, *Chief Examiner* | 334-777-0500 | [www.alexaminers.gov](http://www.alexaminers.gov)





Rachel Laurie Riddle  
*Chief Examiner*

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Honorable Rachel Laurie Riddle  
Chief Examiner of Public Accounts  
Montgomery, Alabama 36130

Dear Madam:

An audit was conducted on the Limestone County Commission, Limestone County, Alabama, for the period October 1, 2023 through September 30, 2024, by Examiners Briana Hannah and Maggie Pipes. I, Briana Hannah, served as Examiner-in-Charge on the engagement, and under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the audit.

Respectfully submitted,

*Briana Hannah*

Briana Hannah  
Examiner of Public Accounts

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## Department of **Examiners of Public Accounts**

### **SUMMARY**

#### **Limestone County Commission October 1, 2023 through September 30, 2024**

The Limestone County Commission (the “Commission”) is governed by a five-member body elected by the citizens of Limestone County. The members and administrative personnel in charge of governance of the Commission are listed on Exhibit 20. The Commission is the governmental agency that provides general administration, public safety, construction and maintenance of county roads and bridges, sanitation services, health and welfare services and educational services to the citizens of Limestone 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, including those applicable to its major federal financial assistance programs. 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 41-5A-12.

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, 2024.

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

### **EXIT CONFERENCE**

Commission members and administrative personnel, as reflected on Exhibit 20, were invited to discuss the results of this report at an exit conference. Individuals in attendance were County Administrator Ellen Morell; Chairman Collin Daly; and Commissioners Daryl Sammet, Danny Barksdale, Derrick Gatlin and LaDon Townsend. Also in attendance were the following representatives from the Department of Examiners of Public Accounts: April Purser, Audit Manager; Briana Hannah, Examiner; and Maggie Pipes, Examiner.

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# *Independent Auditor's Report*

## **Independent Auditor's Report**

Members of Limestone County Commission and County Administrator  
Athens, Alabama

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Limestone County Commission, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Limestone County Commission's basic financial statements as listed in the table of contents as Exhibits 1 through 11.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Limestone County Commission, as of September 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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 (***Government Auditing Standards***). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Limestone County Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Limestone County Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and ***Government Auditing Standards*** will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards***, we:

- ◆ exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ◆ obtain an understanding of internal control relevant to the audit 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 Limestone County Commission's internal control. Accordingly, no such opinion is expressed.
- ◆ evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- ◆ conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Limestone County Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), the Schedule of Changes in the Employer's Net Pension Liability, the Schedule of Changes in the Employer's Other Postemployment Benefits (OPEB) Liability, the Schedules of the Employer's Contributions and the Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Exhibits 12 through 18), be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

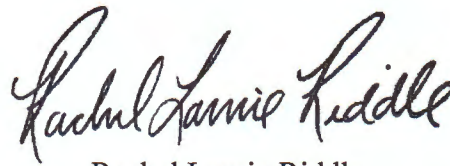
### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Limestone County Commission's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (Exhibit 19), as required by Title 2 U. S. *Code of Federal Regulations* Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)***, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**Other Reporting Required by Government Auditing Standards**

In accordance with ***Government Auditing Standards***, we have also issued our report dated July 11, 2025, on our consideration of the Limestone County Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Limestone County Commission's 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 Limestone County Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Rachel Laurie Riddle". The signature is written in a cursive, flowing style.

Rachel Laurie Riddle  
Chief Examiner

Department of Examiners of Public Accounts

Montgomery, Alabama

July 11, 2025

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*Management's Discussion and Analysis*  
*(Required Supplementary Information)*

## **LIMESTONE COUNTY COMMISSION**

### **Management's Discussion and Analysis**

This discussion and analysis provides an overview of the financial activities and financial position of the Limestone County Commission for the fiscal year ended September 30, 2024, with comparative data for the fiscal year ended September 30, 2023. Please read it in conjunction with the County's basic financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the Commission exceeded its liabilities and deferred inflows at the close of the 2024 fiscal year by \$119 million.
- The Commission's net position in the governmental activities increased by \$24.8 million and its' business-type activities increased by \$1.4 million as a result of the current year's operations.
- Total revenues from all sources were \$81.4 million while total costs of all programs were \$55.1 million.

#### **REPORT LAYOUT**

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

- Government-wide financial statements provide information for the County as a whole and present a longer-term view of the County's finances.
- Fund financial statements provide detailed information for the County'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.
- Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses.
- The remaining statements provide financial information about activities for which the County 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 County's financial condition.

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

#### **Government-wide Financial Statements**

The *government-wide financial statements* are designed to present a broad overview of the County'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 of the 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 county 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 County's financial situation is improving or deteriorating. To assess the overall health of the County you need to consider other nonfinancial factors such as changes in the County's property tax base and the condition of the County's infrastructure, buildings and other facilities.

The *Statement of Activities* focuses on gross and net cost of the County'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.

The County's government-wide financial statements are divided into two categories:

- Governmental activities – Most of the County's basic services are reported here, including general government, public safety, highways and street, health and welfare, and culture and recreation. Property taxes, gasoline taxes, license and permits and charges for services finance most of these activities.
- Business-type activities – The County charges fees to customers to help it cover the cost of certain services it provides. The County's solid waste-garbage collection and campground facility is reported in this category.

## **Fund Financial Statements**

Fund financial statements focus separately on major governmental funds and proprietary funds. The County establishes many funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The fund financial statements provide detailed information about the County's significant funds- not the County as a whole. The County's funds can be divided into three categories – governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* – The majority of the County'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 be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's operations and the basic services it provides. Governmental funds 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 statement of revenues, expenditures and changes in fund balances provide reconciliation to the government-wide financial statements.

*Proprietary funds* – Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail. The County maintains one type of proprietary fund – the enterprise fund. When the County charges customers for services it provides, these services are generally reported in the enterprise fund. The enterprise fund is presented as business-type activities in the government-wide statements.

*Fiduciary funds* – The County is responsible for assets that are held on behalf of other organizations or individuals. The County’s fiduciary accounts were reported as custodial funds and are reported in separate statements of fiduciary assets and changes in fiduciary net position. The County cannot use these assets to finance its operations, therefore, these activities have been excluded from the County’s other financial statements.

## **Notes to the 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 the financial statements follow the presentation of the exhibits contained in this report.

## **Required Supplementary Information**

Required supplementary information is shown in Exhibits #12 through #18 which provide pension information, other post-employment benefits information, and budget to actual comparisons of the governmental funds of the County. The comparison schedules are presented to demonstrate compliance with the fund budgets.

## **FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

The following two tables (A-1 and A-2) present condensed information on the County’s Net Position and Changes in Net Position for the fiscal year ended September 30, 2024, with comparative data for the fiscal year ended September 30, 2023.

As noted earlier, net position may serve over time as a useful indicator of the County’s financial situation. In the County’s case, assets and deferred outflows exceeded liabilities and deferred inflows by \$119 million at the close of the most recent fiscal year.

The largest portion of the County’s net position (71%) reflects its investment in capital assets (e.g. land, buildings, equipment, construction in progress and equipment under capital lease); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources need to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A-1  
NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Current and other assets	\$90,543,487	\$101,282,900	\$ 422,573	\$1,480,784	\$90,966,060	\$102,763,684
Capital Assets	84,642,908	92,098,271	2,948,955	4,822,395	87,591,863	96,920,666
<b>Total Assets</b>	<b>175,186,395</b>	<b>193,381,171</b>	<b>3,371,528</b>	<b>6,303,179</b>	<b>178,957,923</b>	<b>199,684,350</b>
<b>Deferred Outflows</b>	<b>8,688,401</b>	<b>6,710,422</b>	<b>330,608</b>	<b>274,312</b>	<b>9,019,009</b>	<b>6,984,734</b>
Long-term debt outstanding	42,368,162	40,572,123	4,909,675	6,290,527	47,277,837	46,862,650
Other Liabilities	18,022,059	9,140,249	50,975	142,789	18,073,034	9,283,038
<b>Total Liabilities</b>	<b>60,390,221</b>	<b>49,712,372</b>	<b>4,960,650</b>	<b>6,433,316</b>	<b>65,350,871</b>	<b>56,145,688</b>
<b>Deferred Inflows</b>	<b>29,562,983</b>	<b>31,615,806</b>	<b>1,559</b>	<b>23,166</b>	<b>29,564,542</b>	<b>31,638,972</b>
Net Position						
Net Investment in Capital Assets	75,233,177	84,048,330	2,948,955	454,023	78,182,132	84,502,353
Restricted	7,188,452	8,661,249			7,188,452	8,661,249
Unrestricted	11,499,963	26,053,836	(4,209,028)	(333,014)	7,290,935	25,720,822
<b>Total Net Position</b>	<b>\$93,921,592</b>	<b>\$118,763,415</b>	<b>\$(1,260,073)</b>	<b>\$ 121,009</b>	<b>\$92,661,519</b>	<b>\$118,884,424</b>

Table A-2  
CHANGES IN NET POSITION

	Governmental Activities		Business- Type Activities		Total		Total Percentage Change
	2023	2024	2023	2024	2023	2024	
<b>Revenues</b>							
Program Revenues:							
Charges for Services	\$7,214,160	\$7,950,038	\$3,022,612	\$6,071,657	\$10,236,772	\$14,021,695	36.97%
Operating Grants and Contributions	10,327,148	18,104,678			10,327,148	18,104,678	75.31%
Capital Grants and Contributions	7,416,448	6,823,792			7,416,448	6,823,792	(7.99)%
General Revenues:							
Property Taxes- General Purposes	14,493,155	19,656,627			14,493,155	19,656,627	35.63%
Property Taxes- Specific Purposes	7,499,320	9,209,846			7,499,320	9,209,846	22.81%
In Lieu of Taxes	3,634,769	3,355,383			3,634,769	3,355,383	(7.69)%
Special Sales Tax	1,391,814				1,391,814		(100.00)%
County Gasoline Sales Tax	1,877,695	2,084,744			1,877,695	2,084,744	11.03%
Grants and Contributions- not restricted	4,470,467	4,237,183			4,470,467	4,237,183	(5.22)%
Miscellaneous Taxes	1,573,929	1,480,828			1,573,929	1,480,828	(5.92)%
Gain/(Loss) on Disposal of Assets	1,153,043	322,141		(83,152)	1,153,043	238,989	(79.27)%
Miscellaneous	1,685,983	2,131,594	1,988	19,557	1,687,971	2,151,151	27.44%
<b>Total Revenues, Special Items and Transfers</b>	<b>62,737,931</b>	<b>75,356,854</b>	<b>3,024,600</b>	<b>6,008,062</b>	<b>65,762,531</b>	<b>81,364,916</b>	<b>23.73%</b>
<b>Expenses</b>							
General Government	9,105,839	9,782,212			9,105,839	9,782,212	7.43%
Public Safety	14,963,600	17,525,157			14,963,600	17,525,157	17.12%
Highways and Roads	11,266,785	16,987,263			11,266,785	16,987,263	50.77%
Sanitation	1,404,965	1,698,647	4,389,257	4,448,966	5,794,222	6,147,613	6.10%
Health	1,316,259	1,224,609			1,316,259	1,224,609	(6.96)%
Welfare	1,379,446	1,259,324			1,379,446	1,259,324	(8.71)%
Culture and Recreation	394,787	343,488	182,142	178,014	576,929	521,502	(9.61)%
Education	188,545	121,428			188,545	121,428	(35.60)%
Interest and Fiscal Charges	360,137	329,114			360,137	329,114	(8.61)%
Intergovernmental	1,260,636	1,243,789			1,260,636	1,243,789	(1.34)%
<b>Total Expenses</b>	<b>41,640,999</b>	<b>50,515,031</b>	<b>4,571,399</b>	<b>4,626,980</b>	<b>46,212,398</b>	<b>55,142,011</b>	<b>19.32%</b>
<b>Increase (decrease) in net position</b>	<b>21,096,932</b>	<b>24,841,823</b>	<b>(1,546,799)</b>	<b>1,381,082</b>	<b>19,550,133</b>	<b>26,222,905</b>	<b>34.13%</b>
<b>Net Position – Beginning</b>	<b>72,824,660</b>	<b>93,921,592</b>	<b>286,726</b>	<b>(1,260,073)</b>	<b>73,111,386</b>	<b>92,661,519</b>	<b>26.74%</b>
<b>Net Position- Ending</b>	<b>\$93,921,592</b>	<b>\$118,763,415</b>	<b>\$(1,260,073)</b>	<b>\$ 121,009</b>	<b>\$92,661,519</b>	<b>\$118,884,424</b>	<b>28.30%</b>

The County's total revenues were approximately \$81.4 million. Revenues showed a 23.73% increase from the previous year. Limestone County continues to have one of the fastest growing populations in Alabama and is experiencing rapid residential, commercial, and industrial development. As a result of this growth, ad valorem tax collections continue to increase. Charges for Services increased due to a full year of collections in the solid waste-garbage service; the department was established for 6 months in the previous year. Operating grants reflected an increase due to an increase in expenditures related to ARPA funding. The special sales tax collected reflected a decrease due to its termination upon payment in full of the bond debt for which it was pledged. The increase in county gasoline sales tax resulted from a large travel gas station being opened in the county. The increase in miscellaneous revenue increased due to interest earned. Approximately 40% of the County's revenue comes from property/ in lieu of taxes, and 44 cents of every dollar comes from some type of tax. Grants and Contributions account for 36%; another 17% comes from fees charged for services. (See Figure 1)

Expenditures increased from the previous year. The total cost of all programs and services (excluding transfers) were approximately \$55.1 million. The increase in Public Safety expenditures resulted from a P25 communication tower being constructed and radio equipment purchased during the fiscal year. Highway and Road expenditures increased as a result of highway improvement projects completed using ARPA funds. The County's expenses cover a range of services. The majority of the expenses are related to general government (18%), public safety (32%) and highways and roads (31%). (See Figure 2)

