



# Chilton County Commission

## Chilton County, Alabama

October 1, 2023 through September 30, 2024

Filed: October 10, 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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**Examiners of Public Accounts**

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

Dear Madam:

An audit was conducted on the Chilton County Commission, Chilton County, Alabama, for the period October 1, 2023 through September 30, 2024, by Examiners Trishuna Holt and Danielle Parris. I, Trishuna Holt, 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,

Trishuna J. Holt  
Examiner of Public Accounts

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

### **SUMMARY**

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

The Chilton County Commission (the “Commission”) is governed by a seven-member body elected by the citizens of Chilton County. The members and administrative personnel in charge of governance of the Commission are listed on Exhibit 18. 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 Chilton 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 basic 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 18, were invited to discuss the results of this report at an exit conference. Individuals in attendance were County Administrator Sylvia Singleton and Commissioners Randell Kelley and Allen Williams. Representing the Department of Examiners of Public Accounts were Chris Newton, Audit Manager and Trishuna Holt, Examiner.

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# *Independent Auditor's Report*

## **Independent Auditor's Report**

Members of the Chilton County Commission and County Administrator  
Clanton, Alabama

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chilton County Commission, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Chilton County Commission as listed in the table of contents as Exhibits 1 through 8.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Chilton County Commission, as of September 30, 2024, and the respective changes in financial position 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 Chilton 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.

#### **Emphasis of Matter**

As discussed in Note 12 to the financial statements, the Chilton County Commission adopted new accounting guidance, Governmental Accounting Standards Board's (GASB) Statement Number 100, ***Accounting Changes and Error Corrections***. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Chilton 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 misstatements, 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 Chilton 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 Chilton 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 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 to Actual (Exhibits 9 through 16), 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.



### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chilton County Commission's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (Exhibit 15), 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 August 14, 2025, on our consideration of the Chilton 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 Chilton 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 Chilton County Commission's internal control over financial reporting and compliance.



Rachel Laurie Riddle  
Chief Examiner  
Department of Examiners of Public Accounts

Montgomery, Alabama

August 14, 2025

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# *Basic Financial Statements*

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

	<b>Governmental Activities</b>
<b><u>Assets</u></b>	
Cash and Cash Equivalents	\$ 15,274,784.73
Cash with Fiscal Agent	28,899,473.35
Investments	17,286,614.82
Accounts Receivable	466,677.79
Ad Valorem Property Taxes Receivable	9,890,566.00
Prepaid Expenses	37,352.84
Capital Assets (Note 5):	
Nondepreciable	15,467,453.81
Depreciable, Net	27,699,750.75
Total Assets	<u>115,022,674.09</u>
<b><u>Deferred Outflows of Resources</u></b>	
Employer Pension Contribution	518,274.44
Employer Other Postemployment Benefit (OPEB) Contribution	167,422.00
Deferred Outflows Related to OPEB	601,460.00
Deferred Outflows Related to Pension Plan	2,206,320.00
Total Deferred Outflows of Resources	<u>3,493,476.44</u>
<b><u>Liabilities</u></b>	
Accounts Payable	746,089.07
Accrued Wages Payable	430,315.75
Lodging Tax Payable	2,309.10
Due to Other Governments	35,706.91
Unearned Revenue	3,261,755.93
Accrued Interest Payable	9,835.45
Long-Term Liabilities (Note 8):	
Portion Due Within One Year	2,053,157.72
Portion Due After One Year	31,489,900.24
Total Liabilities	<u>38,029,070.17</u>
<b><u>Deferred Inflows of Resources</u></b>	
Deferred Inflows Related to Pension Benefit Plan	413,754.00
Deferred Inflows Related to Other Postemployment Benefit (OPEB) Plan	2,284,085.00
Unavailable Revenue - Property Taxes	9,666,042.01
Unavailable Revenue - Motor Vehicle	912,914.53
Total Deferred Inflows of Resources	<u>\$ 13,276,795.54</u>

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

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	<b>Governmental Activities</b>
<hr/>	
<b><u>Net Position</u></b>	
Net Investment in Capital Assets	\$ 40,155,111.04
Restricted for:	
Highways and Roads	4,518,539.41
Debt Service	531,711.77
Other Purposes	39,376,840.58
Unrestricted	<u>(17,371,917.98)</u>
Total Net Position	<u><u>\$ 67,210,284.82</u></u>

**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	
<b>Governmental Activities:</b>					
General Government	\$ 6,017,339.42	\$ 2,046,683.19	\$ 3,872,295.70	\$	\$ (98,360.53)
Public Safety	7,366,064.38	526,298.25	567,476.98		(6,272,289.15)
Highways and Roads	9,276,490.72	5,290.19	4,424,990.70	52,919.40	(4,793,290.43)
Sanitation	185,674.70				(185,674.70)
Health	262,689.00		77,328.27		(185,360.73)
Welfare	189,608.13	38.97			(189,569.16)
Culture and Recreation	581,114.53	349,750.59			(231,363.94)
Interest and Fiscal Charges	152,763.08				(152,763.08)
Total Governmental Activities	\$ 24,031,743.96	\$ 2,928,061.19	\$ 8,942,091.65	\$ 52,919.40	(12,108,671.72)
<b>General Revenues:</b>					
Taxes:					
Property Taxes - General Purposes					7,917,620.44
Property Taxes - Specific Purposes					3,253,009.15
General Sales Tax					6,771,433.71
Donation of Assets					237,587.00
Miscellaneous Taxes					2,471,470.95
Investment Earnings					1,356,672.26
Gain on Sale of Assets					604,393.20
Miscellaneous					1,440,855.35
Total General Revenues					24,053,042.06
Change in Net Position					11,944,370.34
Net Position - Beginning of Year					55,265,914.48
Net Position - End of Year					\$ 67,210,284.82

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

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

	General Fund	Trade School and Industrial Development Fund	Gasoline Tax Fund	ARPA Revenue Reduction Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Cash Equivalents	\$ 4,243,540.92	\$ 1,790,735.74	\$ 4,105,022.34	\$ 58,721.95	\$ 5,076,763.78	\$ 15,274,784.73
Cash with Fiscal Agent	25,899,473.35				3,000,000.00	28,899,473.35
Investments	11,254,765.19	1,796,123.06	555,949.81	3,679,776.76		17,286,614.82
Accounts Receivable	419,377.00		29,022.20		18,278.59	466,677.79
Ad Valorem Property Taxes Receivable	6,595,588.73	840,444.40	1,640,331.87		814,201.00	9,890,566.00
Due from Other Funds	42,034.45				65,367.81	107,402.26
Prepaid Expenses			37,352.84			37,352.84
Total Assets	48,454,779.64	4,427,303.20	6,367,679.06	3,738,498.71	8,974,611.18	71,962,871.79
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	605,739.53		14,585.04	116,069.72	9,694.78	746,089.07
Accrued Wages Payable	291,706.81		96,676.22		41,932.72	430,315.75
Lodging Tax Payable					2,309.10	2,309.10
Due to Other Funds	64,108.58		1,292.99		42,000.69	107,402.26
Due to Other Governments	35,134.42	176.49	396.00			35,706.91
Unearned Revenue				3,062,219.58	199,536.35	3,261,755.93
Total Liabilities	996,689.34	176.49	112,950.25	3,178,289.30	295,473.64	4,583,579.02
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue - Property Taxes	6,433,644.42	809,154.56	1,609,042.03		814,201.00	9,666,042.01
Revenue Received In Advance - Motor Vehicle	658,619.78	127,147.38	127,147.37			912,914.53
Total Deferred Inflows of Resources	7,092,264.20	936,301.94	1,736,189.40		814,201.00	10,578,956.54
<b>Fund Balances</b>						
Restricted:						
Highways and Roads			4,518,539.41			4,518,539.41
Debt Service					541,547.22	541,547.22
Other Purposes	28,154,885.56	3,490,824.77		560,209.41	7,170,920.84	39,376,840.58
Assigned:						
Highways and Roads	482,909.35					482,909.35
Other Purposes	6,667,151.72				152,468.48	6,819,620.20
Unassigned	5,060,879.47					5,060,879.47
Total Fund Balances	40,365,826.10	3,490,824.77	4,518,539.41	560,209.41	7,864,936.54	56,800,336.23
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 48,454,779.64	\$ 4,427,303.20	\$ 6,367,679.06	\$ 3,738,498.71	\$ 8,974,611.18	\$ 71,962,871.79