Figure 1  
Sources of Revenues for Fiscal Year 2024

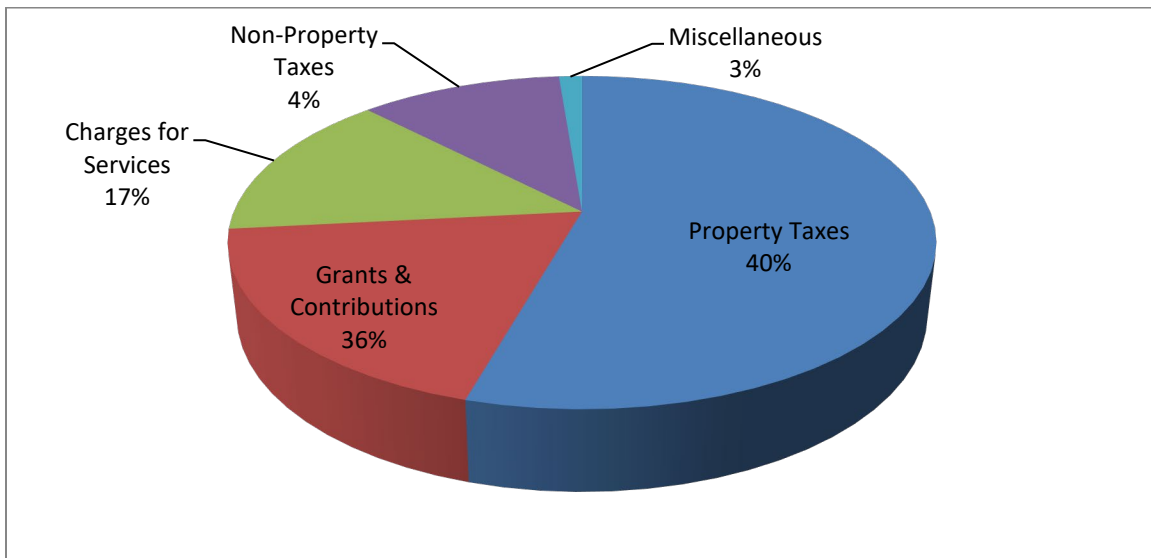
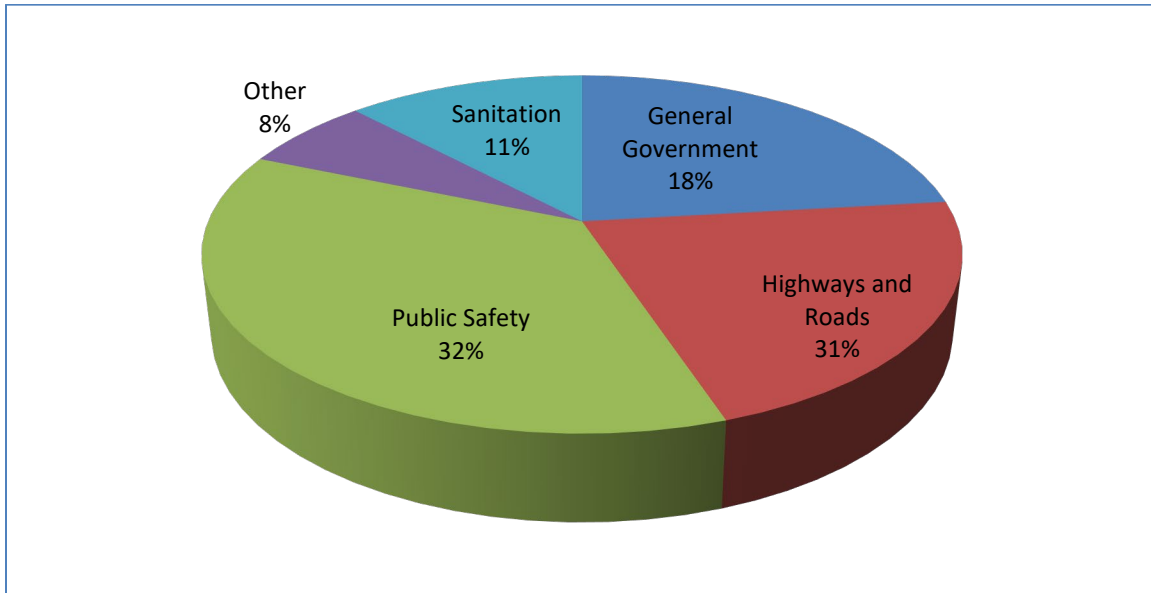




Figure 2  
Functional Expenses for Fiscal Year 2024



### Governmental Activities

Table A-3 presents the cost of the County’s programs – as well as each program’s net cost (total cost less fees generated by the activities and intergovernmental aid). Each of the County’s three largest programs is identified separately – general government, public safety and highways and roads. The net cost shows the financial burden that was placed on the County’s taxpayers by each of these functions.

The total cost of all governmental activities for the year was \$50.5 million. However, the net cost to taxpayers for these activities was \$17.6 million. Some of the costs were paid by (1) those that directly benefited from the programs (\$7.9 million) or (2) other governments and organizations that subsidized certain programs with grants and contributions (\$24.9 million). The County paid for the \$17.6 million “public benefit” portion with property taxes, sellers tax, in lieu of taxes, and other miscellaneous revenues.

	Total Cost of Services		Total Percentage Change	Net Cost of Services		Total Percentage Change
	2023	2024		2023	2024	
General Government	\$ 9,105,839	\$ 9,782,212	7.43%	\$ 4,524,829	\$ 3,837,327	(15.19)%
Public Safety	14,963,599	17,525,157	17.12%	11,611,316	10,253,138	(11.70)%
Highways and Roads	11,266,785	16,987,263	50.77%	(4,992,398)	(1,912,684)	61.69%
Other Programs	6,304,776	6,220,399	(1.34)%	5,539,496	5,458,742	(1.46)%
<b>Total</b>	<b>\$ 41,640,999</b>	<b>\$ 50,515,031</b>	<b>21.31%</b>	<b>\$ 16,683,243</b>	<b>\$17,636,523</b>	<b>5.71%</b>

## **Proprietary Activities**

The Limestone County solid waste- garbage collection fund showed \$1,660,978 in operating income for the fiscal year. The solid waste operations began in March 2023; therefore, the prior year only reflected six months of operational revenue and expense. The prior year also contained start-up costs that were not incurred in the current fiscal year. The campground facility showed \$22,887 in operating income. Proprietary Funds statements are reflected in Exhibits #7 through #9.

The following (Table A-4) compares the operating revenues and expenses for the business-type activities:

	Table A-4		
	2023	2024	Difference 2023-2024
<u>Operating Revenues</u>			
Charges for Services	\$3,022,612	\$6,071,657	\$3,049,045
Miscellaneous Revenue		12,333	12,333
Total Operating Revenue	<u>3,022,612</u>	<u>6,083,990</u>	<u>3,061,378</u>
<u>Operating Expenses</u>			
Salaries and Benefits	684,583	1,223,488	538,905
Supplies and Materials	3,489,546	2,504,690	(984,856)
Repair Maintenance	90,759	124,009	33,250
Utilities	62,533	64,387	1,854
Communications	6,653	9,456	2,803
Miscellaneous	43,043	65,819	22,776
Depreciation	117,932	393,399	275,467
Bad Debt Expense	6,431	14,878	8,447
Total Operating Expenses	<u>4,501,480</u>	<u>4,400,126</u>	<u>(101,354)</u>
Operating Income (Loss)	<u><u>\$(1,478,868)</u></u>	<u><u>\$1,683,864</u></u>	<u><u>\$3,162,732</u></u>

## **FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS**

At the close of the fiscal year, the Commission's governmental funds reported a *combined* fund balance of \$64.3 million representing a \$16.9 million increase from the prior year's fund balance of \$47.4 million. Major funds (General, Hospital, and Coronavirus Rescue Act) changes in fund balances are reflected in Exhibit #5 and are highlighted as follows:

- The General Fund's increase of \$11.5 million is attributed to the additional amounts collected for ad valorem tax, simplified seller taxes, fees and commissions, and interest earned. Actual revenues were higher, while expenditures were lower, than the final budgeted amounts. The County's objective is to conservatively budget revenue and continually encourage departments to operate well within their annual budgeted amounts.
- The Hospital Tax Fund's increase of \$2.7 million resulted from an increase in additional amounts collected for ad valorem tax and interest earned.

- The Coronavirus Rescue Act fund was established to account for the federal allocation of the American Rescue Plan Act funds. \$3.7 million was expended for qualified purposes during the fiscal year.

### **General Fund Budgetary Highlights**

The County Commission has established an annual budget process whereby all of the departments submit an annual budget request to the Commission for the coming year's operating expenses. The Commission reviews, adjusts as necessary and then adopts an original budget to fund the operating needs of each department. Throughout the year, the original budget is amended to reflect changes in funding needs. The County has established policies and procedures for amending the budget. Over the course of the year, the County revised the budget several times. The budget amendments mainly were made to prevent budget overruns. The general fund statement reflecting original and final budgets, plus actual compared to final budget amounts is shown on Exhibit #16.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

As of September 30, 2024, the Limestone County Commission had invested \$96.9 million (net of accumulated depreciation) in capital assets for its governmental and business-type activities (See Table A-5). This investment in capital assets includes land, land improvements, infrastructure, buildings and improvements, and equipment and furniture.

Table A-5  
CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Land	\$5,807,279	\$6,143,456			\$5,807,279	\$6,143,456
Construction in Progress		252,230				252,230
Land Improvements	148,099	109,941			148,099	109,941
Infrastructure	49,411,695	55,353,949			49,411,695	55,353,949
Buildings and Improvements	21,361,758	20,521,386	7,537	62,401	21,369,295	20,583,787
Equipment and Furniture	7,914,077	9,717,310	2,941,418	4,759,994	10,855,495	14,477,304
<b>Total</b>	<b>\$84,642,908</b>	<b>\$92,098,272</b>	<b>\$2,948,955</b>	<b>\$4,822,395</b>	<b>\$87,591,863</b>	<b>\$96,920,667</b>

More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

## Debt Outstanding

As of September 30, 2024, the County's outstanding debt totaled \$40.4 million as shown in Table A-6. More detailed information about the County's long-term liabilities is presented in Note 10 to the financial statements.

Table A-6  
OUTSTANDING DEBT

	Governmental Activities	
	2023	2024
General Obligation Warrants	\$6,345,000	\$5,615,000
Notes Payable	3,064,730	2,434,941
Compensated Absences	1,875,220	1,960,506
Other Post Employment Benefit Obligation	10,153,129	10,087,044
Net Pension Liability	20,814,865	20,341,637
<b>Total</b>	<b>\$42,252,944</b>	<b>\$40,439,128</b>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County considers various economic factors in preparing the budget. Through the budget, the County Commission sets the direction of the county, allocates resources and establishes priorities.

Limestone County continues to experience rapid population growth as well as residential, commercial and industrial property developments. We expect our increasing tax base to provide the additional revenue to fund the increase in demand of services provided to our citizens. Personnel costs and benefits continue to be a factor to future budgets. The 2025 fiscal year budget was approved at \$58 million.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions concerning this report or need further information, contact the Limestone County Commission, 310 West Washington Street, Athens, Alabama 35611.

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# *Basic Financial Statements*

# ***Statement of Net Position*** ***September 30, 2024***

	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 71,576,449.18	\$ 999,709.75	\$ 72,576,158.93
Ad Valorem Property Taxes Receivable	26,191,446.00		26,191,446.00
Receivables (Note 4)	3,470,083.60	481,073.78	3,951,157.38
Prepaid Items	44,920.82		44,920.82
Total Current Assets	101,282,899.60	1,480,783.53	102,763,683.13
<b><u>Noncurrent Assets</u></b>			
Capital Assets (Note 5):			
Nondepreciable	6,395,685.88		6,395,685.88
Depreciable, Net	85,702,585.84	4,822,395.16	90,524,981.00
Total Noncurrent Assets	92,098,271.72	4,822,395.16	96,920,666.88
Total Assets	193,381,171.32	6,303,178.69	199,684,350.01
<b><u>Deferred Outflows of Resources</u></b>			
Employer Pension Contribution	1,517,556.67	79,246.27	1,596,802.94
Deferred Outflows Related to Net Pension Liability	3,735,487.19	195,065.81	3,930,553.00
Employer Other Postemployment Benefits (OPEB) Contributions	484,922.92		484,922.92
Deferred Outflows Related to Other Postemployment Benefits (OPEB) Liability	972,455.00		972,455.00
Total Deferred Outflows of Resources	6,710,421.78	274,312.08	6,984,733.86
<b><u>Liabilities</u></b>			
<b><u>Current Liabilities</u></b>			
Payables (Note 9)	1,887,331.41	96,069.77	1,983,401.18
Unearned Revenue	6,354,711.05		6,354,711.05
Accrued Wages and Benefits Payable	898,206.76	46,719.42	944,926.18
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Interest Payable	132,994.19	103,167.27	236,161.46
Warrants Payable	750,000.00		750,000.00
Notes from Direct Borrowing	2,434,941.38	1,228,668.01	3,663,609.39
Total Current Liabilities	\$ 12,458,184.79	\$ 1,474,624.47	\$ 13,932,809.26

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

	Governmental Activities	Business-Type Activities	Total
<b><u>Noncurrent Liabilities</u></b>			
Portion Due or Payable After One Year:			
Warrants Payable	\$ 4,865,000.00	\$	\$ 4,865,000.00
Notes from Direct Borrowing		4,666,972.58	4,666,972.58
Compensated Absences	1,960,505.98	41,117.88	2,001,623.86
Net Pension Liability	20,341,637.33	250,600.67	20,592,238.00
Other Postemployment Benefit Obligation	10,087,044.00		10,087,044.00
Total Noncurrent Liabilities	37,254,187.31	4,958,691.13	42,212,878.44
Total Liabilities	49,712,372.10	6,433,315.60	56,145,687.70
<b><u>Deferred Inflows of Resources</u></b>			
Unavailable Revenue - Property Taxes	26,191,446.00		26,191,446.00
Revenue Received in Advance -			
Motor Vehicle Taxes	1,603,372.91		1,603,372.91
Deferred Inflows Related to Net Pension Liability	443,898.58	23,166.42	467,065.00
Deferred Inflows Related to Other			
Postemployment Benefits (OPEB) Liability	3,377,088.00		3,377,088.00
Total Deferred Inflows of Resources	31,615,805.49	23,166.42	31,638,971.91
<b><u>Net Position</u></b>			
Net Investment in Capital Assets	84,048,330.34	454,023.32	84,502,353.66
Restricted for:			
Road Projects	4,871,300.47		4,871,300.47
Capital Improvement	875,348.00		875,348.00
Law Enforcement	2,675,727.71		2,675,727.71
Health Services	5,588,485.59		5,588,485.59
Other Purposes	238,872.42		238,872.42
Unrestricted	20,465,350.98	(333,014.57)	20,132,336.41
Total Net Position	\$ 118,763,415.51	\$ 121,008.75	\$ 118,884,424.26

**Statement of Activities**  
**For the Year Ended September 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities:</b>							
General Government	\$ 9,782,211.93	\$ 5,338,135.65	\$ 606,749.64	\$	(3,837,326.64)	\$	(3,837,326.64)
Public Safety	17,525,157.31	2,553,278.90	4,718,740.19		(10,253,138.22)		(10,253,138.22)
Highway and Roads	16,987,263.33	58,624.00	12,017,531.49	6,823,792.22	1,912,684.38		1,912,684.38
Sanitation	1,698,646.98		42,848.00		(1,655,798.98)		(1,655,798.98)
Health	1,224,608.97				(1,224,608.97)		(1,224,608.97)
Welfare	1,259,323.40		718,808.27		(540,515.13)		(540,515.13)
Culture and Recreation	343,488.15				(343,488.15)		(343,488.15)
Education	121,428.03				(121,428.03)		(121,428.03)
Intergovernmental	1,243,789.07				(1,243,789.07)		(1,243,789.07)
Interest and Fiscal Charges	329,114.24				(329,114.24)		(329,114.24)
Total Governmental Activities	50,515,031.41	7,950,038.55	18,104,677.59	6,823,792.22	(17,636,523.05)		(17,636,523.05)
<b>Business-Type Activities:</b>							
Solid Waste Fund	4,448,965.99	5,880,265.84				1,431,299.85	1,431,299.85
Cowford Campground	178,013.97	191,391.16				13,377.19	13,377.19
Total Business-Type Activities	4,626,979.96	6,071,657.00				1,444,677.04	1,444,677.04
Total Primary Government	\$ 55,142,011.37	\$ 14,021,695.55	\$ 18,104,677.59	\$ 6,823,792.22	(17,636,523.05)	1,444,677.04	(16,191,846.01)
<b>General Revenues:</b>							
Taxes:							
Property Taxes for General Purposes					19,656,627.48		19,656,627.48
Property Taxes for Specific Purposes					9,209,845.92		9,209,845.92
County Gasoline Sales Taxes					2,084,743.67		2,084,743.67
Miscellaneous Taxes					1,480,828.64		1,480,828.64
TVA In Lieu of Taxes					3,355,383.34		3,355,383.34
Grants and Contributions Not Restricted for Specific Programs					4,237,182.80		4,237,182.80
Gain/(Loss) on Disposal of Capital Assets					322,140.60	(83,152.28)	238,988.32
Miscellaneous					2,131,593.66	19,556.69	2,151,150.35
Total General Revenues					42,478,346.11	(63,595.59)	42,414,750.52
Change in Net Position					24,841,823.06	1,381,081.45	26,222,904.51
Net Position - Beginning of Year					93,921,592.45	(1,260,072.70)	92,661,519.75
Net Position - End of Year					\$ 118,763,415.51	\$ 121,008.75	\$ 118,884,424.26

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



***Balance Sheet***  
***Governmental Funds***  
***September 30, 2024***

	General Fund	Hospital Tax Fund	Coronavirus Rescue Act Fund	Other Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>					
Cash and Cash Equivalents	\$ 45,669,101.48	\$ 5,945,855.38	\$ 4,771,664.20	\$ 15,189,828.12	\$ 71,576,449.18
Ad Valorem Property Taxes Receivable	19,630,000.00	5,000,000.00		1,561,446.00	26,191,446.00
Receivables (Note 4)	2,150,627.28	53,387.46		1,266,068.86	3,470,083.60
Due from Other Funds	57,595.66				57,595.66
Prepaid Items	5,934.82			38,986.00	44,920.82
Total Assets	67,513,259.24	10,999,242.84	4,771,664.20	18,056,328.98	101,340,495.26
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balances</u></b>					
<b><u>Liabilities</u></b>					
Payables (Note 9)	1,879,445.20	3,599.08		4,287.13	1,887,331.41
Due to Other Funds				57,595.66	57,595.66
Unearned Revenue	192,571.98		4,771,664.20	1,390,474.87	6,354,711.05
Accrued Wages and Benefits Payable	610,474.64	54,884.75		232,847.37	898,206.76
Total Liabilities	2,682,491.82	58,483.83	4,771,664.20	1,685,205.03	9,197,844.88
<b><u>Deferred Inflows of Resources</u></b>					
Unavailable Revenue - Property Taxes	19,630,000.00	5,000,000.00		1,561,446.00	26,191,446.00
Revenue Received in Advance - Motor Vehicle Taxes	1,251,099.49	352,273.42			1,603,372.91
Total Deferred Inflows of Resources	20,881,099.49	5,352,273.42		1,561,446.00	27,794,818.91
<b><u>Fund Balances</u></b>					
Nonspendable:					
Prepaid Items	5,934.82			38,986.00	44,920.82
Restricted for:					
Road Projects				4,871,300.47	4,871,300.47
Law Enforcement				2,675,727.71	2,675,727.71
Capital Improvement				875,348.00	875,348.00
Health Services		5,588,485.59			5,588,485.59
Other Purposes				238,872.42	238,872.42
Assigned to:					
Roads				4,459,436.11	4,459,436.11
Local Officials				1,578,771.74	1,578,771.74
Health Services	459,547.00				459,547.00
Other Purposes	997,150.23			71,235.50	1,068,385.73
Unassigned	42,487,035.88				42,487,035.88
Total Fund Balances	43,949,667.93	5,588,485.59		14,809,677.95	64,347,831.47
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 67,513,259.24	\$ 10,999,242.84	\$ 4,771,664.20	\$ 18,056,328.98	\$ 101,340,495.26

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

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***Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position  
September 30, 2024***

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Total Fund Balances - Governmental Funds (Exhibit 3) \$ 64,347,831.47

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:

Land	\$ 6,395,685.88	
Land Improvements	813,166.59	
Infrastructure	63,052,050.45	
Buildings and Improvements	36,396,151.37	
Equipment and Furniture	21,958,413.82	
Accumulated Depreciation	<u>(36,517,196.39)</u>	
Total Capital Assets		92,098,271.72

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:

	Current Liabilities	Noncurrent Liabilities	
Notes From Direct Borrowing	\$ 2,434,941.38	\$	
Warrants Payable	750,000.00	4,865,000.00	
Net Pension Liability		20,341,637.33	
OPEB Liability		10,087,044.00	
Accrued Interest Payable	132,994.19		
Compensated Absences		<u>1,960,505.98</u>	
Total Long-Term Liabilities	<u>\$ 3,317,935.57</u>	<u>\$ 37,254,187.31</u>	(40,572,122.88)

Deferred outflows and inflows of resources related to pensions are applicable to future  
periods and, therefore, are not reported in the governmental funds. 4,809,145.28

Deferred outflows and inflows of resources related to Other Postemployment  
Benefits (OPEB) are applicable to future periods and, therefore, are not reported  
in the governmental funds. (1,919,710.08)

Total Net Position - Governmental Activities (Exhibit 1) \$ 118,763,415.51

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, 2024**

	General Fund	Hospital Tax Fund	Coronavirus Rescue Act Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 23,284,039.69	\$ 5,514,000.93	\$	\$ 3,634,005.09	\$ 32,432,045.71
Licenses and Permits	102,854.86			258,873.22	361,728.08
Intergovernmental	8,034,987.13	535,582.96	3,747,520.17	13,379,153.47	25,697,243.73
Charges for Services	5,118,083.99			2,470,226.48	7,588,310.47
Miscellaneous	1,319,559.24	175,794.44		524,859.94	2,020,213.62
Total Revenues	37,859,524.91	6,225,378.33	3,747,520.17	20,267,118.20	68,099,541.61
<b>Expenditures</b>					
Current:					
General Government	7,143,618.10	214,261.51		1,434,310.48	8,792,190.09
Public Safety	11,915,936.22	1,157,438.11	805,788.34	2,298,909.01	16,178,071.68
Highways and Roads	344,395.73			14,989,535.53	15,333,931.26
Sanitation	1,609,749.20			30,250.00	1,639,999.20
Health	10,542.46	699,837.11	485,949.65		1,196,329.22
Welfare	78,043.81	1,087,262.15		11,039.62	1,176,345.58
Culture and Recreation	207,533.13			111,840.54	319,373.67
Education	124,424.95				124,424.95
Intergovernmental	685,772.32	360,162.50		197,854.25	1,243,789.07
Capital Outlay	3,180,302.37	16,000.00	2,455,782.18	1,019,878.57	6,671,963.12
Debt Service:					
Principal Retirement				3,778,789.46	3,778,789.46
Interest and Fiscal Charges				311,337.51	311,337.51
Total Expenditures	25,300,318.29	3,534,961.38	3,747,520.17	24,183,744.97	56,766,544.81
Excess (Deficiency) of Revenues Over Expenditures	12,559,206.62	2,690,416.95		(3,916,626.77)	11,332,996.80
<b>Other Financing Sources (Uses)</b>					
Transfers In	100,000.00			7,341,942.26	7,441,942.26
Sale of Capital Assets	2,855,564.34	670.63		214,260.87	3,070,495.84
Long-Term Debt Issued	2,419,000.00				2,419,000.00
Other Sources	84,983.72	3,919.92		22,476.40	111,380.04
Transfers Out	(6,528,686.47)			(913,255.79)	(7,441,942.26)
Total Other Financing Sources (Uses)	(1,069,138.41)	4,590.55		6,665,423.74	5,600,875.88
Net Change in Fund Balances	11,490,068.21	2,695,007.50		2,748,796.97	16,933,872.68
Fund Balances - Beginning of Year	32,459,599.72	2,893,478.09		12,060,880.98	47,413,958.79
Fund Balances - End of Year	\$ 43,949,667.93	\$ 5,588,485.59	\$	\$ 14,809,677.95	\$ 64,347,831.47

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

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***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, 2024***

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Net Change in Fund Balances - Total Governmental Funds (Exhibit 5) \$ 16,933,872.68

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 capital  
outlay (\$6,671,963.12) exceeded depreciation (\$3,292,036.67) in the current period. 3,379,926.45

In the Statement of Activities, donation of capital assets is recorded as revenue,  
whereas in the governmental funds it is not recorded. 6,823,792.22

In the Statement of Activities, the gain (\$322,140.60) on the sale of capital assets is  
reported, whereas in the governmental funds, the proceeds (\$3,070,495.84) from the  
sale increase financial resources. Thus the change in net position differs from the  
change in fund balance by the net cost of the capital assets sold. (2,748,355.24)

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. 3,778,789.46

Proceeds from issuance of debt provides current financial resources to governmental  
funds, but issuing debt increases long-term liabilities in the Statement of Net Position  
and does not affect the Statement of Activities. (2,419,000.00)

Some items reported in the Statement of Activities do not require the use of current  
financial resources and, therefore, are not reported as expenditures in the  
governmental funds. These items consist of:

Net Increase in Compensated Absences	\$	(85,285.43)	
Net Decrease in Other Postemployment Benefits		372,162.01	
Net Increase in Pension Expense		(1,176,302.36)	
Net Increase in Accrued Interest Payable		(17,776.73)	
Total Additional Expenditures		(907,202.51)	(907,202.51)

Change in Net Position of Governmental Activities (Exhibit 2) \$ 24,841,823.06

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

***Statement of Net Position***  
***Proprietary Funds***  
***September 30, 2024***

	<b>Solid Waste Fund</b>	<b>Other Enterprise Fund</b>	<b>Total</b>
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash	\$ 689,602.61	\$ 310,107.14	\$ 999,709.75
Receivables (Note 4)	481,073.78		481,073.78
Total Current Assets	1,170,676.39	310,107.14	1,480,783.53
<b><u>Noncurrent Assets</u></b>			
Capital Assets Being Depreciated, Net (Note 5)	4,772,198.71	50,196.45	4,822,395.16
Total Noncurrent Assets	4,772,198.71	50,196.45	4,822,395.16
Total Assets	5,942,875.10	360,303.59	6,303,178.69
<b><u>Deferred Outflows of Resources</u></b>			
Employer Pension Contribution	75,571.19	3,675.08	79,246.27
Deferred Outflows Related to Net Pension Liability	186,019.55	9,046.26	195,065.81
Total Deferred Outflows of Resources	261,590.74	12,721.34	274,312.08
<b><u>Liabilities</u></b>			
<b><u>Current Liabilities</u></b>			
Payables (Note 9)	95,149.21	920.56	96,069.77
Accrued Wages and Benefits Payable	43,976.95	2,742.47	46,719.42
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Interest Payable	103,167.27		103,167.27
Notes from Direct Borrowing	1,228,668.01		1,228,668.01
Total Current Liabilities	1,470,961.44	3,663.03	1,474,624.47
<b><u>Noncurrent Liabilities</u></b>			
Portion Due or Payable After One Year:			
Notes from Direct Borrowing	4,666,972.58		4,666,972.58
Compensated Absences	36,797.92	4,319.96	41,117.88
Net Pension Liability	213,335.49	37,265.18	250,600.67
Total Noncurrent Liabilities	4,917,105.99	41,585.14	4,958,691.13
Total Liabilities	\$ 6,388,067.43	\$ 45,248.17	\$ 6,433,315.60

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

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	Solid Waste Fund	Other Enterprise Fund	Total
<b><u>Deferred Inflows of Resources</u></b>			
Deferred Inflows Related to Net Pension Liability	\$ 22,091.49	\$ 1,074.93	\$ 23,166.42
Total Deferred Inflows of Resources	22,091.49	1,074.93	23,166.42
<b><u>Net Position</u></b>			
Net Investment in Capital Assets	403,826.87	50,196.45	454,023.32
Unrestricted	(609,519.95)	276,505.38	(333,014.57)
Total Net Position	\$ (205,693.08)	\$ 326,701.83	\$ 121,008.75

***Statement of Revenues, Expenses and Changes in Fund Net Position***  
***Proprietary Funds***  
***For the Year Ended September 30, 2024***

	<b>Solid Waste Fund</b>	<b>Other Enterprise Fund</b>	<b>Total</b>
<b><u>Operating Revenues</u></b>			
Charges for Services	\$ 5,880,265.84	\$ 191,391.16	\$ 6,071,657.00
Miscellaneous	2,823.87	9,509.41	12,333.28
Total Operating Revenues	<u>5,883,089.71</u>	<u>200,900.57</u>	<u>6,083,990.28</u>
<b><u>Operating Expenses</u></b>			
Salaries and Benefits	1,159,578.03	63,909.90	1,223,487.93
Supplies and Materials	2,487,201.08	17,489.15	2,504,690.23
Repair and Maintenance	99,763.73	24,245.10	124,008.83
Utilities	1,818.94	62,568.03	64,386.97
Communications	8,362.70	1,093.26	9,455.96
Miscellaneous	64,960.08	858.41	65,818.49
Depreciation	385,549.13	7,850.12	393,399.25
Bad Debt Expense	14,878.41		14,878.41
Total Operating Expenses	<u>4,222,112.10</u>	<u>178,013.97</u>	<u>4,400,126.07</u>
Operating Income (Loss)	<u>1,660,977.61</u>	<u>22,886.60</u>	<u>1,683,864.21</u>
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Interest Earned		7,223.41	7,223.41
Gain (Loss) on Disposition of Capital Assets	(77,185.79)	(5,966.49)	(83,152.28)
Payment of Debt Interest	(226,853.89)		(226,853.89)
Total Nonoperating Revenues (Expenses)	<u>(304,039.68)</u>	<u>1,256.92</u>	<u>(302,782.76)</u>
Changes in Net Position	1,356,937.93	24,143.52	1,381,081.45
Net Position - Beginning of Year	<u>(1,562,631.01)</u>	<u>302,558.31</u>	<u>(1,260,072.70)</u>
Net Position - End of Year	<u>\$ (205,693.08)</u>	<u>\$ 326,701.83</u>	<u>\$ 121,008.75</u>