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) \$ 56,800,336.23

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 the governmental funds. 43,167,204.56

Deferred outflows and inflows of resources related to the pension plan are applicable to  
future periods and, therefore, are not reported in the governmental funds. 2,310,840.44

Deferred outflows and inflows of resources related to the other postemployment  
benefit plan are applicable to future periods and, therefore, are not reported in the  
governmental funds. (1,515,203.00)

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

	Amounts Due or Payable Within One Year	Amounts Due or Payable After One Year	
Accrued Interest Payable	\$ 9,835.45	\$	
Warrants Payable	1,666,391.64	19,455,387.37	
Notes from Direct Borrowing	357,088.37	1,554,478.50	
Compensated Absences	29,677.71	267,099.37	
Net Pension Liability		7,027,378.00	
Total Other Postemployment Benefits (OPEB) Liability		3,185,557.00	
Total Long-Term Liabilities	\$ 2,062,993.17	\$ 31,489,900.24	(33,552,893.41)

Total Net Position - Governmental Activities (Exhibit 1) \$ 67,210,284.82

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	Trade School and Industrial Development Fund	Gasoline Tax Fund	ARPA Revenue Reduction Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 14,841,922.47	\$ 1,090,242.38	\$ 1,862,085.89	\$	\$ 642,005.36	\$ 18,436,256.10
Licenses and Permits	103,799.55					103,799.55
Fines and Forfeitures	1,625.00					1,625.00
Charges for Services	1,905,198.64				409,435.81	2,314,634.45
Intergovernmental Revenues	2,822,219.82	11,629.96	2,147,031.67	3,108,236.25	3,399,740.91	11,488,858.61
Miscellaneous	1,204,168.09	100,175.17	1,149,447.99	287,493.70	47,675.44	2,788,960.39
Total Revenues	20,878,933.57	1,202,047.51	5,158,565.55	3,395,729.95	4,498,857.52	35,134,134.10
<b>Expenditures</b>						
Current:						
General Government	3,932,254.59	317,462.64		271,981.00	1,043,545.59	5,565,243.82
Public Safety	6,941,750.66				13,650.00	6,955,400.66
Highways and Roads			3,556,229.59		4,525,738.42	8,081,968.01
Sanitation	170,823.51					170,823.51
Health	262,689.00					262,689.00
Welfare	52,950.00					52,950.00
Culture and Recreation	60,590.00				446,263.76	506,853.76
Capital Outlay	1,546,969.47	69,932.27	4,680,588.14	2,836,255.25	270,352.39	9,404,097.52
Debt Service:						
Principal Retirement	25,545.73		1,854,638.39		3,053,417.36	4,933,601.48
Interest and Fiscal Charges	622.69		84,415.27		72,774.92	157,812.88
Debt Issuance Cost	677,908.60					677,908.60
Total Expenditures	13,672,104.25	387,394.91	10,175,871.39	3,108,236.25	9,425,742.44	36,769,349.24
Excess (Deficiency) of Revenues Over Expenditures	7,206,829.32	814,652.60	(5,017,305.84)	287,493.70	(4,926,884.92)	(1,635,215.14)
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Capital Assets	88,830.31		2,344,132.50		25,500.00	2,458,462.81
Proceeds from Issuance of Long-Term Debt	19,690,000.00		1,967,030.00			21,657,030.00
Premium on Long-Term Debt Issued	987,908.60					987,908.60
Operating Transfers In	3,021,082.00	370,000.00	1,915,187.00	3,021,082.00	6,456,204.00	14,783,555.00
Operating Transfers Out	(10,797,689.00)	(463,784.00)	(250,000.00)	(3,021,082.00)	(251,000.00)	(14,783,555.00)
Total Other Financing Sources (Uses)	12,990,131.91	(93,784.00)	5,976,349.50		6,230,704.00	25,103,401.41
Net Change in Fund Balances	20,196,961.23	720,868.60	959,043.66	287,493.70	1,303,819.08	23,468,186.27
Fund Balances - Beginning of Year	20,168,864.87		2,668,071.04	272,715.71	10,222,498.34	33,332,149.96
Change Within Financial Reporting Entity (Nonmajor to Major Fund)		2,769,956.17	891,424.71		(3,661,380.88)	
Fund Balances - Beginning of Year, as Restated (Note 12)	20,168,864.87	2,769,956.17	3,559,495.75	272,715.71	6,561,117.46	33,332,149.96
Fund Balances - End of Year	\$ 40,365,826.10	\$ 3,490,824.77	\$ 4,518,539.41	\$ 560,209.41	\$ 7,864,936.54	\$ 56,800,336.23

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 Changes in Fund Balances - Total Governmental Funds (Exhibit 5) \$ 23,468,186.27

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  
differs from depreciation expense in the current period.

Capital Outlay	\$ 9,404,097.52	
Depreciation	<u>(2,178,722.54)</u>	7,225,374.98

In the Statement of Activities, only the gain or loss on the sale of capital assets is  
reported, whereas in the governmental funds, the proceeds from the sale increase  
financial resources. Thus, the changes in net position differs from the change in  
fund balance by the book value of the capital assets sold.

Proceeds from Sale of Capital Assets	\$ (2,458,462.81)	
Gain/(Loss) on Disposition of Assets	<u>604,393.20</u>	(1,854,069.61)

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported as revenues in the funds:

Donated Assets	237,587.00
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	4,933,601.48
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Issuance of long term 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.	(21,657,030.00)
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The accompanying Notes to the Financial Statements are an integral part of this statement.

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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 Change in Accrued Interest Payable	\$ 5,049.80	
Net Change in Compensated Absences	(31,223.89)	
Net Change Pension Expense	(782,293.69)	
Net Change in Other Postemployment Benefits Expense	<u>399,188.00</u>	<u>(409,279.78)</u>
Change in Net Position of Governmental Activities (Exhibit 2)		<u><u>\$ 11,944,370.34</u></u>

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

	<b>Custodial Funds</b>
<hr/>	
<b><u>Assets</u></b>	
Cash and Cash Equivalents	\$ 948,047.92
Investments	462,994.44
Total Assets	<u>1,411,042.36</u>
<b><u>Net Position</u></b>	
Held in Trust for Individuals, Organizations and Other Governments	<u>\$ 1,411,042.36</u>

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 and Fees for Other Agencies	\$ 17,519,824.68
Investments Earnings	27,553.86
Total Additions	<u>17,547,378.54</u>
<b><u>Deductions</u></b>	
Excess from Land Sales	1,138,961.05
Taxes and Fees Paid to Other Agencies	16,437,934.07
Total Deductions	<u>17,576,895.12</u>
Change in Net Positions	(29,516.58)
Net Position - Beginning of Year	<u>1,440,558.94</u>
Net Position - End of Year	<u><u>\$ 1,411,042.36</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 Chilton 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 Chilton County 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.

**Blended Component Units** – Blended component units are legally separate entities that exist solely to provide services (usually financing) exclusively to the County. The City of Clanton Public Building Authority is included as a blended component unit.

#### **B. Government-Wide and Fund Financial Statements**

##### **Government-Wide Financial Statements**

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

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

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## *Notes to the Financial Statements*

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

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#### **Fund Financial Statements**

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

The Commission reports the following major governmental funds:

- ◆ **General Fund** – The General Fund is the primary operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund. The Commission primarily received revenues from collections of property taxes and revenues collected by the State of Alabama and shared with the Commission. This fund is also used to account for the expenditures of special county property taxes for building and maintaining public buildings, roads and bridges.
- ◆ **Trade School and Industrial Development Fund** – This fund is used to account for the receipt of trade school and industrial development property ad valorem tax. In addition, this fund is used to account for the expenditures of these taxes as related to rural and industrial development as well as the disbursement of the trade school amounts to the Board of Education.
- ◆ **Gasoline Tax Fund** – This fund is used to account for the expenditures of gasoline taxes, motor vehicle license taxes and fees, driver's license revenues, activities of the public works/highway department as related to maintenance, development, and resurfacing of roads, bridges, and rights-of-way.
- ◆ **ARPA Revenue Reduction Fund** – This fund is used to account for the expenditure of federal funds appropriated to mitigate the fiscal effects stemming from the public health emergency with respect to the Coronavirus (COVID-19).

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.

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## *Notes to the Financial Statements*

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

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- ◆ **Capital Projects Fund** – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

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.

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

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

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

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

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 positions 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.



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

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

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#### **New Accounting Standards**

The following GASB Statement was implemented during the audit period GASB Statement Number 100, ***Accounting Changes and Error Corrections***. This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, consistent, and comparable information for making decisions or assessing accountability. Accounting changes include changes in accounting principles, changes in estimates, and changes to or within the financial reporting entity and describe the transactions or other events that constitute those changes. See Exhibit 5 of the Basic Financial Statements and Note 12 for specific information regarding the implementation of GASB Statement Number 100.

#### **D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances**

##### **1. Deposits and Investments**

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

Investments are reported at fair value, based on quoted market prices, except for money market investments and repurchase agreements, which are reported at amortized cost, and certificates of deposit, which are reported at cost. The Commission reports all money market investments – U. S. Treasury bills and bankers' acceptances having a remaining maturity at time of purchase of one year or less – at amortized cost.

##### **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 are 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 County Commission. Property taxes are due and payable the following October 1 and are delinquent after December 31. Amounts receivable, net of estimated refunds and estimated uncollectible amounts, are recorded for the property taxes levied in the current year. However, since the amounts are not available to fund current year operations, the revenue is deferred and recognized in the subsequent fiscal year when the taxes are both due and collectible and available to fund operations. Property tax revenue deferred is reported as a deferred inflow of resources.

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## *Notes to the Financial Statements*

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

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Receivables include amounts due from other governmental agencies for taxes and fees collected but not yet remitted.

#### **3. Restricted Assets**

Certain general obligation bonds, as well as certain resources set aside for their repayment, are considered restricted assets because they are maintained in separate bank accounts and their use is limited by applicable debt covenants. Other resources derived from the collection of taxes and fees established by local laws and legislation are restricted by law.

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

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, water and sewer systems, and similar items), are reported in the government-wide financial statements. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Major outlays of capital assets and improvements are capitalized as projects are constructed.

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

	Capitalization Threshold	Estimated Useful Life
Land and Improvements – Inexhaustible	\$ 5,000	5 – 20 Years
Infrastructure – Roads	\$250,000	20 Years
Infrastructure – Bridges	\$ 50,000	50 Years
Buildings and Improvements	\$ 10,000	40 Years
Motor Vehicles	\$ 5,000	5 – 10 Years
Construction Equipment	\$ 10,000	5 – 10 Years
Equipment and Furniture	\$ 5,000	5 – 10 Years

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

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## *Notes to the Financial Statements*

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

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#### **5. Deferred Outflows of Resources**

Deferred outflows of resources are reported in the 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.

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. In the governmental fund financial statements, the face amount of debt is reported as other financing sources.

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

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

##### **Annual Leave**

Full-time employees, with less than five (5) years of service, earn one (1) day of annual leave per month. Those with five (5) to ten (10) years of service earn fifteen (15) days of annual leave per year. Employees whose years of service fall between ten (10) and fifteen (15) earn eighteen (18) days per year. An employee who has more than fifteen (15) years of service earns twenty-one (21) days per year. Employees may carry over a maximum of twelve (12) days. An employee leaving county service is paid for his/her unused annual leave up to one hundred nine-two (192) hours.

##### **Sick Leave**

Full-time employees, with less than five (5) years of service, earn one-half (1/2) day of sick leave per month. Those with five (5) or more years of service earn one (1) day of sick leave per month. The maximum accumulation of sick leave is one hundred fifty (150) days. An employee retiring at the age of sixty (60) with ten (10) years of service is paid one-half (1/2) of his/her sick leave to the maximum accumulation.

The Commission uses the termination payment method to accrue its sick leave liability. Under this method an accrual for earned sick leave is made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. Based on these facts, no accruals for sick leave are reflected in the accompanying financial statements.

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## *Notes to the Financial Statements*

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

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

Deferred inflows of resources are reported in the government-wide and governmental 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.

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

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

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

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

- A. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained 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.
- B. Restricted fund balances consist of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulation 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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- C. Committed fund balances consist of amounts that are subject to a purpose constraint imposed by formal action or resolution of the Commission, which is the highest level of decision-making authority, before the end of the fiscal year and that require the same level of formal resolution to remove or modify the constraint.
- D. Assigned fund balances consist of amounts that are intended to be used by the Commission for specific purposes. The Commission authorized the County Administrator to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority to remove the constraint.
- E. Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the General Fund is available to finance operating expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Commission to consider restricted amounts to have been reduced first. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Commission that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

#### **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 the 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 Other Postemployment Benefits (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 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 of accounting consistent with accounting principles generally accepted in the United States of America (GAAP) for all governmental funds except the capital projects funds, which adopt project-length budgets, which is not budgeted. All appropriations lapse at fiscal year-end.

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

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

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

##### **A. Deposits**

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

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## *Notes to the Financial Statements*

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

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#### **B. Investments**

The *Code of Alabama 1975*, Section 11-8-11 and Section 11-81-20, authorizes the Commission to invest in obligations of the U. S. Treasury and federal agency securities along with certain pre-refunded public obligation such as bonds or other obligations of any state of the United States of America or any agency, instrumentality or local governmental unit of any such state.

As of September 30, 2024, the Commission had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity in Years	
		Less than 1	1-5
U. S. Treasuries	\$17,286,614.82	\$	\$17,286,614.82
Total Investments – Governmental Funds	17,286,614.82		17,286,614.82
U. S. Treasuries – Custodial Funds	\$ 462,994.44	\$	\$ 462,994.44

#### **Fair Value Measurement**

The Commission categorizes its fair value measurements within the fair value hierarchy established by the Governmental Accounting Standards Board Statement 72 standard. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Commission's investments were valued based on Level 1 inputs.

#### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increased interest rates.

#### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State law requires that pre-refunded public obligations, such as any bonds or other obligations of any state of the United States of America or of any agency instrumentality or local governmental unit of any such state that the Commission invests in be rated in the highest rating category of Standard & Poor's Corporation and Moody's Investors Service, Inc. The Commission does not have a formal policy relating to credit risk. The investments are rated Aa1 by Moody's and AA+ by Standard & Poor's.

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

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

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#### **Custodial Credit Risk**

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to cover the value of its investments or collateral securities that are in the possession of an outside party. The Commission does not have an investment policy that limits the amount of securities that can be held by counterparties. The Commission's deposits that are invested by the fiscal agent are held by the counterparty but not in the name of the Commission.

#### **Concentrations of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Commission does not have a formal investment policy that limits the amount the Commission may invest in any one issuer.

#### **C. Cash with Fiscal Agent**

The ***Code of Alabama 1975***, Section 11-8-11 and Section 11-81-20, authorizes the Commission to invest in obligations of the U. S. Treasury and federal agency securities along with certain pre-refunded public obligation such as bonds or other obligations of any state of the United States of America or any agency, instrumentality or local governmental unit of any such state.

As of September 30, 2024, the Commission had the following amounts recorded as cash with fiscal agent:

Investment Type	Amortized Cost	Maturities	Rating
Fidelity Money Market Funds	\$28,899,473.35	90 days or less	AAAmf
Total Cash with Fiscal Agent	<u>\$28,899,473.35</u>		

#### **Note 4 – Unearned Revenue**

Governmental funds 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 reported in the governmental funds were as follows:

	Unearned
Unexpended ARPA Revenue Reduction Funds	\$3,062,219.58
Unexpended Reappraisal Funds	<u>199,536.35</u>
Total Unearned Revenue for Governmental Funds	<u>\$3,261,755.93</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:

	Beginning Balance 10/01/2023	Additions/ Reclassifications (*)	Retirements/ Reclassifications (*)	Ending Balance 09/30/2024
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 8,822,808.29	\$	\$ (4,100.00)	\$ 8,818,708.29
Land and Improvements – Inexhaustible	1,199,060.27			1,199,060.27
Construction in Progress	2,476,761.94	3,156,867.26	(183,943.95)	5,449,685.25
Total Capital Assets, Not Being Depreciated	12,498,630.50	3,156,867.26	(188,043.95)	15,467,453.81
Capital Assets Being Depreciated:				
Land Improvements	217,571.00	149,894.25		367,465.25
Infrastructure – Roads	6,724,257.22			6,724,257.22
Infrastructure – Bridges	25,722,584.00			25,722,584.00
Buildings and Improvements	11,076,362.19	101,939.47		11,178,301.66
Motor Vehicles	6,507,241.85	3,435,310.03	(2,528,551.18)	7,414,000.70
Construction Equipment	2,985,208.47	2,682,805.45	(1,427,348.25)	4,240,665.67
Equipment and Furniture	2,639,908.41	298,812.01	(72,300.00)	2,866,420.42
Total Capital Assets Being Depreciated	55,873,133.14	6,668,761.21	(4,028,199.43)	58,513,694.92
Less Accumulated Depreciation for:				
Land Improvements	(145,163.51)	(18,710.19)		(163,873.70)
Infrastructure – Roads	(4,928,583.12)	(107,148.42)		(5,035,731.54)
Infrastructure – Bridges	(12,930,998.74)	(460,889.23)		(13,391,887.97)
Buildings and Improvements	(6,169,851.67)	(268,085.07)		(6,437,936.74)
Motor Vehicles	(3,277,305.82)	(751,338.59)	1,150,760.23	(2,877,884.18)
Construction Equipment	(1,837,015.66)	(332,521.01)	955,169.59	(1,214,367.08)
Equipment and Furniture	(1,524,532.93)	(240,030.03)	72,300.00	(1,692,262.96)
Total Accumulated Depreciation	(30,813,451.45)	(2,178,722.54)	2,178,229.82	(30,813,944.17)
Total Capital Assets Being Depreciated, Net	25,059,681.69	4,490,038.67	(1,849,969.61)	27,699,750.75
Total Governmental Activities Capital Assets, Net	\$ 37,558,312.19	\$ 7,646,905.93	\$(2,038,013.56)	\$ 43,167,204.56
(*) \$183,943.95 in Construction in Progress was reclassified to Buildings and Improvements and Land Improvements as projects were finished. The Commission recorded \$237,587.00 as a donated asset.				

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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	\$ 144,180.14
Public Safety	509,582.51
Sanitation	14,851.19
Highways and Roads	1,299,189.80
Welfare	136,658.13
Culture and Recreation	74,260.77
Total Depreciation Expense – Governmental Activities	<u>\$2,178,722.54</u>

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

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

###### **Plan Description**

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, Acts of Alabama 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 creditable 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 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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The County membership includes approximately 379 participants. As of September 30, 2023, membership consisted of:

Retirees and beneficiaries currently receiving benefits	83
Vested inactive members	10
Non-vested inactive members	85
Active Members	201
Post-DROP participants who are still in active service	0
Total	<u>379</u>

#### **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.

## *Notes to the Financial Statements*

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

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 6.34 percent of covered employee payroll, and the Commission's average contribution rate to fund the normal and accrued liability costs was 6.16 percent of covered payroll.

The Chilton County Commission's contractually required contribution rate for the year ended September 30, 2024, was 8.18% of pensionable pay for Tier 1 employees and 6.17% 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 \$518,274.44 for the year ended September 30, 2024.

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

The Chilton County 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	\$21,747,507	\$22,674,917	\$22,674,917
(b) Discount Rate	7.45%	7.45%	7.45%
(c) Entry Age Normal Costs for October 1, 2022 – September 30, 2023	751,018	751,018	751,018
(d) Transfers Among Employers		448,875	448,875
(e) Actual Benefit Payments and Refunds for October 1, 2022 – September 30, 2023	(1,251,445)	(1,251,445)	(1,251,445)
(f) Total Pension Liability (f) as of September 30, 2023 [(a) x (1 + (b))] + (c) + (d) + [(e) x (1.05*(b))]	<u>\$22,820,653</u>	<u>\$24,266,030</u>	<u>\$24,266,030</u>
(g) Difference between Expected and Actual		\$ 1,445,377	
(h) Less Liability Transferred for Immediate Recognition		<u>448,875</u>	
(i) Experience (Gain)/Loss = (g) – (h)		<u>\$ 996,502</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 valuation funding 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 are according to 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 Retirees	Public Safety Healthy Below Median	Male: +1 Female: none	None
Beneficiaries	Contingent Survivor Below Median	Male: +2 Female: +2	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 were selected 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 Stock	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 Position Liability (Asset) (a) – (b)
Balances at September 30, 2022	\$21,747,507	\$14,997,884	\$ 6,749,623
Changes for the Year:			
Service Cost	751,018		751,018
Interest	1,573,573		1,573,573
Difference between Expected and Actual Experience	996,502		996,502
Contributions – Employer		560,131	(560,131)
Contributions – Employee		518,214	(518,214)
Net Investment Income		1,964,993	(1,964,993)
Benefit Payments, including Refunds of Employee Contributions	(1,251,445)	(1,251,445)	
Transfers Among Employers	448,875	448,875	
Net Changes	2,518,523	2,240,768	277,755
Balances at September 30, 2023	\$24,266,030	\$17,238,652	\$ 7,027,378

**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	\$10,046,166	\$7,027,378	\$4,509,482

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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 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 Chilton County Commission recognized pension expense of \$1,375,938.00. At September 30, 2024, the Chilton County 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
Difference between expected and actual experience	\$1,053,100	\$413,754
Changes of assumptions	452,570	
Net difference between projected and actual earnings on pension plan investments	653,142	
Employer contributions subsequent to the measurement date	518,274	
Judicial Contributions	47,508	
Total	\$2,724,594	\$413,754

The \$518,274.44 Employer Contributions applied to pension liability 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 ended September 30, 2025. 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	\$498,512
2026	\$424,596
2027	\$823,274
2028	\$ (57,731)
2029	\$ 56,407
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)**

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

The Commission contributes to the Local Government Health Insurance Program, an agent multiple employer defined benefit postemployment healthcare plan administered by the State Insurance Board. The plan provides medical, drug and dental insurance benefits to eligible retirees. Eligible retirees include: Tier 1 and 2 employees who retire with A) 25 years of creditable service, regardless of age, or B) 10 years of service and is 60 years old or is determined disabled by the Social Security Administration of the Retirement Systems of Alabama's Medical Board. Employees hired on or after September 8, 2014 are not eligible to participate in the Commission's retiree health plan. 100% of the retiree's coverage is paid by the Commission. The ***Code of Alabama 1975***, Sections 11-91-1 through 11-91-8, gives authority to the Commission to establish and amend benefit provisions. The plan does not issue a stand-alone financial report.

##### **B. Benefits Provided**

In accordance with Act Number 630, Acts of Alabama 1975, the Commission contributes \$14,634 annually towards the cost of current-year premiums for eligible retirees' medical insurance premiums. For fiscal year 2024, the Commission contributed \$129,288 to cover approximately 9 participants. In addition, the Commission contributed \$38,134 to the retirees as a one-time payment.

##### **C. Total Other Postemployment Benefit (OPEB) Liability**

The Commission's total OPEB Plan liability of \$3,185,557 was measured as of September 30, 2023, and was determined by actuarial valuation as of the date. The benefit liabilities have been rolled forward to September 30, 2024, using standard roll-forward techniques.

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## *Notes to the Financial Statements*

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

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#### **D. Actuarial Assumptions**

The total OPEB Plan liability in September 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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 trends:	
Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033

The discount rate used to measure the total OPEB liability was based on the September average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates for active employees 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 in the September 30, 2023, valuation were based on the results of an actuarial experience study for the period October 1, 2015 to 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 actuarial assumptions (e.g., initial per capita costs, health care 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 performed concurrently with the September 30, 2023, valuation.

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

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

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#### **E. Changes in the Total Other Postemployment Benefit (OPEB) Liability (TOL)**

Total OPEB Liability as of September 30, 2023	\$2,855,220
Changes for the Year:	
Service Cost at the End of the Year (*)	91,645
Interest on Total OPEB Liability and Cash Flows	112,682
Difference Between Expected and Actual Experience	136,212
Changes of Assumptions or Other Inputs	95,227
Benefit Payments	(105,429)
Net Changes	<u>330,337</u>
Total OPEB Liability as of September 30, 2024	<u>\$3,185,557</u>
(*) The service cost includes interest for the year.	