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



***Statement of Cash Flows***  
***Proprietary Funds***  
***For the Year Ended September 30, 2024***

	<b>Solid Waste Fund</b>	<b>Other Enterprise Fund</b>	<b>Total</b>
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from Customers	\$ 5,881,646.05	\$ 200,900.57	\$ 6,082,546.62
Payments to Suppliers	(2,588,331.36)	(106,376.28)	(2,694,707.64)
Payments to Employees	(1,086,221.86)	(60,571.63)	(1,146,793.49)
Net Cash Provided/(Used) by Operating Activities	2,207,092.83	33,952.66	2,241,045.49
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Proceeds from Direct Borrowing	2,185,946.01		2,185,946.01
Payments Related to Direct Borrowing	(833,851.03)		(833,851.03)
Payment of Internal Loan to Governmental Fund	(400,000.00)		(400,000.00)
Sale of Capital Assets	225,000.00		225,000.00
Purchase of Capital Assets	(2,574,991.25)		(2,574,991.25)
Payment of Debt Interest	(193,605.45)		(193,605.45)
Net Cash Provided/(Used) by Capital Activities	(1,591,501.72)		(1,591,501.72)
<b><u>Cash Flows from Investing Activities</u></b>			
Interest Received		7,223.41	7,223.41
Net Cash Provided/(Used) by Investing Activities		7,223.41	7,223.41
Net Increase/(Decrease) in Cash	615,591.11	41,176.07	656,767.18
Cash - Beginning of Year	74,011.50	268,931.07	342,942.57
Cash - End of Year	689,602.61	310,107.14	999,709.75
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u></b>			
Operating Income (Loss)	1,660,977.61	22,886.60	1,683,864.21
<b><u>Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u></b>			
Depreciation Expense	385,549.13	7,850.12	393,399.25
Change in Assets and Liabilities:			
Receivables, Net	(1,443.66)		(1,443.66)
Accounts and Other Payables	111,564.13	469.99	112,034.12
Pension Liability	50,445.62	2,745.95	53,191.57
Total Adjustments	546,115.22	11,066.06	557,181.28
Net Cash Provided by Operating Activities	\$ 2,207,092.83	\$ 33,952.66	\$ 2,241,045.49

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

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***Statement of Fiduciary Net Position***  
***September 30, 2024***

	<b>Custodial Funds</b>
<hr/>	
<b><u>Assets</u></b>	
Cash	\$ 3,492,279.88
Due from Other Governments	988,079.60
Total Assets	<hr/> 4,480,359.48 <hr/>
<b><u>Liabilities</u></b>	
Payables (Note 9)	2,824,066.66
Unearned Revenue	204,739.85
Total Liabilities	<hr/> 3,028,806.51 <hr/>
<b><u>Net Position</u></b>	
Restricted for:	
Individuals, Organizations and Other Governments	1,451,552.97
Total Net Position	<hr/> \$ 1,451,552.97 <hr/>

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

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***Statement of Changes in Fiduciary Net Position***  
***For the Year Ended September 30, 2024***

	<b>Custodial Funds</b>
<b><u>Additions</u></b>	
Taxes, Licenses and Fees	\$ 60,691,713.49
Miscellaneous	1,664.83
Total Additions	<u>60,693,378.32</u>
<b><u>Deductions</u></b>	
Taxes and Fees Paid to Other Governments	58,614,377.88
Payments to Beneficiaries	1,792,305.47
Total Deductions	<u>60,406,683.35</u>
Change in Net Position	286,694.97
Net Position - Beginning of Year	<u>1,164,858.00</u>
Net Position - End of Year	<u><u>\$ 1,451,552.97</u></u>

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

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## ***Notes to the Financial Statements***

### ***For the Year Ended September 30, 2024***

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#### **Note 1 – Summary of Significant Accounting Policies**

The financial statements of the Limestone 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 which 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. These statements distinguish between the governmental and business-type activities of the Commission. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Commission and 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.

#### **Fund Financial Statements**

The fund financial statements provide information about the Commission's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds in the Other Governmental Funds' or Other Enterprise Fund 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, this fund is used to account for the expenditures of special county property taxes for building and maintaining public buildings, roads and bridges.
- ◆ **Hospital Tax Fund** – This fund is used to account for the expenditures of special county property taxes for public health purposes.
- ◆ **Coronavirus Rescue Act Fund** – This fund is used to account for the expenditures related to the American Rescue Plan Act of 2021.

The Commission reports the following major enterprise fund:

- ◆ **Solid Waste Fund** – This fund is used to account for the cost of providing garbage collection to county residents. The Commission approved establishing a Solid Waste service on November 22, 2022.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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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.

The Commission reports the following proprietary fund type:

#### **Proprietary Fund Type**

- ◆ **Enterprise Fund** – Enterprise funds report the activities for which fees are charged to external users for goods and services. This fund type is also used when the activity is financed with debt that is secured by a pledge of the net revenues from the fees. The Commission reports only one nonmajor enterprise fund, the Cowford Fund. This fund accounts for revenues from campsite recreational facilities to the public.

The Commission reports the following fiduciary fund type:

#### **Fiduciary Fund Type**

- ◆ **Custodial Funds** – These funds are used to account for fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **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 proprietary fund and 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. Exceptions to the general rule are charges between the government's recreational function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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, claims and judgments, compensated absences, and landfill closure and postclosure care costs, 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 is reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



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## ***Notes to the Financial Statements***

### ***For the Year Ended September 30, 2024***

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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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances**

##### **1. Deposits**

Cash and cash equivalents include cash on hand and demand deposits.

##### **2. Receivables**

Sales tax receivables consist of taxes that have been paid by consumers in September. This tax is normally remitted to the Commission within the next 60 days.

Millage rates for property taxes were levied by the Commission. Property is assessed for taxation as of October 1 of the preceding year based on the millage rates established by the 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. Property tax revenue deferred is reported as a deferred inflow of resources.

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

Receivables in enterprise funds consist primarily of amounts due from customers who are charged fees for services provided by the Commission.

##### **3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **4. Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental and business-type activities columns 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 capital assets are valued at their acquisition value (plus any ancillary costs) at the acquisition date. 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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 and proprietary funds are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings and Improvements	\$ 50,000	20 – 50 years
Equipment and Furniture	\$ 5,000	5 – 10 years
Roads	\$250,000	20 years
Bridges	\$ 50,000	40 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. Deferred Outflows of Resources**

Deferred outflows of resources are reported in the government-wide and proprietary funds Statement of Net Position. Deferred outflows of resources are defined as a consumption of net position by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **6. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond/Warrant premiums and discounts are deferred and amortized over the life of the bonds/warrants. Bonds/Warrants payable are reported gross with the applicable bond/warrant premium or discount reported separately. Bond/Warrant issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **7. Compensated Absences**

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

#### **Annual Leave**

Annual leave is earned at the following rates:

	Days Per Year
1-10 years of continuous service	10
11 years of continuous service	11
12 years of continuous service	12
13 years of continuous service	13
14 years of continuous service	14
15 years of continuous service	15
16 years of continuous service	16
17 years of continuous service	17
18 years of continuous service	18
19 years of continuous service	19
20 years and above continuous service	20

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## ***Notes to the Financial Statements***

### ***For the Year Ended September 30, 2024***

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The maximum number of annual leave days that may be carried forward into the next employment year is the number of hours or days earned in the previous year of employment. Upon separation from county service, classified employees will be paid for all unused annual leave.

#### **Sick Leave**

Sick leave is earned at the rate of 1 day per month. Unused sick leave may be carried over from year to year at the maximum amount of 240 days. If the employee is vested with the Retirement Systems of Alabama upon retirement, the employee may be paid for ½ of his or her unused sick leave up to 65 days maximum or convert unused sick leave to receive retirement credit.

#### **Compensatory Leave**

Compensatory leave is provided to permanent full-time employees in accordance with the Fair Labor Standards Act. Compensatory leave is calculated at one and one-half times the regular hours. The maximum number of hours an employee may accrue for compensatory time is 80 hours. Overtime shall be paid for hours worked after the maximum is reached.

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

**Vesting Method** – Under this method an accrual for the sick leave liability is based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

#### **8. Deferred Inflows of Resources**

Deferred inflows of resources are reported in the government-wide and fund financial statements. Deferred inflows of resources are defined as an acquisition of net position/fund balances by the government that is applicable to a future reporting period. Deferred inflows of resources decrease net position/fund balances, similar to liabilities.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **9. Net Position/Fund Balances**

Net position is reported on the government-wide and proprietary fund 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 of resources and deferred inflows of resources attributable to acquisition, construction and improvement of those assets should 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** – The net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position. Unrestricted 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:

- ◆ **Nonspendable** – Nonspendable fund balances include amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. 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.
- ◆ **Restricted** – 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.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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- ◆ **Committed** – Committed fund balances consist of amounts that are subject to a specific 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.
- ◆ **Assigned** – Assigned fund balances consist of amounts that are intended to be used by the Commission for specific purposes. The Commission authorized the Commission Chairman or County Administrator to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, or uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority to remove the constraint.
- ◆ **Unassigned** – 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 for multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, and lastly assigned fund balance.

#### **E. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, the Employees' Retirement System of Alabama (the "Plan") financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the Plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Annual Comprehensive Financial Report.

#### **F. Postemployment Benefits Other than Pensions (OPEB)**

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the balances of the Commission's OPEB Plan have been determined on the same basis as they are reported by the Commission. For this purpose, the Commission's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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## ***Notes to the Financial Statements***

### ***For the Year Ended September 30, 2024***

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#### **Note 2 – Stewardship, Compliance, and Accountability**

##### **Budgets**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual 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.

#### **Note 3 – Deposits and Investments**

##### **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 Depository 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.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### Note 4 – Receivables

On September 30, 2024, receivables for the Commission's individual major funds and other governmental and proprietary funds in the aggregate are as follows:

Governmental Funds	General Fund	Hospital Tax Fund	Other Governmental Funds	Total Governmental Funds
<u>Receivables:</u>				
Accounts Receivable	\$	\$	\$ 166,840.59	\$ 166,840.59
Due from Other Governments	548,220.38	53,387.46	1,099,228.27	1,700,836.11
Sales Tax	1,600,406.90			1,600,406.90
Receivable from External Parties	2,000.00			2,000.00
Total Receivables	<u>\$2,150,627.28</u>	<u>\$53,387.46</u>	<u>\$1,266,068.86</u>	<u>\$3,470,083.60</u>

Proprietary Funds	Solid Waste Fund	Total Enterprise Funds
<u>Receivables:</u>		
Accounts Receivable	\$481,073.78	\$481,073.78
Total Receivables	<u>\$481,073.78</u>	<u>\$481,073.78</u>

Governmental funds report unearned 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, 2024, the various components of unearned revenue were as follows:

Unexpended Reappraisal/Operational Funds	\$ 704,934.79
Unexpended Coronavirus Rescue Act Funds	5,649,776.26
Total	<u>\$6,354,711.05</u>



# *Notes to the Financial Statements*

## *For the Year Ended September 30, 2024*

### Note 5 – Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Balance 10/01/2023	Additions/ Reclassifications	Deletions/ Reclassifications	Balance 09/30/2024
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,807,279.11	\$ 336,176.77	\$	\$ 6,143,455.88
Construction in Progress		252,230.00		252,230.00
Total Capital Assets Not Being Depreciated	5,807,279.11	588,406.77		6,395,685.88
Capital Assets Being Depreciated:				
Land Improvements – Exhaustible	813,166.59			813,166.59
Infrastructure (Roads and Bridges)	56,564,435.00	6,487,615.45		63,052,050.45
Buildings	36,288,592.39	107,558.98		36,396,151.37
Equipment and Furniture	19,319,160.21	6,312,174.14	(3,672,920.53)	21,958,413.82
Total Capital Assets Being Depreciated	112,985,354.19	12,907,348.57	(3,672,920.53)	122,219,782.23
Less Accumulated Depreciation for:				
Land Improvements – Exhaustible	(665,067.58)	(38,158.32)		(703,225.90)
Infrastructure	(7,152,740.00)	(545,361.75)		(7,698,101.75)
Buildings	(14,926,834.21)	(947,931.12)		(15,874,765.33)
Equipment and Furniture	(11,405,083.22)	(1,760,585.48)	924,565.29	(12,241,103.41)
Total Accumulated Depreciation	(34,149,725.01)	(3,292,036.67)	924,565.29	(36,517,196.39)
Total Capital Assets, Being Depreciated, Net	78,835,629.18	9,615,311.90	(2,748,355.24)	85,702,585.84
Governmental Activities Capital Assets, Net	\$ 84,642,908.29	\$10,203,718.67	\$(2,748,355.24)	\$ 92,098,271.72

	Balance 10/01/2023	Additions/ Reclassifications (*)	Deletions/ Reclassifications (*)	Balance 09/30/2024
<u>Business-Type Activities:</u>				
Capital Assets Being Depreciated:				
Buildings	\$ 7,805.00	\$ 64,280.00	\$ (7,805.00)	\$ 64,280.00
Equipment and Furniture	3,112,718.90	2,574,991.25	(463,971.54)	5,223,738.61
Total Capital Assets Being Depreciated	3,120,523.90	2,639,271.25	(471,776.54)	5,288,018.61
Less Accumulated Depreciation for:				
Buildings	(267.83)	(1,611.47)		(1,879.30)
Equipment and Furniture	(171,300.63)	(391,787.78)	99,344.26	(463,744.15)
Total Accumulated Depreciation	(171,568.46)	(393,399.25)	99,344.26	(465,623.45)
Total Capital Assets, Being Depreciated, Net	2,948,955.44	2,245,872.00	(372,432.28)	4,822,395.16
Total Business-Type Activities Capital Assets, Net	\$2,948,955.44	\$2,245,872.00	\$(372,432.28)	\$4,822,395.16
(*) Additions and Deletions columns include a reclassification from Equipment and Furniture to Buildings in the amount of \$64,280.00.				