#### **F. Sensitivity of the Total Other Postemployment Benefit (OPEB) Liability to Changes in the Health Care Cost Trend Rate**

The following presents the total OPEB liability of the Commission, calculated using the health care cost trend rates, as well as what the Commission's total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$2,853,640	\$3,185,557	\$3,565,977

#### **G. Sensitivity of the Total Other Postemployment Benefit (OPEB) Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Commission, calculated using the discount rate of 4.09%, as well as what the Commission's total OPEB liability would be if it were calculated using a Discount Rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate.

	1% Decrease 3.09%	Current Rate 4.09%	1% Increase 5.09%
Total OPEB Liability	\$3,482,372	\$3,185,557	\$2,913,935

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## *Notes to the Financial Statements*

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

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#### **H. Other Postemployment Benefit (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 income of \$231,766 prior to recording the actual OPEB benefit amounts. At September 30, 2023, 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	\$115,842	\$1,821,863
Changes of assumptions or other inputs	485,618	462,222
Total	<u>\$601,460</u>	<u>\$2,284,085</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period Ending:	
September 30, 2025	\$(430,287)
2026	\$(379,058)
2027	\$(359,704)
2028	\$(444,601)
2029	\$ (66,036)
Thereafter	\$ (2,939)

#### **Note 8 – Long-Term Debt**

##### **Direct Placement Warrants**

On December 18, 2019, the Commission issued its General Obligation Warrant, Series 2019, for \$5,000,000 at an interest rate of 2.85% per year. The purpose of the warrant is to provide funds to finance paving and resurfacing roads located in Chilton County. In the event of default, the lender may (1) exercise judicial discretion, whether in an action at law or in equity, (2) exercise constitutional powers of the United States of America and the sovereign and police powers of the State of Alabama, and (3) enforce bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore of hereafter enacted. This warrant was fully repaid in fiscal year 2024.

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## *Notes to the Financial Statements*

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

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On October 28, 2020, the Commission issued its General Obligation Warrant, Series 2020, for \$5,000,000 at an interest rate of 2.70% per year. The purpose of the warrant is to provide funds to finance paving and resurfacing roads located in Chilton County. In the event of default, the lender may (1) exercise judicial discretion, whether in an action at law or in equity, (2) exercise constitutional powers of the United States of America and the sovereign and police powers of the State of Alabama, and (3) enforce bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

#### **Funding Agreement**

On November 28, 2023, the Chilton County Commission approved a contribution agreement with the City of Clanton Public Building Authority (PBA) for an estimated cost of constructing a new courthouse in the amount of \$30,000,000 from bonds issued by the PBA and \$10,000,000 contributed by the County. On April 4, 2024, the Chilton County Commission approved an amended budget of \$32,000,000 along with the project plans, no additional bonds were to be sold. After the required bidding process, the PBA selected Brasfield & Gorrie as the General Contractor and the project came in under \$32,000,000 at \$31,058,999. On July 23, 2024, the Commission entered into a financing funding agreement with the Public Building Authority of the City of Clanton to facilitate the construction of the new Chilton County Courthouse in the amount of 19,690,000. On August 28, 2024, the PBA issued Revenue Bonds, Series 2024 Bonds, for \$19,690,000 at an interest rate of 5% payable monthly beginning October 2024 and continuing through September 2054. Payments on the warrants are made by the Debt Service Fund. The net premium on the bond proceeds was \$987,908.60. This amount was fully recognized in this fiscal year. The issuance cost on the Bond was \$677,908.60. In the event of default, the remedies the PBA may exercise are as follows: (1) reenter the Project, without terminating the agreement, and, upon 10 days' prior written notice to the County, relet the Project or any part thereof for the account of the County, for such term (including a term extending beyond the term of the agreement) and at such rentals and upon such other terms and conditions, including the right to make alterations to the Project or any thereof, as the PBA may deem advisable, and such reentry and reletting of the Project shall not be construed as an election to terminate this agreement, nor relieve the County of its obligations to make payments required by this agreement and to perform and observe any of its other agreements and covenants under this agreement, all of which shall survive such reentry and reletting, and the County shall continue to make all payments required by this agreement until the end of the term of this agreement, less the net proceeds, if any, of the Project after deducting all the PBA's expenses in connection with such reletting, including, without limitation, all repossession costs, brokers' commissions, attorneys' fees, alteration costs and expenses of preparation for reletting. (2) terminate this agreement, exclude the County from possession of the Project and, if the PBA elects so to do, lease the same for the account of the PBA, holding the County liable for all payments due under this agreement up to the date of such termination (3) take whatever legal proceedings may appear necessary or desirable to collect the payments under this agreement then due, whether by declaration or otherwise, or to enforce any obligation or covenant or agreement of the County under this agreement or by law.

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## *Notes to the Financial Statements*

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

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#### *Notes from Direct Borrowing*

On July 22, 2020, the Commission entered into a direct borrowing agreement for the purchase of computer equipment and a server. Payments of \$2,500.02 per month for 48 months at 5.384% interest began in August of 2020 and continued through July of 2024. Payments on the debt are made by the General Fund. In the event of default, the financier may (1) cancel or terminate the debt or any agreements that we have entered into with you or with draw any offer or credit, (2) may require you to pay us, as compensation for loss of our bargain and not as a penalty, a sum equal to (a) the stipulated loss value calculated in accordance with the contract terms (b) any costs and expenses (including breakage fees) incurred as a result of default; (3) require you to deliver the products to the financier, (4) peacefully repossess the products without court order, (5) and exercise any other right at law or in equity. This debt was fully repaid in fiscal year 2024.

On August 12, 2020, the Commission entered into a direct borrowing agreement for the purchase of computer equipment and a server. Payments of \$1,168.22 per month for 36 months at 8.98% interest begin in November of 2020 and will continue through October of 2023. Payments on the lease are made by the General Fund. In the event of default, with respect to each debt, the financier may do any and all of the following: (1) cancel such debt, (2) require the prompt return of equipment, take possession of and/or render the equipment unusable, (4) require Commission to pay financier all payments and other amounts then due and past due under such debt, (b) all remaining payments for the remainder of the term of such debt discounted at a rate of 6% per annum, (c) the residual value of the equipment estimated by financier at the inception of the debt, discounted at a rate of 5% per annum, (d) interest on the amounts specified in the clauses (a), (b), and (c) above from the date of demand to the date paid at the rate of 1.5% per month, and (e) all other amounts that may thereafter become due under such debt to the extent that the financier will be obligated to collect and pay such amounts to a third party. This debt was fully repaid in fiscal year 2024.

On February 18, 2022, the Commission entered into a note from direct borrowing for three standard cab tractors totaling \$119,671. Annual note payments of \$39,890 per year for three years at 2.99% interest began in February 2022 and will continue through February 2024. Payments on the note are made by the Gasoline Tax Fund. In the event of default, the lender may make all or any part of the amount owing by the terms of the agreement immediately due, use any and all remedies under State law, make claim for any and all insurance benefits or refunds available and may repossess the cab tractors so long as the repossession does not involve a breach of the peace.



## *Notes to the Financial Statements*

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

On March 1, 2023, the Commission entered into a direct borrowing agreement for the purchase of eight dump trucks and a lowboy trailer for the road department totaling \$1,759,285.00. The Commission will pay quarterly interest payments at an interest rate of 4.780%, this loan was paid off in one principal payment of \$1,759,285.00 plus interest on May 1, 2024.

On June 24, 2024, the Commission entered into a direct borrowing agreement for the purchase of eight dump trucks for the road department totaling \$1,967,030.00. Payments of \$37,352.84 per month for 60 months at 5.21% interest begin in August 2024 and will continue through July 2029. Payments are made by the Gasoline Fund. In the event of default, the lender may do any and all of the following: (1) declare all payments due or to become due to be immediately due and payable, (2) require the prompt return of the equipment, (3) take immediate possession of the equipment, (4) sell the equipment and if proceeds from sale are not sufficient to pay expenses and debt payments then Commission is liable for deficiency.

The following is a summary of long-term debt obligations 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 and Funding Agreements:</b>					
General Obligation Warrant, Series 2019	\$ 1,475,434.36	\$	\$(1,475,434.36)	\$	\$
General Obligation Warrant, Series 2020	3,009,762.01		(1,577,983.00)	1,431,779.01	1,081,391.64
Funding Agreement with PBA 2024		19,690,000.00		19,690,000.00	585,000.00
Premium on Debt Issued		987,908.60	(987,908.60)		
Total Warrants and Funding Agreements	4,485,196.37	20,677,908.60	(4,041,325.96)	21,121,779.01	1,666,391.64
<b>Notes from Direct Borrowing:</b>					
Equipment	1,799,175.26	1,967,030.00	(1,854,638.39)	1,911,566.87	357,088.37
Computer Equipment	25,545.73		(25,545.73)		
Total Notes from Direct Borrowing	1,824,720.99	1,967,030.00	(1,880,184.12)	1,911,566.87	357,088.37
<b>Other Liabilities:</b>					
Compensated Absences	265,553.19	31,223.89		296,777.08	29,677.71
Net Pension Liability	6,749,623.00	277,755.00		7,027,378.00	
Other Postemployment Benefits	2,855,220.00	330,337.00		3,185,557.00	
Total Other Liabilities	9,870,396.19	639,315.89		10,509,712.08	29,677.71
Total Governmental Activities	\$16,180,313.55	\$23,284,254.49	\$(5,921,510.08)	\$33,543,057.96	\$2,053,157.72

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## *Notes to the Financial Statements*

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

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

Fiscal Year Ending	Warrants and Funding Agreements		Notes from Direct Borrowing		Total Principal and Interest Requirements to Maturity
	Principal	Interest	Principal	Interest	
September 30, 2025	\$ 1,666,391.64	\$ 657,706.48	\$ 357,088.37	\$ 91,145.71	\$ 2,772,332.20
2026	660,387.37	917,785.51	376,143.42	72,090.66	2,026,406.96
2027	325,000.00	899,250.00	396,215.29	52,018.79	1,672,484.08
2028	340,000.00	883,000.00	417,358.27	30,875.81	1,671,234.08
2029	355,000.00	866,000.00	364,761.52	8,766.79	1,594,528.31
2030-2034	2,075,000.00	4,043,750.00			6,118,750.00
2035-2039	2,640,000.00	3,471,250.00			6,111,250.00
2040-2044	3,365,000.00	2,742,250.00			6,107,250.00
2045-2049	4,295,000.00	1,812,500.00			6,107,500.00
2050-2054	5,400,000.00	707,625.00			6,107,625.00
Total	\$21,121,779.01	\$17,001,116.99	\$1,911,566.87	\$254,897.76	\$40,289,360.63

Payments on the warrants and funding agreement are made by the General Fund. Payments on the notes from direct borrowing are made by the Gasoline Tax Fund.

The compensated absences liability attributable to the governmental activities will be liquidated by several of the Commission's governmental funds on a pay-as-you-go basis.

#### **Premium on Debt Issuance**

The Commission has an unamortized premium in the amount of \$987,908.60 in connection with the financing funding agreement with the Public Building Authority of the City of Clanton entered to facilitate the construction of the new Chilton County Courthouse. The premium was fully recognized in fiscal year 2024.

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## *Notes to the Financial Statements*

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

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#### **Note 9 – 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 a commercial insurance carrier. Coverage is provided up to \$1,000,000 per claim. Employment-related practices damage protection is limited to \$1,000,000 per incident with a \$5,000 deductible and unlimited defense costs. County specific coverages and limits can be added by endorsement.

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. Pool participants are eligible to receive refunds of unused premiums and the 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 insurance coverage through the Local Government Health Insurance Program, administered by the State Employee's Health Insurance Board (SEHIB). Employees may choose between two options. They may choose to participate in a plan administered by Blue Cross/Blue Shield which functions as a public entity risk 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 10 – Interfund Transactions**

##### **Due To/From Other Funds**

The amounts due to/from other funds at September 30, 2024, were as follows:

	Interfund Receivable		Totals
	General Fund	Other Governmental Funds	
<b>Interfund Payables:</b>			
General Fund	\$	\$64,108.58	\$ 64,108.58
Gasoline Tax Fund	33.76	1,259.23	1,292.99
Other Governmental Funds	42,000.69		42,000.69
Totals	<u>\$42,034.45</u>	<u>\$65,367.81</u>	<u>\$107,402.26</u>

##### **Interfund Transfers**

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

	Transfers Out					Totals
	General Fund	Gasoline Tax Fund	ARPA Revenue Reduction Fund	Trade School and Industrial Development Fund	Other Governmental Funds	
<b>Transfers In:</b>						
General Fund	\$	\$	\$3,021,082.00	\$	\$	\$ 3,021,082.00
Gasoline Tax Fund	1,915,187.00					1,915,187.00
Trade School and Industrial Development Fund	370,000.00					370,000.00
ARPA Revenue Reduction Fund	3,021,082.00					3,021,082.00
Other Governmental Funds	5,491,420.00	250,000.00		463,784.00	251,000.00	6,456,204.00
Total	<u>\$10,797,689.00</u>	<u>\$250,000.00</u>	<u>\$3,021,082.00</u>	<u>\$463,784.00</u>	<u>\$251,000.00</u>	<u>\$14,783,555.00</u>

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## *Notes to the Financial Statements*

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

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#### **Note 11 – Related Organizations**

A majority of the members of the boards of the Chilton County Airport Authority, Chilton County Water Authority, Chilton County Health Care Board, Chilton County Medical Center Board, Chilton County Industrial Development Board, and the Chilton County Solid Waste Authority are appointed by the Chilton County Commission. The Commission, however, is not financially accountable, because it does not impose its will and have a financial benefit or burden relationship for these agencies and these agencies are not considered part of the Commission's financial reporting entity. These agencies are considered related organizations of the County Commission.

#### **Note 12 – Restatements**

##### **Change within Financial Reporting Entity (Nonmajor to Major Fund)**

During the fiscal year ended September 30, 2024, the Commission adopted new accounting guidance by implementing the provisions of GASB Statement Number 100, ***Accounting Changes and Error Corrections***, which establishes criteria for identifying a change in a fund's presentation as a major or non-major fund as an accounting change within a financial reporting entity. The implementation of this statement resulted in a restatement of beginning fund balance to reclassify a fund previously reported as a nonmajor fund (the Trade School and Industrial Development Fund) to a major fund and is shown in the table below.

Additionally, it was determined the Public Highway and Traffic Fund no longer met the definition of a Special Revenue Fund in accordance with GASB Statement Number 54; therefore, it was rolled into the Gasoline Tax Fund. It was previously reported as a nonmajor fund, so it also was reclassified to a major fund (now presented within the Gasoline Tax Fund).

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances		
	Trade School and Industrial Development Fund	Gasoline Tax Fund	Other Governmental Funds
Fund Balance, September 30, 2023, as Previously Reported	\$	\$2,668,071.04	\$10,222,498.34
Fund Restatements:			
Change within Financial Reporting Entity (Non-Major to Major Fund)	2,769,956.17	891,424.71	(3,661,380.88)
Fund Balance, September 30, 2023, as Restated	<u>\$2,769,956.17</u>	<u>\$3,559,495.75</u>	<u>\$ 6,561,117.46</u>

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## *Notes to the Financial Statements*

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

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#### **Note 13 – Subsequent Events**

At its October 8, 2024 meeting, the Commission approved the bid for Project CP 2025-001 to Wiregrass Construction for \$1,462,500.

At its May 13, 2025 meeting, the Commission approved the bid for Project RA-CCP 11-675-25 to Asphalt Contractors for \$1,563,660.

At its July 22, 2025 meeting, the Commission approved the bid for Project CP 2025-29 to Wiregrass Construction for \$599,842.60.