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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

	Current Year Depreciation Expense
<u>Governmental Activities:</u>	
General Government	\$ 741,991.68
Public Safety	916,422.56
Highways and Roads	1,466,757.38
Sanitation	52,919.59
Health	37,189.59
Welfare	50,820.19
Culture and Recreation	17,887.26
Education	8,048.42
Total Depreciation Expense – Governmental Activities	<u>3,292,036.67</u>
<u>Business-Type Activities:</u>	
Cowford	7,850.12
Solid Waste	385,549.13
Total Depreciation Expense – Business-Type Activities	<u>\$ 393,399.25</u>

#### **Note 6 – Defined Benefit Pension Plan**

##### **A. General Information about the Pension Plan**

The Employees' Retirement System of Alabama (ERS), an agent multiple-employer public employee retirement plan (the "Plan"), was established October 1, 1945 pursuant to the ***Code of Alabama 1975***, Section 36-27 (Act Number 515 of the Legislature of 1945). The purpose of the ERS is to provide 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 the general administration and operation of ERS is vested in its Board of Control, which consists of 15 trustees. Act Number 2021-390, Acts of Alabama, created two additional representatives to the ERS Board of Control effective October 1, 2021. The Plan is administered by the Retirement Systems of Alabama (RSA). The ***Code of Alabama 1975***, Section 36-27-2, grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at [www.rsa-al.gov](http://www.rsa-al.gov).

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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The ERS Board of Control consists of 15 trustees as follows:

- 1) The Governor, ex officio.
- 2) The State Treasurer, ex officio.
- 3) The State Personnel Director, ex officio.
- 4) The State Director of Finance, ex officio.
- 5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
- 6) Eight members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
  - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency, each of whom is an active beneficiary of ERS.
  - b. Two vested active state employees.
  - c. One vested active employee of a participating municipality or city in ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6.
  - d. One vested active employee of a participating county in ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6.
  - e. One vested active employee or retiree of a participating employer in ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6.
  - f. One vested active employee of a participating employer other than a municipality, city or county in ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6.

#### **Benefits Provided**

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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Act Number 2012-377, Acts of Alabama established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation. State Police are allowed 2.375% for each year of State Police service in computing the formula method.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30th are paid to the beneficiary.

Act Number 2019-132, Acts of Alabama, allowed employers who participate in the ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6, to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act Number 2019-132, Acts of Alabama, will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 618 employers adopted Act Number 2019-132, Acts of Alabama as of September 30, 2023.

Act Number 2019-316, Acts of Alabama, allows employees at the time of retirement to receive a partial lump sum (PLOP) distribution as a single payment not to exceed the sum of 24 months of the maximum monthly retirement allowance the member could receive. This option may be selected in addition to the election of another retirement allowance option at a reduced amount based upon the amount of the partial lump sum distribution selected.

The ERS serves approximately 884 local participating employers. The ERS membership includes approximately 113,079 participants. As of September 30, 2023, membership consisted of:

Retirees and beneficiaries currently receiving benefits	31,481
Terminated employees entitled to but not yet receiving benefits	2,350
Terminated employees not entitled to a benefit	20,556
Active Members	58,659
Post-DROP participants who are still in active service	33
Total	<u>113,079</u>

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### Contributions

Tier 1 covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10% of earnable compensation.

Employers participating in the ERS pursuant to the *Code of Alabama 1975*, Section 36-27-6, were not required by statute to increase covered member contribution rates but were provided the opportunity to do so through Act 2011-676, Acts of Alabama. By adopting Act 2011-676, Acts of Alabama, Tier 1 regular members contribution rates increased from 5% to 7.5% of earnable compensation and Tier 1 certified law enforcement, correctional officers', and firefighters' member contribution rates increased from 6% to 8.5% of earnable compensation.

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation. Tier 2 State Police members of the ERS contribute 10% of earnable compensation. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2024, the Commission's active employee contribution rate was 7.71% of covered employee payroll, and the Commission's average contribution rate to fund the normal and accrued liability costs was 9.7% of covered employee payroll.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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The Commission's contractually required contribution rate for the year ended September 30, 2024, was 9.31% of pensionable pay for Tier 1 employees, and 10.04% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2021, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the Commission were \$1,596,802.94 for the year ended September 30, 2024.

#### **B. Net Pension Liability**

The Commission's net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2022, rolled forward to September 30, 2023, using standard roll-forward techniques as shown in the following table:

	Total Pension Liability Roll-Forward		
	Expected	Actual Before Plan Changes	Actual After Plan Changes
(a) Total Pension Liability as of September 30, 2022	\$55,133,913	\$56,331,044	\$56,331,044
(b) Discount Rate	7.45%	7.45%	7.45%
(c) Entry Age Normal Cost for the period October 1, 2022 through September 30, 2023	1,310,569	1,310,569	1,310,569
(d) Transfers Among Employers		141,359	141,359
(e) Actual Benefit Payments and Refunds for the period October 1, 2022 through September 30, 2023	(3,078,473)	(3,078,473)	(3,078,473)
(f) Total Pension Liability as of September 30, 2023 = [(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))]	\$57,358,812	\$58,786,489	\$58,786,489
(g) Difference Between Expected and Actual		\$ 1,427,677	
(h) Less Liability Transferred for Immediate Recognition		141,359	
(i) Difference Between Expected and Actual – Experience (Gain)/Loss		<u>\$ 1,286,318</u>	
(j) Difference between Actual TPL Before and After Plan Changes- Benefit Change (Gain)/Loss			<u>\$</u>

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### Actuarial Assumptions

The total pension liability as of September 30, 2023, was determined based on the annual actuarial funding valuation report prepared as of September 30, 2022. The key actuarial assumptions are summarized below:

Inflation	2.50%
Projected Salary Increases, including inflation:	
State and Local Employees	3.25 – 6.00%
State Police	4.00 – 7.75%
Investment Rate of Return, including inflation (*)	7.45%
(*) Net of pension plan investment expense	

Mortality rates were based on the Pub-2010 Below Median Tables projected generationally using the MP-2020 scale, which is adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Non-FLC Service Retirees	General Healthy Below Median	Male: +2, Female: +2	Male: 90% ages <65, 96% ages ≥65 Female: 96% all ages
FLC/State Police Service Retirees Beneficiaries	Public Safety Healthy Below Median Contingent Survivor Below Median	Male: +1, Female: none Male: +2, Female: +2	None None
Non-FLC Disabled Retirees	General Disability	Male: +7, Female: +3	None
FLC/State Police Disabled Retirees	Public Safety Disability	Male: +7, Female: none	None

The actuarial assumptions used in the September 30, 2021, valuation was based on the results of an actuarial experience study for the period October 1, 2015 through September 30, 2020.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return (*)
Fixed Income	15.00%	2.80%
U. S. Large Stocks	32.00%	8.00%
U. S. Mid Stocks	9.00%	10.00%
U. S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	9.00%
Real Estate	10.00%	6.50%
Cash	5.00%	1.50%
Total	<u>100.00%</u>	

(\*) Includes assumed rate of inflation of 2.00%.

#### **Discount Rate**

The discount rate used to measure the total pension liability was the long-term rate of return, 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



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***Notes to the Financial Statements***  
***For the Year Ended September 30, 2024***

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**C. Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at September 30, 2022	\$55,133,913	\$34,043,736	\$21,090,177
Changes for the Year:			
Service Cost	1,310,569		1,310,569
Interest	3,992,803		3,992,803
Differences Between Expected and Actual Experience	1,286,318		1,286,318
Contributions – Employer		1,468,062	(1,468,062)
Contributions – Employee		1,216,271	(1,216,271)
Net Investment Income		4,403,296	(4,403,296)
Benefit Payments, Including Refunds of Employee Contributions	(3,078,473)	(3,078,473)	
Transfers Among Employers	141,359	141,359	
Net Changes	3,652,576	4,150,515	(497,939)
Balances at September 30, 2023	\$58,786,489	\$38,194,251	\$20,592,238

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the Commission's net pension liability calculated using the discount rate of 7.45%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.45%) or 1-percentage point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Commission's Net Pension Liability	\$27,676,090	\$20,592,238	\$14,663,214

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. The supporting actuarial information is included in the GASB Statement Number 68 Report for the ERS prepared as of September 30, 2023. The auditor's report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at [www.rsa-al.gov](http://www.rsa-al.gov).

#### **D. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2024, the Commission recognized pension expense of \$2,822,358.00. At September 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,492,004.00	\$467,065.00
Changes of assumptions	927,032.00	
Net difference between projected and actual earnings on pension plan investments	1,511,517.00	
Employer contributions subsequent to the measurement date	1,596,802.94	
Total	\$5,527,355.94	\$467,065.00

The \$1,596,802.94 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

Year Ending:	
September 30, 2025	\$ 924,803
2026	\$ 773,948
2027	\$1,663,683
2028	\$ (76,369)
2029	\$ 177,423
Thereafter	\$ 0

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **Note 7 – Other Postemployment Benefits (OPEB)**

##### **General Information about the OPEB Plan**

###### **A. Plan Description**

The Commission provides certain continuing health care benefits for its retired employees. The Commission's OPEB Plan (the "OPEB Plan") is a single employer defined benefit OPEB Plan administered by the Commission. The authority to establish and/or amend the obligation of the employer, employees and retirees rest with the Commission. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria – Defined Benefit*.

###### **Benefits Provided**

Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The employees are covered by the Retirement System of Alabama and must meet eligibility provisions adopted by resolution to receive retiree medical benefits. The earliest retirement eligibility provisions are as follows: 25 years of service at any age; or age 60 and 10 years of service (called "Tier 1" members). Employees hired on and after January 1, 2013 (called "Tier 2" members) are eligible to retire only after attainment of age 62 and completion of 10 years of service.

###### **Employees Covered by the Benefit Terms**

At September 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	72
Active employees	155
Total	<u>227</u>

The Commission amended its OPEB plan on September 17, 2018, to offer coverage only to employees hired before October 1, 2018.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **B. Total OPEB Liability**

The Commission's total OPEB liability of \$10,087,044.00 as of the reporting date of September 30, 2024, was measured as of September 30, 2023, and was determined by an actuarial valuation as of September 30, 2023.

#### **Actuarial Assumptions and Other Inputs**

The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following key actuarial assumptions and other inputs:

Inflation	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Salary Increases, Including Wage Inflation	3.25%-6.00%
Municipal Bond Index Rate:	
Prior Measurement Date	4.02%
Measurement Date	4.09%
Health Care Cost Rates:	
Pre-Medicare and Prescription Drug	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033
Medicare Medical and Prescription Drug	5.125% for 2023 decreasing to an ultimate rate of 4.50% by 2026

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of September by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the total OPEB Liability.

Mortality rates were based on the Pub-2010 Public Mortality Plans Mortality Tables, with adjustments for AL ERS experience and generational mortality improvements using Scale MP-2020, with adjustments of 66-2/3% to the table beginning in year 2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the September 30, 2023 valuation were based on the results of an actuarial experience study for the period October 1, 2015 through September 30, 2020, and were submitted to and adopted by the Board of the Employees' Retirement System of Alabama on September 14, 2021.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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The remaining actuarial assumptions (e.g., initial per capita costs, health insurance cost trends, rate of plan participation, rates of plan election, etc.) used in the September 30, 2023 valuation were based on a review of recent plan experience done concurrently with the September 30, 2023 valuation.

#### **C. Changes in the Total OPEB Liability**

Total OPEB Liability as of September 30, 2022	\$10,153,129
Changes for the year:	
Service Cost at the end of the year (*)	397,202
Interest on TOL and Cash Flows	398,740
Difference between expected and actual experience	(634,484)
Changes of assumptions or other inputs	245,550
Net benefit payments	(473,093)
Net changes	<u>(66,085)</u>
Total OPEB Liability as of September 30, 2023	<u>\$10,087,044</u>
(*) The service cost includes interest for the year.	

#### **Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Commission, determined using the discount rate of 4.09%, as well as what the total OPEB liability would be if it were determined using a discount rate that is 1-percentage point lower (3.09%) or 1-percentage point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	\$10,977,089	\$10,087,044	\$9,275,565

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Commission, determined using the health care cost trend rates, as well as what the total OPEB liability would be if it were determined using healthcare cost trends that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend	1% Increase
Total OPEB Liability	\$9,037,763	\$10,087,044	\$11,311,115

#### **D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2024, the Commission recognized OPEB expense of \$158,589.00. At September 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,635.00	\$1,839,560.00
Changes of assumptions or other inputs	951,820.00	1,537,528.00
Employer contributions	484,922.92	
Total	<u>\$1,457,377.92</u>	<u>\$3,377,088.00</u>

The \$484,922.92 report as deferred outflows of resources related to OPEB resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending:	
September 30, 2025	\$(637,353)
2026	\$(558,156)
2027	\$(470,653)
2028	\$(305,657)
2029	\$(307,940)
Thereafter	\$(124,874)

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **Note 8 – Construction and Other Significant Commitments**

The Commission approved a resolution and entered into a project and economic development agreement with Buc-ee's Alabama II, LLC on October 30, 2020. Under the Agreement, contingent upon the annual sales of gallons of gasoline by Buc-ee's that generate gasoline tax revenue for Limestone County, the County will expend and contribute up to \$180,000.00 per year, up to a total of 10 consecutive years, for meeting certain benchmarks in the sale of gallons of gasoline. The Commencement date of the term of the Agreement is December 1, 2022. Buc-ee's opened to the general public on November 21, 2022. As of September 30, 2024, the Commission has paid \$180,000.00 toward this agreement.

On April 14, 2023, the Commission entered into a Memorandum of Understanding between the Solid Waste Disposal Authority of Athens and the City of Athens. The County Commission and City of Athens granted the request of the Solid Waste Disposal Authority to modify the existing Athens Transfer Station, and each agreed to pay one half of the costs of the modification. The County Commission has agreed to pay one half of the costs of the modification and incidental costs and expenses that are reasonably related to the modification not to exceed a total of \$2,500,000.00. The total amount to be paid to the Solid Waste Authority and/or contractors is up to \$5,000,000.00. As of September 30, 2024, the Commission has paid \$2,430,514.35 toward the project.

#### **Note 9 – Payables**

On September 30, 2024, payables for the Commission's individual major funds and nonmajor and fiduciary funds in the aggregate are as follows:

	Vendors	Due to Other Governments	Due to Individuals	Total Payables
<b><u>Governmental Activities:</u></b>				
General Fund	\$279,038.30	\$1,600,406.90	\$	\$1,879,445.20
Hospital Tax Fund	3,599.08			3,599.08
Other Governmental Funds	4,287.13			4,287.13
Total – Governmental Activities	286,924.51	1,600,406.90		1,887,331.41
<b><u>Business-Type Activities:</u></b>				
Solid Waste Fund	95,149.21			95,149.21
Cowford Fund		920.56		920.56
Total – Business-Type Activities	95,149.21	920.56		96,069.77
<b><u>Fiduciary Funds:</u></b>				
Custodial Funds	\$	\$2,797,587.85	\$26,478.81	\$2,824,066.66

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **Note 10 – Long-Term Debt**

The Commission issues General Obligation Warrants to provide funds for the acquisition and construction of major capital facilities. In December 2009, General Obligation Warrants, with stated interest rates ranging from 2% to 4.15%, were issued to provide funds for the costs of acquisition and installation of certain energy efficient improvements to various facilities of the Commission. Stated maturities for the warrants range from \$20,000 to \$185,000 with the final maturity to occur in the year 2029. In the event of default which is defined as a failure to pay principal and interest when due, the principal of and the interest on each warrant, to the extent permitted by law, bear interest after maturity until paid or until moneys sufficient for payment thereof have been made available for that purpose by the Commission, whichever first occurs, at the rate stated on such warrant. The warrants are not subject to acceleration.

In September 2013, General Obligation Warrants were issued in the aggregate principal amount of \$3,140,000, with stated interest rates ranging from 0.850% to 4.20%. The Commission intends to use the proceeds of the Warrants to pay the costs of acquisition, construction and installation of the Commission's jail facilities. Stated maturities for the warrants range from \$180,000 to \$260,000 with the final maturity to occur in the year 2028. In the event of default, which is defined as a failure to pay principal and interest when due, the principal of and the interest on each warrant, to the extent permitted by law, bear interest after maturity until paid or until moneys sufficient for payment thereof have been made available for that purpose by the Commission, whichever first occurs, at the rate stated on such warrant. The warrants are not subject to acceleration.

In December 2014, General Obligation Warrants, with stated interest rates ranging from 2% to 3.5%, were issued to provide funds for the renovation costs of acquisition and installation of courthouse facilities of the Commission. Stated maturities for the warrants range from \$205,000 to \$335,000 with the final maturity to occur in the year 2034. In the event of default, which is defined as a failure to pay principal and interest when due, the principal of and the interest on each warrant, to the extent permitted by law, bear interest after maturity until paid or until moneys sufficient for payment thereof have been made available for that purpose by the Commission, whichever first occurs, at the rate stated on such warrant. The warrants are not subject to acceleration.

In September 2016, the Commission issued General Obligation Warrants in the aggregate principal amount of \$1,600,000, with a fixed rate of 2.850%. The Commission plans to utilize these funds to complete various renovation projects. The final maturity occurs in the year 2026. In the event of default, which is defined as a failure to pay principal and interest when due, the principal of and the interest on each warrant, to the extent permitted by law, bear interest after maturity until paid or until moneys sufficient for payment thereof have been made available for that purpose by the Commission, whichever first occurs, at the rate stated on such warrant. The warrants are not subject to acceleration.



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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **Direct Borrowings**

The Commission has outstanding direct borrowings related to governmental activities totaling \$2,434,941.38. The outstanding notes and transactions from direct borrowings are summarized in the following paragraphs.

The Commission's outstanding note in the amount of \$2,419,000.00 for ten (10) dump truck chassis and two (2) lowboy trucks contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount.

The Commission's outstanding note in the amount of \$15,941.38 for a tractor/brush cutter contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount.

The Commission had a note in the original amount of \$396,430.00 for a milling machine contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount. This note paid off in the current fiscal year.

The Commission had a note in the original amount of \$229,414.00 for a chip spreader contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount. This note paid off in the current fiscal year.

The Commission had a note in the original amount of \$2,875,177.88 for ten (10) dump trucks and two (2) lowboy trucks contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount. This note paid off in the current fiscal year.

## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

The following is a summary of long-term debt transactions for the Commission for the year ended September 30, 2024:

	Debt Outstanding 10/01/2023	Issued/ Increased	Repaid/ Decreased	Debt Outstanding 09/30/2024	Amounts Due Within One Year
<b>Governmental Activities:</b>					
<b>Warrants Payable:</b>					
General Obligation Warrants, Series 2009	\$ 1,040,000.00	\$	\$ (115,000.00)	\$ 925,000.00	\$ 125,000.00
General Obligation Warrants, Series 2013	1,415,000.00		(215,000.00)	1,200,000.00	220,000.00
General Obligation Warrants, Series 2014	3,410,000.00		(240,000.00)	3,170,000.00	245,000.00
General Obligation Warrants, Series 2016	480,000.00		(160,000.00)	320,000.00	160,000.00
Total Warrants Payable	6,345,000.00		(730,000.00)	5,615,000.00	750,000.00
<b>Notes from Direct Borrowing:</b>					
Milling Machine	82,871.32		(82,871.32)		
Chip Spreader	59,242.59		(59,242.59)		
Dump Trucks/Lowboy	2,875,177.88	2,419,000.00	(2,875,177.88)	2,419,000.00	2,419,000.00
Tractor/Brush Cutter	47,439.05		(31,497.67)	15,941.38	15,941.38
Total Notes from Direct Borrowing	3,064,730.84	2,419,000.00	(3,048,789.46)	2,434,941.38	2,434,941.38
<b>Other Liabilities:</b>					
Compensated Absences	1,875,220.55	85,285.43		1,960,505.98	
Other Postemployment Benefit Obligation	10,153,129.00		(66,085.00)	10,087,044.00	
Net Pension Liability	20,814,864.57		(473,227.24)	20,341,637.33	
Total Other Liabilities	32,843,214.12	85,285.43	(539,312.24)	32,389,187.31	
Total Governmental Activities	42,252,944.96	2,504,285.43	(4,318,101.70)	40,439,128.69	3,184,941.38
<b>Business-Type Activities:</b>					
<b>Notes from Direct Borrowing:</b>					
Garbage Trucks	555,920.84		(102,917.76)	453,003.08	106,931.05
Garbage Trucks/Service Truck	1,040,775.21		(191,895.18)	848,880.03	199,773.50
Roll-Out Carts	1,870,407.20		(343,138.45)	1,527,268.75	358,747.25
Garbage Truck	298,284.62		(54,284.24)	244,000.38	56,870.87
Garbage Trucks	778,157.74		(141,615.40)	636,542.34	148,363.34
Garbage Truck		364,921.13		364,921.13	58,973.71
Garbage Trucks		1,821,024.88		1,821,024.88	299,008.29
Total Notes from Direct Borrowing	4,543,545.61	2,185,946.01	(833,851.03)	5,895,640.59	1,228,668.01
<b>Other Liabilities:</b>					
Compensated Absences	20,897.63	20,220.25		41,117.88	
Net Pension Liability	275,312.43		(24,711.76)	250,600.67	
Total Other Liabilities	296,210.06	20,220.25	(24,711.76)	291,718.55	
Total Business-Type Activities	\$ 4,839,755.67	\$2,206,166.26	\$ (858,562.79)	\$ 6,187,359.14	\$1,228,668.01

Payments on the bonds payable that pertain to the Commission's governmental activities are made by the Debt Service Funds. The notes from direct borrowing liability is liquidated by the Gasoline Tax Fund and Public Building, Road and Bridge Fund.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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The compensated absences liability attributable to the governmental activities will be liquidated by several of the Commission's governmental funds. The majority of the liability will be liquidated by the General Fund and the Gasoline Tax Fund. The remainder will be liquidated by other governmental and enterprise funds.

The Direct Borrowings that pertain to the Business-Type Activities will be repaid from Solid Waste-Garbage Collection Fund.

The Commission's outstanding note in the amount of \$453,003.08 for three (3) garbage trucks contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount.

The Commission's outstanding note in the amount of \$848,880.03 for three (3) garbage trucks and one (1) service truck contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount.

The Commission's outstanding note in the amount of \$1,527,268.75 for twenty-seven thousand nine hundred and sixty-six (27,966) 95 gallon roll-out carts contains a provision that in any event of default, (1) the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount, (2) take possession of security equipment to sell for repayment and (3) and pay all cost related to the default.

The Commission's outstanding note in the amount of \$244,000.38 for one (1) garbage truck contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount.

The Commission's outstanding note in the amount of \$636,542.34 for two (2) garbage trucks contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount.

The Commission's outstanding note in the amount of \$364,921.13 for (1) garbage truck contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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The Commission's outstanding note in the amount of \$1,821,024.88 for (5) garbage trucks contains a provision that in any event of default, the entire unpaid principal balance under this note and all accrued unpaid interest shall become immediately due, without notice, declaration or other action by the lender, and the borrower will pay the amount.

The compensated absences and pension liability attributable to business-type activities will be liquidated from those funds.

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

Fiscal Year Ending	Governmental Activities			
	General Obligation Warrants, Series 2009		General Obligation Warrants, Series 2013	
	Principal	Interest	Principal	Interest
September 30, 2025	\$125,000.00	\$ 34,807.50	\$ 220,000.00	\$ 41,682.50
2026	135,000.00	29,607.50	230,000.00	33,945.00
2027	145,000.00	24,080.00	240,000.00	25,420.00
2028	160,000.00	18,052.50	250,000.00	15,920.00
2029	175,000.00	11,265.00	260,000.00	5,460.00
2030-2034	185,000.00	3,838.75		
2035				
Total	\$925,000.00	\$121,651.25	\$1,200,000.00	\$122,427.50

Fiscal Year Ending	Proprietary Funds		
	Notes from Direct Borrowings		Totals
	Principal	Interest	
September 30, 2025	\$1,228,668.01	\$262,931.55	\$1,491,599.56
2026	1,265,452.73	208,761.33	1,474,214.06
2027	2,415,798.38	153,030.20	2,568,828.58
2028	985,721.47	41,734.88	1,027,456.35
Total	\$5,895,640.59	\$666,457.96	\$6,562,098.55

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***Notes to the Financial Statements***  
***For the Year Ended September 30, 2024***

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Governmental Activities						Total Principal and Interest
General Obligation Warrants, Series 2014		General Obligation Warrants, Series 2016		Notes from Direct Borrowing		
Principal	Interest	Principal	Interest	Principal	Interest	
\$ 245,000.00	\$ 96,130.00	\$160,000.00	\$ 9,246.66	\$2,434,941.38	\$131,834.62	\$3,498,642.66
255,000.00	89,487.50	160,000.00	4,623.34			937,663.34
260,000.00	81,762.50					776,262.50
270,000.00	73,812.50					787,785.00
280,000.00	65,562.50					797,287.50
1,525,000.00	188,251.25					1,902,090.00
335,000.00	5,862.50					340,862.50
\$3,170,000.00	\$600,868.75	\$320,000.00	\$13,870.00	\$2,434,941.38	\$131,834.62	\$9,040,593.50

**Note 11 – Landfill Closure and Post-closure Care Costs**

The Commission participates with the City of Athens in the funding of the Athens-Limestone County landfill. The City operates the landfill. The landfill stopped accepting waste on October 8, 1997, and closure and postclosure costs have been recorded in the landfill financial statements. The financial statements of the landfill reflected a capital balance of \$5,514,214.18 as of September 30, 2024. The landfill has accumulated funds to finance closure and postclosure costs. If sufficient assets have not been accumulated for closure and postclosure costs, the Commission will be responsible for one-half of the costs. Audited financial statements for the landfill are available from the City of Athens.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **Note 12 – Risk Management**

The Commission is exposed to various risks 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 general liability insurance through the Association of County Commissions of Alabama (ACCA) Liability Self Insurance Fund, a public entity risk pool. The Fund is self-sustaining through member contributions. The Commission pays an annual premium based on the Commission's individual claims experience and the experience of the Fund as a whole. Coverage is provided up to \$1,000,000 per claim for a maximum total coverage of \$3,000,000 and unlimited defense costs. Employment-related practices damage protection is limited to \$1,000,000 per incident with a \$5,000 deductible and unlimited defense costs.

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. The premium level for the Fund is calculated to adequately cover the anticipated losses and expenses of the Fund. Fund rates are calculated for each job class based on the current NCCI Alabama loss costs and a loss cost modifier to meet the required premiums of the Fund. Member premiums are then calculated on a rate per \$100 of estimated remuneration for each job class, which is adjusted by an experience modifier for the individual county. The Commission may qualify for additional discounts based on losses and premium size. At year-end, pool participants are eligible to receive refunds of unused premiums and related investment earnings.

The Commission purchases commercial insurance for its other risks of loss, including property and casualty insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Commission has employee health coverage through the Local Government Health Insurance Program, administered by the State Employee's Health Insurance Board (SEHIB). Employees participate in a plan administered by Blue Cross/Blue Shield which functions as a public risk entity pool. This 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.

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## ***Notes to the Financial Statements***

### ***For the Year Ended September 30, 2024***

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#### **Note 13 – Interfund Transactions**

##### **Interfund Transfers**

The amounts of interfund transfers during the fiscal year ended September 30, 2024, were as follows:

	Transfers Out		Total
	General Fund	Other Governmental Fund	
Transfers In:			
General Fund	\$	\$100,000.00	\$ 100,000.00
Other Governmental Funds	6,528,686.47	813,255.79	7,341,942.26
Totals	<u>\$6,528,686.47</u>	<u>\$913,255.79</u>	<u>\$7,441,942.26</u>

The Commission typically used transfers to fund ongoing operating subsidies and to transfer the portion from the General Fund and Gasoline Tax Fund to the Debt Service Funds to service current-year debt requirements.

#### **Note 14 – Related Organizations**

The Commission is responsible for appointing board members of other organizations. The Commission's accountability for these organizations does not extend beyond making appointments; therefore, these organizations are considered to be related organizations of the Commission. The Commission appoints board members for the Limestone County E-911 Board, the Health Care Authority of Athens-Limestone County, the Limestone County Industrial Development Board, the Limestone County Water and Sewer Authority, and the Limestone County Parks and Recreation Board.

#### **Note 15 – Subsequent Event**

On February 18, 2025, the Commission entered into a note from direct borrowing in the amount of \$2,440,350.00 at an interest rate of 3.79% for the purchase of ten (10) dump trucks. The term is fifteen (15) months with a single payment of principal and interest at maturity.