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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>Total pension liability</b>										
Service cost	\$ 751,018	\$ 664,025	\$ 585,127	\$ 516,964	\$ 492,936	\$ 464,046	\$ 466,832	\$ 473,133	\$ 477,906	\$ 493,375
Interest	1,573,573	1,565,031	1,466,736	1,385,965	1,314,716	1,211,010	1,146,765	1,126,171	1,087,264	1,030,057
Change of benefit terms		14,904		306,792						
Differences between expected and actual experience	996,502	(637,406)	445,366	35,533	109,577	226,019	269,422	(245,371)	(206,732)	
Changes of assumptions			920,747			91,647		597,811		
Benefit payments, including refunds of employee contributions	(1,251,445)	(1,157,926)	(1,210,970)	(1,171,176)	(1,107,254)	(1,134,413)	(1,047,845)	(919,368)	(824,839)	(791,835)
Transfers among employers	448,875	(287,216)	(274,914)	(5,202)	147,288	576,418	37,078	(248,313)		
Net change in total pension liability	2,518,523	161,412	1,932,092	1,068,876	957,263	1,434,727	872,252	784,063	533,599	731,597
Total pension liability - beginning	21,747,507	21,586,095	19,654,003	18,585,127	17,627,864	16,193,137	15,320,885	14,536,822	14,003,223	13,271,626
Total pension liability - ending (a)	\$ 24,266,030	\$ 21,747,507	\$ 21,586,095	\$ 19,654,003	\$ 18,585,127	\$ 17,627,864	\$ 16,193,137	\$ 15,320,885	\$ 14,536,822	\$ 14,003,223
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 560,131	\$ 525,345	\$ 473,097	\$ 440,650	\$ 375,679	\$ 328,905	\$ 334,452	\$ 386,759	\$ 374,049	\$ 397,673
Contributions - employee	518,214	486,179	434,001	383,202	347,516	322,437	307,638	304,088	284,836	294,401
Net investment income	1,964,993	(2,231,135)	3,262,122	819,220	366,290	1,214,406	1,505,067	1,125,532	133,116	1,216,373
Benefit payments, including refunds of employee contributions	(1,251,445)	(1,157,926)	(1,210,970)	(1,171,176)	(1,107,254)	(1,134,413)	(1,047,845)	(919,368)	(824,839)	(791,835)
Transfers among employers	448,875	(287,216)	(274,914)	(5,202)	147,288	576,418	37,078	(248,313)	39,455	(40,983)
Net change in plan fiduciary net position	2,240,768	(2,664,753)	2,683,336	466,694	129,519	1,307,753	1,136,390	648,698	6,617	1,075,629
Plan fiduciary net position - beginning	14,997,884	17,662,637	14,979,301	14,512,607	14,383,088	13,075,335	11,938,945	11,290,247	11,283,630	10,208,001
Plan fiduciary net position - ending (b)	\$ 17,238,652	\$ 14,997,884	\$ 17,662,637	\$ 14,979,301	\$ 14,512,607	\$ 14,383,088	\$ 13,075,335	\$ 11,938,945	\$ 11,290,247	\$ 11,283,630
Net pension liability - ending (a) - (b)	\$ 7,027,378	\$ 6,749,623	\$ 3,923,458	\$ 4,674,702	\$ 4,072,520	\$ 3,244,776	\$ 3,117,802	\$ 3,381,940	\$ 3,246,575	\$ 2,719,593
Plan fiduciary net position as a percentage of the total pension liability	71.04%	68.96%	81.82%	76.22%	78.09%	81.59%	80.75%	77.93%	77.67%	80.58%
Covered payroll (*)	\$ 8,161,841	\$ 7,458,621	\$ 6,498,818	\$ 6,567,360	\$ 6,209,229	\$ 5,947,037	\$ 5,541,972	\$ 5,679,443	\$ 5,439,820	\$ 5,459,149
Net pension liability as a percentage of covered payroll	86.10%	90.49%	60.37%	71.18%	65.59%	54.56%	56.26%	59.55%	59.68%	49.82%

(\*) 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 (*)	\$ 518,274	\$ 560,131	\$ 525,345	\$ 473,097	\$ 440,650	\$ 375,679	\$ 328,905	\$ 334,452	\$ 386,759	\$ 374,049
Contributions in relation to the actuarially determined contribution (*)	\$ 518,274	\$ 560,131	\$ 525,345	\$ 473,097	\$ 440,650	\$ 375,679	\$ 328,905	\$ 334,452	\$ 386,759	\$ 374,049
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Covered payroll (**)	\$ 8,409,823	\$ 8,161,841	\$ 7,458,621	\$ 6,498,818	\$ 6,567,360	\$ 6,209,229	\$ 5,947,037	\$ 5,541,792	\$ 5,679,443	\$ 5,439,820
Contributions as a percentage of covered payroll	6.16%	6.86%	7.04%	7.28%	6.71%	6.05%	5.53%	6.04%	6.81%	6.88%

(\*) 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's Contributions is based on the 12 month period of the underlying financial statement.

(\*\*) 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 for the period October 1 2023 to September 30, 2024:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	23 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	\$ 91,645	\$ 128,154	\$ 277,220	\$ 328,355	\$ 253,869	\$ 279,347	\$ 305,852
Interest	112,682	72,080	129,677	146,230	184,983	154,725	127,268
Change of benefit terms				(279,396)			
Difference between expected and actual experience	136,212	2,886	(3,027,492)	(69,363)	(79,983)	(39,526)	(59,626)
Changes of assumptions	95,227	(499,070)	11,452	285,836	740,149	(266,748)	(356,688)
Benefit payments	(105,429)	(76,019)	(62,475)	(20,301)	(33,648)	(39,189)	(13,813)
Net change in total pension liability	330,337	(371,969)	(2,671,618)	391,361	1,065,370	88,609	2,993
Total pension liability - beginning	2,855,220	3,227,189	5,898,807	5,507,446	4,442,076	4,353,467	4,350,474
Total pension liability - ending	<u>\$ 3,185,557</u>	<u>\$ 2,855,220</u>	<u>\$ 3,227,189</u>	<u>\$ 5,898,807</u>	<u>\$ 5,507,446</u>	<u>\$ 4,442,076</u>	<u>\$ 4,353,467</u>
Covered-employee payroll (*)	\$ 1,585,669	\$ 1,585,669	\$ 1,585,669	\$ 3,983,165	\$ 6,209,229	\$ 5,656,734	\$ 5,656,734
Commission's Net Pension Liability as a percentage of covered payroll	200.90%	180.06%	203.52%	148.09%	88.70%	78.53%	76.96%

(\*) 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.

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	\$ 167,422	\$ 105,429	\$ 76,019	\$ 62,475	\$ 72,060	\$ 82,101	\$ 75,999
Contributions in relation to the actuarially determined contribution	\$ 167,422	\$ 105,429	\$ 76,019	\$ 62,475	\$ 72,060	\$ 82,101	\$ 75,999
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$
Covered-employee payroll	\$ 1,480,726	\$ 1,585,669	\$ 1,585,669	\$ 1,585,669	\$ 3,983,165	\$ 6,202,229	\$ 5,656,734
Contributions as a percentage of covered-employee payroll	11.31%	6.65%	4.79%	3.94%	1.81%	1.32%	1.34%

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:

**Notes to Schedule**

Valuation date: September 30, 2023

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 for the period October 1, 2023 to September 30, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, open
Remaining amortization period	6.07 years
Asset valuation method	Market Value
Inflation	2.75% annually
Healthcare cost trend rates	4.5% to 7.00%
Salary increases	3.25 - 6.00% annually
Discount Rate	4.09% per annum, compounded annually
Retirement age	Retiree has 25 years of creditable service, regardless of age, or retiree has 10 years of service and is 60 years old or is determined disabled by the Social Security Administration or the RSA's Medical Board. Employees hired on or after September 8, 2014 are not eligible to participate in the Commission's retiree health plan.
Mortality	Pub-2010 Public Mortality Plans Mortality Tables using Scale MP-2020 with an adjustment of 66-2/3% to the table beginning in year 2019.