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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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#### **Note 16 – Tax Abatements**

The Limestone County Commission enters into property tax abatement agreements with local businesses under the State Tax Incentive Reform Act of 1992, *Code of Alabama 1975*, Section 40-9B-(1-13). Under the Act, localities may grant property tax abatements for all state and local noneducational property taxes, all construction related transaction taxes, except those local construction taxes levied for educational purposes or for capital improvement for education, and/or all mortgage and recording taxes. The abatements may be granted to any business located within or promising to relocate to Limestone County. These programs have the stated purpose of increasing business activity and employment in the County.

For fiscal year ended September 30, 2024, total property taxes abated were \$187,654.59, including the following tax abatement agreements that exceed 10 percent of the total amount abated:

- ◆ An 80 percent property tax abatement was granted to a company engaged in high-performance specialty alloy-based materials manufacturing. The abatement totaled \$109,559.25.
- ◆ An 80 percent property tax abatement was granted to a company engaged in manufacturing steel fabricated products. The abatement totaled \$35,407.53.

The County is also subject to tax abatements granted by (1) the City of Athens, (2) Town of Elkmont, (3) Industrial Development Board (IDB) of the Town of Elkmont, and (4) Industrial Development Board (IDB) of the City of Huntsville. These programs have the stated purpose of increasing business activity and employment in the cities. Total property taxes abated, by the above, in the amount of \$8,658,865.98 are as follows:

Granting Jurisdiction	Type	Property Tax
City of Athens	Manufacturing	\$ 234,133.20
Town of Elkmont	Manufacturing	11,223.63
IDB – Town of Elkmont	Manufacturing	4,952.88
IDB – City of Huntsville	Various	8,408,556.27
Total		<u>\$8,658,865.98</u>



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## *Notes to the Financial Statements*

### *For the Year Ended September 30, 2024*

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The following abatements exceed 10 percent of the total amount abated:

- ◆ A 45 percent property tax abatement to an automobile manufacturer for a very large project to generate a substantial number of jobs and economic growth. The abatement of county property taxes amounted to \$3,862,658.88.
- ◆ A 45 percent property tax abatement to an automobile manufacturer business for increasing its facilities and increasing employment. The abatement of county property taxes amounted to \$1,234,566.09.

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## *Required Supplementary Information*

***Schedule of Changes in the Employer's Net Pension Liability***  
***For the Year Ended September 30, 2024***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b><u>Total Pension Liability</u></b>										
Service cost	\$ 1,310,569	\$ 1,191,846	\$ 1,035,051	\$ 958,476	\$ 953,479	\$ 921,592	\$ 937,509	\$ 882,707	\$ 799,083	\$ 763,061
Interest	3,992,803	3,816,093	3,719,487	3,535,512	3,319,357	3,240,529	3,004,831	2,817,810	2,637,761	2,525,184
Changes of benefit terms		38,533		546,413						
Difference between expected and actual experience	1,286,318	365,966	(810,164)	(16,237)	795,112	(796,058)	1,145,824	772,092	695,847	
Changes of assumptions			1,795,124			236,085		1,228,188		
Benefit payments, including refunds of employee contributions	(3,078,473)	(3,098,593)	(2,754,741)	(2,387,969)	(2,351,089)	(2,283,439)	(2,540,934)	(1,921,105)	(1,843,044)	(1,919,032)
Transfers among employers	141,359	48,052	104,858	(63,521)	108,788	10,370	365,285	79,612		
Net change in total pension liability	3,652,576	2,361,897	3,089,615	2,572,674	2,825,647	1,329,079	2,912,515	3,859,304	2,289,647	1,369,213
Total pension liability - beginning	55,133,913	52,772,016	49,682,401	47,109,727	44,284,080	42,955,001	40,042,486	36,183,182	33,893,535	32,524,322
Total pension liability - ending (a)	\$ 58,786,489	\$ 55,133,913	\$ 52,772,016	\$ 49,682,401	\$ 47,109,727	\$ 44,284,080	\$ 42,955,001	\$ 40,042,486	\$ 36,183,182	\$ 33,893,535
<b><u>Plan fiduciary net position</u></b>										
Contributions - employer	\$ 1,468,062	\$ 1,308,424	\$ 1,135,791	\$ 1,010,532	\$ 1,042,446	\$ 1,148,264	\$ 1,153,906	\$ 1,223,969	\$ 1,083,153	\$ 1,005,307
Contributions - employee	1,216,271	1,100,046	1,060,825	898,277	945,490	643,947	636,384	748,631	565,550	514,612
Net investment income	4,403,296	(5,039,369)	7,259,773	1,794,053	795,982	2,656,953	3,307,855	2,399,581	276,319	2,526,751
Benefit payments, including refunds of employee contributions	(3,078,473)	(3,098,593)	(2,754,741)	(2,387,969)	(2,351,089)	(2,283,439)	(2,540,934)	(1,921,105)	(1,843,044)	(1,919,032)
Other (transfers among employers)	141,359	48,052	104,858	(63,521)	108,788	10,370	365,285	79,612	52,594	(48,205)
Net change in plan fiduciary net position	4,150,515	(5,681,440)	6,806,506	1,251,372	541,617	2,176,095	2,922,496	2,530,688	134,572	2,079,433
Plan fiduciary net position - beginning	34,043,736	39,725,176	32,918,670	31,667,298	31,125,681	28,949,586	26,027,090	23,496,402	23,361,830	21,282,397
Plan fiduciary net position - ending (b)	\$ 38,194,251	\$ 34,043,736	\$ 39,725,176	\$ 32,918,670	\$ 31,667,298	\$ 31,125,681	\$ 28,949,586	\$ 26,027,090	\$ 23,496,402	\$ 23,361,830
County's net pension liability - ending (a) - (b)	\$ 20,592,238	\$ 21,090,177	\$ 13,046,840	\$ 16,763,731	\$ 15,442,429	\$ 13,158,399	\$ 14,005,415	\$ 14,015,396	\$ 12,686,780	\$ 10,531,705
Plan fiduciary net position as a percentage of the total pension liability	64.97%	61.75%	75.28%	66.26%	67.22%	70.29%	67.40%	65.00%	64.94%	68.93%
Covered payroll (*)	\$ 15,223,289	\$ 13,414,658	\$ 12,607,702	\$ 12,294,612	\$ 11,931,420	\$ 11,855,989	\$ 11,332,473	\$ 11,685,667	\$ 10,566,766	\$ 9,708,027
County's net pension liability as a percentage of covered payroll	135.27%	157.22%	103.48%	136.35%	129.43%	110.99%	123.59%	119.94%	120.06%	108.48%

(\*) Employer's covered payroll during the measurement period is the total covered payroll. For fiscal year 2024, the measurement period is October 1, 2022 through September 30, 2023. GASB issued a statement "Pension Issues" in March 2016 to redefine covered payroll beginning with fiscal year 2017.

***Schedule of the Employer's Contributions - Pension***  
***For the Year Ended September 30, 2024***

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution (*)	\$ 1,596,803	\$ 1,468,062	\$ 1,308,424	\$ 1,135,791	\$ 1,010,532	\$ 1,042,446	\$ 1,148,264	\$ 1,153,906	\$ 1,223,969	\$ 1,083,153
Contributions in relation to the actuarially determined contribution (*)	\$ 1,596,803	\$ 1,468,062	\$ 1,308,424	\$ 1,135,791	\$ 1,010,532	\$ 1,042,446	\$ 1,148,264	\$ 1,153,906	\$ 1,223,969	\$ 1,083,153
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Covered payroll (**)	\$ 16,464,508	\$ 15,223,289	\$ 13,414,658	\$ 12,607,702	\$ 12,294,612	\$ 11,931,420	\$ 11,855,989	\$ 11,332,473	\$ 11,685,667	\$ 10,566,766
Contributions as a percentage of covered-employee payroll	9.70%	9.64%	9.75%	9.01%	8.22%	8.74%	9.69%	10.18%	10.47%	10.25%

(\*) The amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments. The Schedule of Employer Contributions is based on the 12 month period of the underlying financial statements.

(\*\*) Employer's covered payroll for fiscal year 2024 is the total covered payroll for the 12 month period of the underlying financial statement.

**Notes to Schedule**

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2024 were based on the September 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	25.3 years
Asset valuation method	Five year smoothed market
Inflation	2.50%
Salary increases	3.25 - 6.00%, including inflation
Investment rate of return	7.45%, net of pension plan investment expense, including inflation

***Schedule of Changes in the Employer's Other Postemployment Benefits (OPEB) Liability  
For the Year Ended September 30, 2024***

	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>							
Service cost at year-end	\$ 397,202	\$ 536,696	\$ 572,974	\$ 462,674	\$ 530,514	\$ 578,755	\$ 633,714
Interest	398,740	255,332	246,004	262,029	451,467	388,544	323,159
Changes of benefit terms				377,151			
Differences between expected and actual experience	(634,484)	(22,706)	(381,513)	37,900	(2,702,133)	(26,800)	13,267
Changes of assumptions or other inputs	245,550	(1,704,067)	117,847	479,734	1,121,956	(674,839)	(792,841)
Benefit payments (*)	(473,093)	(417,662)	(360,348)	(317,176)	(384,447)	(313,929)	(332,503)
Net change in total OPEB liability	(66,085)	(1,352,407)	194,964	1,302,312	(982,643)	(48,269)	(155,204)
Total OPEB liability - beginning	10,153,129	11,505,536	11,310,572	10,008,260	10,990,903	11,039,172	11,194,376
Total OPEB liability - ending (a)	<u>\$ 10,087,044</u>	<u>\$ 10,153,129</u>	<u>\$ 11,505,536</u>	<u>\$ 11,310,572</u>	<u>\$ 10,008,260</u>	<u>\$ 10,990,903</u>	<u>\$ 11,039,172</u>
Covered-employee payroll (**)	\$ 9,664,583	\$ 9,771,267	\$ 9,771,267	\$ 11,147,563	\$ 11,147,563	\$ 11,327,383	\$ 11,327,383
Total OPEB liability as a percentage of covered-employee payroll	104.37%	103.91%	117.75%	101.46%	89.78%	97.03%	97.46%

(\*) Benefit payments are net of participant contributions, include an amount for the implicit subsidy, if applicable, and includes amounts paid outside of an OPEB trust, if applicable.

(\*\*) For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

**Notes to Schedule**

**Benefit Changes.** The County has elected Act 2019-132. Tier 2 employees must retire under the same eligibility requirements as Tier 1 employees to receive OPEB benefits.

**Changes in Assumptions.** The discount rate as of September 30, 2022, was 4.02% and it changed to 4.09% as of September 30, 2023.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

***Schedule of the Employer's Contributions - Other Postemployment Benefits (OPEB)***  
***For the Year Ended September 30, 2024***

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 484,923	\$ 427,265	\$ 421,066	\$ 338,702	\$ 334,591	\$ 352,070	\$ 364,475
Contributions in relation to the actuarially determined contribution	\$ 484,923	\$ 427,265	\$ 421,066	\$ 338,702	\$ 334,591	\$ 352,070	\$ 364,475
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$
Covered-employee payroll	\$ 9,664,583	\$ 9,771,267	\$ 9,771,267	\$ 11,147,563	\$ 11,147,563	\$ 11,327,383	\$ 11,327,383
Contributions as a percentage of covered-employee payroll	5.02%	4.37%	4.31%	3.04%	3.00%	3.11%	3.22%

**Notes to Schedule**

Valuation date: September 30, 2023

Actuarially determined contribution rates are calculated as of September 30, of the last day of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay
Asset valuation method	Market Value
Inflation	2.50% annually
Healthcare cost trend rates:	
Pre-Medicare Medical and Prescription Drug	7.00% for 2023, decreasing to an ultimate rate of 4.50% by 2033
Medicare Medical and Prescription Drug	5.125% for 2023, decreasing to an ultimate rate of 4.50% by 2026
Salary increases	3.25 - 6.00%, average, including inflation
Municipal bond index rate:	
Discount Rate (Prior Measurement Date)	4.02% per annum, compounded annually
Discount Rate (Measurement Date)	4.09% per annum, compounded annually
Retirement age	25 years of service at any age or attainment of age 60 and 10 years of service; employees hired on and after January 1, 2013 are not eligible to retire until age 62 with 10 years of service.

Mortality:

Rates were based on the Pub-2010 Public Mortality Plans Mortality Tables, with adjustments for AL ERS experience and generational mortality improvements using Scale MP-2020, with an adjustment of 66-2/3% to the table beginning in year 2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used were based on the actuarial experience study for the period October 1, 2015- September 30, 2020, and were submitted to and adopted by the Board of the Employees' Retirement System of Alabama on September 14, 2021.

The remaining assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rate of plan election, etc.) used were based on a review of recent plan experience performed concurrently with the September 30, 2023 valuation.

Beginning in fiscal year 2019, new employees are not eligible to participate and will not have any OPEB benefits paid by the Commission.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

***Schedule of Revenues, Expenditures and Changes in Fund Balances***  
***Budget and Actual - General Fund***  
***For the Year Ended September 30, 2024***

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Budget to GAAP</b>	<b>Actual Amounts</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>		<b>Differences</b>	<b>GAAP Basis</b>
<b><u>Revenues</u></b>						
Taxes	\$ 13,469,906.00	\$ 13,469,906.00	\$ 16,851,039.16	(1)	\$ 6,433,000.53	\$ 23,284,039.69
Licenses and Permits	90,000.00	90,000.00	102,854.86			102,854.86
Intergovernmental	4,083,196.00	4,144,846.00	6,133,910.46	(1)	1,901,076.67	8,034,987.13
Charges for Services	2,983,000.00	2,998,000.00	5,118,083.99			5,118,083.99
Miscellaneous	48,490.00	48,690.00	1,010,776.85	(1)	308,782.39	1,319,559.24
Total Revenues	20,674,592.00	20,751,442.00	29,216,665.32		8,642,859.59	37,859,524.91
<b><u>Expenditures</u></b>						
Current:						
General Government	7,672,719.00	8,014,054.32	6,917,661.80	(2)	225,956.30	7,143,618.10
Public Safety	11,980,799.00	12,099,231.96	10,645,282.54	(2)	1,270,653.68	11,915,936.22
Highways and Roads	363,311.00	471,270.12	344,395.73			344,395.73
Sanitation				(2)	1,609,749.20	1,609,749.20
Health	13,000.00	13,000.00	10,542.46			10,542.46
Welfare	57,500.00	84,262.00	72,384.59	(2)	5,659.22	78,043.81
Culture and Recreation	289,879.00	289,960.31	207,533.13			207,533.13
Education	150,270.00	153,770.00	123,344.95	(2)	1,080.00	124,424.95
Capital Outlay	110,200.00	2,986,371.53	2,947,357.57	(2)	232,944.80	3,180,302.37
Intergovernmental	111,940.00	111,940.00	110,440.00	(2)	575,332.32	685,772.32
Total Expenditures	20,749,618.00	24,223,860.24	21,378,942.77		3,921,375.52	25,300,318.29
Excess (Deficiency) of Revenues Over Expenditures	(75,026.00)	(3,472,418.24)	7,837,722.55		4,721,484.07	12,559,206.62
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers In	465,000.00	465,000.00	100,000.00			100,000.00
Sale of Capital Assets	2,992,962.00	3,033,083.53	2,855,564.34			2,855,564.34
Debt Issued		2,781,648.00	2,419,000.00			2,419,000.00
Other Sources/(Uses)	(2,992,962.00)	(2,992,962.00)	80,415.75	(3)	4,567.97	84,983.72
Transfers Out	(838,957.00)	(902,343.00)	(2,814,906.00)	(3)	(3,713,780.47)	(6,528,686.47)
Total Other Financing Sources (Uses)	(373,957.00)	2,384,426.53	2,640,074.09		(3,709,212.50)	(1,069,138.41)
Net Change in Fund Balances	(448,983.00)	(1,087,991.71)	10,477,796.64		1,012,271.57	11,490,068.21
Fund Balances - Beginning of Year	444,983.00	1,087,991.71	25,014,736.21	(4)	7,444,863.51	32,459,599.72
Fund Balances - End of Year	\$	\$	\$ 35,492,532.85		\$ 8,457,135.08	\$ 43,949,667.93



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***Schedule of Revenues, Expenditures and Changes in Fund Balances***  
***Budget and Actual - General Fund***  
***For the Year Ended September 30, 2024***

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**Explanation of differences:**

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

(1) Revenues			
Landfill Fund	\$	5,277.03	
School Resource Officer Fund		593,960.28	
Legislative Delegation Fund		495,494.82	
Public Roads, Buildings and Bridges Fund		7,479,834.64	
EMA Fund		68,292.82	
			\$ 8,642,859.59
(2) Expenditures			
Landfill Fund	\$	252,508.13	
School Resource Officer Fund		905,072.75	
Legislative Delegation Fund		495,494.82	
Public Roads, Buildings and Bridges Fund		1,907,223.05	
EMA Fund		361,076.77	
			(3,921,375.52)
(3) Other Financing Sources/(Uses), Net			
Landfill Fund	\$	735.46	
School Resource Officer Fund		3,832.51	
Public Roads, Buildings and Bridges Fund		(3,713,780.47)	
			(3,709,212.50)
Net Change in Fund Balance - Budget to GAAP			\$ 1,012,271.57
(4) 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 Balances because of the effect of transactions such as those described above.			

***Schedule of Revenues, Expenditures and Changes in Fund Balances***  
***Budget and Actual - Hospital Tax Fund***  
***For the Year Ended September 30, 2024***

	Budgeted Amounts		Actual Amounts		Budget to GAAP	Actual Amounts
	Original	Final	Budgetary Basis		Differences	GAAP Basis
<b>Revenues</b>						
Taxes	\$ 3,750,000.00	\$ 3,994,345.00	\$ 5,514,000.93		\$	\$ 5,514,000.93
Intergovernmental	357,850.00	357,850.00	385,204.96	(1)	150,378.00	535,582.96
Miscellaneous	3,500.00	5,933.16	170,593.46	(1)	5,200.98	175,794.44
Total Revenues	4,111,350.00	4,358,128.16	6,069,799.35		155,578.98	6,225,378.33
<b>Expenditures</b>						
Current:						
General Government	348,187.00	348,187.00	214,261.51			214,261.51
Public Safety	1,050,000.00	1,204,418.91	1,157,438.11			1,157,438.11
Health	631,288.00	726,633.00	699,837.11			699,837.11
Welfare	642,867.00	646,369.61	500,468.38	(2)	586,793.77	1,087,262.15
Intergovernmental	358,035.00	360,162.50	360,162.50			360,162.50
Capital Outlay		16,000.00	16,000.00			16,000.00
Total Expenditures	3,030,377.00	3,301,771.02	2,948,167.61		586,793.77	3,534,961.38
Excess (Deficiency) of Revenues Over Expenditures	1,080,973.00	1,056,357.14	3,121,631.74		(431,214.79)	2,690,416.95
<b>Other Financing Sources (Uses)</b>						
Sale of Capital Assets			670.63			670.63
Other Sources			2,157.60	(3)	1,762.32	3,919.92
Transfers Out	(754,426.00)	(754,426.00)				
Total Other Financing Sources (Uses)	(754,426.00)	(754,426.00)	2,828.23		1,762.32	4,590.55
Net Change in Fund Balances	326,547.00	301,931.14	3,124,459.97		(429,452.47)	2,695,007.50
Fund Balances - Beginning of Year		24,615.86	2,647,572.31	(4)	245,905.78	2,893,478.09
Fund Balances - End of Year	\$ 326,547.00	\$ 326,547.00	\$ 5,772,032.28		\$ (183,546.69)	\$ 5,588,485.59

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***Schedule of Revenues, Expenditures and Changes in Fund Balances***  
***Budget and Actual - Hospital Tax Fund***  
***For the Year Ended September 30, 2024***

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**Explanation of differences:**

Some amounts are combined with the Hospital Tax Fund for reporting purposes but are budgeted separately.

(1) Revenues		
Council on Aging Fund	\$ 134,730.98	
Senior RX Fund	<u>20,848.00</u>	\$ 155,578.98
(2) Expenditures		
Council on Aging Fund	\$ (520,802.40)	
Senior RX Fund	<u>(65,991.37)</u>	(586,793.77)
(3) Other Financing Sources/(Uses), Net		
Council on Aging Fund	\$ 1,741.51	
Senior RX Fund	<u>20.81</u>	<u>1,762.32</u>
Net Change in Fund Balance - Budget to GAAP		<u><u>\$ (429,452.47)</u></u>

- (4) 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 Balances because of the effect of transactions such as those described above.

***Schedule of Revenues, Expenditures and Changes in Fund Balances***  
***Budget and Actual - Coronavirus Rescue Act Fund***  
***For the Year Ended September 30, 2024***

	Budgeted Amounts		Actual Amounts	Budget to GAAP	Actual Amounts
	Original	Final	Budgetary Basis	Differences	GAAP Basis
<b><u>Revenues</u></b>					
Intergovernmental	\$	\$ 7,743,500.58	\$ 3,747,520.17	\$	\$ 3,747,520.17
Total Revenues		7,743,500.58	3,747,520.17		3,747,520.17
<b><u>Expenditures</u></b>					
Current:					
Public Safety		797,572.34	805,788.34		805,788.34
Health		485,949.65	485,949.65		485,949.65
Capital Outlay		6,459,978.59	2,455,782.18		2,455,782.18
Total Expenditures		7,743,500.58	3,747,520.17		3,747,520.17
Excess (Deficiency) of Revenues Over Expenditures					
Net Change in Fund Balances					
Fund Balances - Beginning of Year					
Fund Balances - End of Year	\$	\$	\$	\$	\$

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## *Supplementary Information*

***Schedule of Expenditures of Federal Awards***  
***For the Year Ended September 30, 2024***

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Identifying Number	Pass-Through to Subrecipient	Total Federal Expenditures
<b><u>U. S. Department of Housing and Urban Development</u></b>				
<b><u>Passed Through Alabama Department of Economic and Community Affairs</u></b>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CY-ED-PF-21-108	\$	\$ 37,500.00
<b><u>U. S. Department of Interior</u></b>				
<b><u>Direct Program</u></b>				
National Wildlife Refuge Fund	15.659	N/A	3,644.94	9,346.00
<b><u>U. S. Department of Justice</u></b>				
<b><u>Direct Program</u></b>				
Bullet Proof Vest Partnership Program	16.607	N/A		2,064.40
<b><u>U. S. Department of Transportation</u></b>				
<b><u>Passed Through Alabama Department of Transportation</u></b>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A		71,441.00
<b><u>Passed Through Franklin County Commission</u></b>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	24-FP-PT-028		30,090.78
National Priority Safety Programs	20.616	24-ID-M5-031		3,878.55
Sub-Total Highway and Safety Cluster				33,969.33
Total U. S. Department of Transportation				105,410.33
<b><u>U. S. Department of the Treasury</u></b>				
<b><u>Direct Program</u></b>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	485,949.65	8,870,683.85
<b><u>General Services Administration</u></b>				
<b><u>Passed Through Alabama Department of Economic and Community Affairs</u></b>				
Donation of Federal Surplus Personal Property (N)	39.003	N/A		659.26
Sub-Total Forward			\$ 489,594.59	\$ 9,025,663.84

***Schedule of Expenditures of Federal Awards***  
***For the Year Ended September 30, 2024***

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Grantor's Identifying Number</b>	<b>Pass-Through to Subrecipient</b>	<b>Total Federal Expenditures</b>
Sub-Total Brought Forward			\$ 489,594.59	\$ 9,025,663.84
<b><u>U. S. Department of Health and Human Services</u></b>				
<b><u>Passed Through Top of Alabama Regional Council on Governments</u></b>				
Special Programs for the Aging- Title III, Part D- Disease Prevention and Health Promotion Services	93.043	N/A		3,130.00
COVID-19 - Part D- Disease Prevention and Health Promotion Services	93.043	N/A		6,039.62
Sub-Total Part D- Disease Prevention and Health Promotion Services				9,169.62
Aging Cluster:				
Special Programs for the Aging- Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	N/A		66,176.00
Special Programs for the Aging- Title III, Part C - Nutrition Services	93.045	N/A		60,224.00
Sub-Total Aging Cluster				126,400.00
<b><u>State Health Insurance Assistance Program</u></b>	93.324	23-SHIP-Lim-3		2,500.00
State Health Insurance Assistance Program	93.324	24-SHIP-Lim-3		2,500.00
Sub-Total State Health Insurance Assistance Programs				5,000.00
Sub-Total Passed Through Top of Alabama Regional Council on Governments				140,569.62
<b><u>Passed Through the Alabama Department of Public Health</u></b>				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6NU5OCK000545-03-01		258,380.15
Total U. S. Department of Health and Human Services				398,949.77
<b><u>U. S. Department of Homeland Security</u></b>				
<b><u>Passed Through Alabama Emergency Management Agency</u></b>				
Emergency Management Performance Grants	97.042	24EMF		46,706.00
<b><u>Other Federal Assistance</u></b>				
<b><u>Tennessee Valley Authority</u></b>				
<b><u>Passed Through Alabama Emergency Management Agency</u></b>				
Radiological Emergency Plans	N/A	99997953		231,276.73
Total Expenditures of Federal Awards			\$ 489,594.59	\$ 9,702,596.34

(N) = Non-Cash Assistance

N/A = Not Available or Not Applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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## ***Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2024***

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### **Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Limestone County Commission under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)***. Because the Schedule presents only a selected portion of the operations of the Limestone County Commission, it is not intended to and does not present the financial position, changes in net position or cash flows of the Limestone County Commission.

### **Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### **Note 3 – Indirect Cost Rate**

The Limestone County Commission has not elected to use the 10-percent de minimis indirect cost rate as allowed in the *Uniform Guidance*.



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## *Additional Information*

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***Commission Members and Administrative Personnel***  
***October 1, 2023 through September 30, 2024***

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<b>Commission Members</b>		<b>Term Expires</b>
Hon. Collin Daly	Chairman	November 2026
Hon. Daryl Sammet	Member	November 2026
Hon. Danny Barksdale	Member	November 2024
Hon. LaDon Townsend	Member	November 2024
Hon. Derrick Gatlin	Member	November 2026
<b><u>Administrative Personnel</u></b>		
Ellen Morell	Administrator	Indefinite

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# ***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***

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## **Independent Auditor's Report**

Members of the Limestone County Commission and County Administrator  
Athens, Alabama

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 (***Government Auditing Standards***), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Limestone County Commission, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Limestone County Commission's basic financial statements, and have issued our report thereon dated July 11, 2025.

## **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Limestone County Commission's internal control over financial reporting (internal control) as a basis for designing 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 Limestone County Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Limestone 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 a 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 or significant deficiencies may exist that have not been identified.

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# ***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***

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## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Limestone 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 financial statements. 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rachel Laurie Riddle  
Chief Examiner  
Department of Examiners of Public Accounts

Montgomery, Alabama

July 11, 2025

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# ***Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance***

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## **Independent Auditor's Report**

Members of the Limestone County Commission and County Administrator  
Athens, Alabama

### **Report on Compliance for the Major Federal Program**

#### **Opinion on Each Major Federal Program**

We have audited the Limestone's County Commission compliance with the types of compliance requirements identified as subject to audit in the ***OMB Compliance Supplement*** that could have a direct and material effect on each of the Limestone County Commission's major federal programs for the year ended September 30, 2024. The Limestone County Commission's major federal program is identified in the Summary of Examiner's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Limestone County Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

#### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States (***Government Auditing Standards***); and the audit requirements of Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)***. Our responsibilities under those standards and the *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Limestone County Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Limestone County Commission's compliance with the compliance requirements referred to above.

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# ***Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance***

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## **Responsibilities of Management for Compliance**

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Limestone's County Commission's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Limestone's County Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, ***Government Auditing Standards***, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Limestone's County Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, ***Government Auditing Standards***, and the *Uniform Guidance*, we

- ◆ exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Limestone's County Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- ◆ obtain an understanding of the Limestone's County Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of the Limestone's County Commission's internal control over compliance. Accordingly, no such opinion is expressed.

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## ***Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance***

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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***Report on Compliance for Each Major Federal Program and  
Report on Internal Control Over Compliance Required  
by the Uniform Guidance***

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The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.



Rachel Laurie Riddle  
Chief Examiner  
Department of Examiners of Public Accounts

Montgomery, Alabama

July 11, 2025



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## ***Schedule of Findings and Questioned Costs***

### ***For the Year Ended September 30, 2024***

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#### **Section I – Summary of Examiner's Results**

##### **Financial Statements**

Type of report the auditor issued on whether the audited financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes      X   None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes      X   No

##### **Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes      X   None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the *Uniform Guidance*?

\_\_\_\_\_ Yes      X   No

Identification of major federal programs:

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000.00

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes      X   No

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***Schedule of Findings and Questioned Costs***  
***For the Year Ended September 30, 2024***

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**Section II – Financial Statement Findings (GAGAS)**

No matters were reportable.

**Section III – Federal Awards Findings and Questioned Costs**

No matters were reportable.