This schedule is intended to show information for 10 years. Additional years should 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	\$ 11,693,789.00	\$ 11,693,789.00	\$ 12,699,113.90	(1)	\$ 2,142,808.57	\$ 14,841,922.47
Licenses and Permits	102,000.00	102,000.00	103,799.55			103,799.55
Fines and Forfeitures	700.00	700.00	1,625.00			1,625.00
Charges for Services	1,594,024.00	1,594,024.00	1,905,198.64			1,905,198.64
Intergovernmental	2,083,294.00	2,226,951.00	2,808,651.53	(1)	13,568.29	2,822,219.82
Miscellaneous	23,000.00	33,000.00	851,690.23	(1)	352,477.86	1,204,168.09
Total Revenues	15,496,807.00	15,650,464.00	18,370,078.85		2,508,854.72	20,878,933.57
<b><u>Expenditures</u></b>						
Current:						
General Government	3,850,708.00	3,850,708.00	3,272,603.63	(2)	659,650.96	3,932,254.59
Public Safety	7,152,228.00	7,103,215.00	6,883,868.17	(2)	57,882.49	6,941,750.66
Highways and Roads						
Sanitation	177,503.00	177,503.00	170,823.51			170,823.51
Health	262,689.00	262,689.00	262,689.00			262,689.00
Welfare	53,000.00	53,000.00	52,950.00			52,950.00
Culture and Recreation	60,590.00	60,590.00	60,590.00			60,590.00
Capital Outlay	425,000.00	500,052.00	425,242.82	(2)	1,121,726.65	1,546,969.47
Debt Service:						
Principal Retirement	25,546.00	25,546.00	25,545.73			25,545.73
Interest and Fiscal Charges	623.00	623.00	622.69			622.69
Debt Issuance Cost			677,908.60			677,908.60
Total Expenditures	12,007,887.00	12,033,926.00	11,832,844.15		1,839,260.10	13,672,104.25
Excess (Deficiency) of Revenues Over Expenditures	3,488,920.00	3,616,538.00	6,537,234.70		669,594.62	7,206,829.32
<b><u>Other Financing Sources (Uses)</u></b>						
Sale of Capital Assets			88,830.31			88,830.31
Proceeds from Issuance of Long-Term Debt			19,690,000.00			19,690,000.00
Premium on Long-Term Debt issued			987,908.60			987,908.60
Other Financing Sources		3,714,129.00				
Transfers In	1,409,894.00	1,409,894.00	4,868,607.00	(3)	(1,847,525.00)	3,021,082.00
Transfers Out	(4,898,814.00)	(8,740,561.00)	(10,470,145.00)	(3)	(327,544.00)	(10,797,689.00)
Total Other Financing Sources (Uses)	(3,488,920.00)	(3,616,538.00)	15,165,200.91		(2,175,069.00)	12,990,131.91
Net Change in Fund Balances			21,702,435.61		(1,505,474.38)	20,196,961.23
Fund Balances - Beginning of Year			13,822,367.57	(4)	6,346,497.30	20,168,864.87
Fund Balances - End of Year	\$	\$	\$ 35,524,803.18		\$ 4,841,022.92	\$ 40,365,826.10

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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	
Public Buildings, Roads and Bridges Fund, Opioid Settlement Fund, Jail Maintenance Trust Fund, and Communication System Fund	\$ 2,508,854.72
(2) Expenditures	
Public Buildings, Roads and Bridges Fund, Jail Maintenance Fund, and Communication System Fund	1,839,260.10
(3) Other Financing Sources/(Uses)	
Public Buildings, Roads and Bridges Fund	<u>(2,175,069.00)</u>
Net Change in Fund Balance - Budget to GAAP	<u>\$ (1,505,474.38)</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.	

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***Schedule of Revenues, Expenditures and Changes in Fund Balances***  
***Budget and Actual - Trade School and Industrial Development 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>					
Taxes	\$ 1,010,000.00	\$ 1,010,000.00	\$ 1,090,242.38	\$	\$ 1,090,242.38
Intergovernmental Revenues			11,629.96		11,629.96
Miscellaneous	500.00	500.00	100,175.17		100,175.17
Total Revenues	1,010,500.00	1,010,500.00	1,202,047.51		1,202,047.51
<b><u>Expenditures</u></b>					
Current:					
General Government	294,670.00	332,680.00	317,462.64		317,462.64
Capital Outlay	511,046.00	459,036.00	69,932.27		69,932.27
Total Expenditures	805,716.00	791,716.00	387,394.91		387,394.91
Excess (Deficiency) of Revenues Over Expenditures	204,784.00	218,784.00	814,652.60		814,652.60
<b><u>Other Financing Sources (Uses)</u></b>					
Transfer In	370,000.00	370,000.00	370,000.00		370,000.00
Transfers Out	(574,784.00)	(588,784.00)	(463,784.00)		(463,784.00)
Total Other Financing Sources (Uses)	(204,784.00)	(218,784.00)	(93,784.00)		(93,784.00)
Net Change in Fund Balances			720,868.60		720,868.60
Fund Balances - Beginning of Year, as Restated			2,769,956.17		2,769,956.17
Fund Balances - End of Year	\$	\$	\$ 3,490,824.77	\$	\$ 3,490,824.77

***Schedule of Revenues, Expenditures and Changes in Fund Balances***  
***Budget and Actual - Gasoline 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><u>Revenues</u></b>						
Taxes	\$ 1,918,000.00	\$ 1,918,000.00	\$ 1,862,085.89		\$	\$ 1,862,085.89
Intergovernmental Revenues	1,531,310.00	2,105,356.00	1,802,418.96	(1)	344,612.71	2,147,031.67
Miscellaneous	365,000.00	370,000.00	1,112,897.36	(1)	36,550.63	1,149,447.99
Total Revenues	3,814,310.00	4,393,356.00	4,777,402.21		381,163.34	5,158,565.55
<b><u>Expenditures</u></b>						
Current:						
Highways and Roads	4,520,941.00	5,199,732.00	3,556,229.59			3,556,229.59
Capital Outlay	4,760,078.00	4,907,951.00	4,680,588.14			4,680,588.14
Debt Service:						
Principal Retirement	1,945,000.00	1,945,000.00	1,854,638.39			1,854,638.39
Interest and Fiscal Charges	113,000.00	113,000.00	84,415.27			84,415.27
Total Expenditures	11,339,019.00	12,165,683.00	10,175,871.39			10,175,871.39
Excess (Deficiency) of Revenues Over Expenditures	(7,524,709.00)	(7,772,327.00)	(5,398,469.18)		381,163.34	(5,017,305.84)
<b><u>Other Financing Sources (Uses)</u></b>						
Proceeds from Sale of Capital Assets	2,535,000.00	2,535,000.00	2,344,132.50			2,344,132.50
Proceeds from Issuance of Long-Term Debt	2,000,000.00	2,000,000.00	1,967,030.00			1,967,030.00
Transfers In	2,855,369.00	3,102,987.00	3,127,980.77	(2)	(1,212,793.77)	1,915,187.00
Transfers Out	250,000.00	250,000.00	(250,000.00)			(250,000.00)
Total Other Financing Sources (Uses)	7,640,369.00	7,887,987.00	7,189,143.27		(1,212,793.77)	5,976,349.50
Net Change in Fund Balances			1,790,674.09		(831,630.43)	959,043.66
Fund Balances - Beginning of Year, as Restated			1,911,872.58	(3)	1,647,623.17	3,559,495.75
Fund Balances - End of Year	\$	\$	\$ 3,702,546.67		\$ 815,992.74	\$ 4,518,539.41



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

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**Explanation of differences:**

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

(1) Revenues	
Public Highway and Traffic Fund	\$ 381,163.34
(2) Other Financing Sources/(Uses)	
Public Highway and Traffic Fund	<u>(1,212,793.77)</u>
Net Change in Fund Balance- Budget to GAAP	<u>\$ (831,630.43)</u>
(3) 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 - ARPA Revenue Reduction 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 Revenues	\$	\$ 4,216,884.00	\$ 3,108,236.25	\$	\$ 3,108,236.25
Miscellaneous			287,493.70		287,493.70
Total Revenues		4,216,884.00	3,395,729.95		3,395,729.95
<b><u>Expenditures</u></b>					
Current:					
General Government			271,981.00		271,981.00
Capital Outlay		4,216,884.00	2,836,255.25		2,836,255.25
Total Expenditures		4,216,884.00	3,108,236.25		3,108,236.25
Excess (Deficiency) of Revenues Over Expenditures			287,493.70		287,493.70
<b><u>Other Financing Sources (Uses)</u></b>					
Transfers In			3,021,082.00		3,021,082.00
Transfers Out			(3,021,082.00)		(3,021,082.00)
Total Other Financing Sources (Uses)					
Net Change in Fund Balances			287,493.70		287,493.70
Fund Balances - Beginning of Year			272,715.71		272,715.71
Fund Balances - End of Year	\$	\$	\$ 560,209.41	\$	\$ 560,209.41

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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 Number	Pass-Through to Subrecipient	Total Federal Expenditures
<b><u>U. S. Department of Agriculture</u></b>				
<b><u>Passed Through Alabama Department of Finance</u></b>				
Schools and Roads - Grants to States	10.665	N.A.	\$ 26,429.79 \$	52,859.59
<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 Programs and Non-Entitlement Grants in Hawaii	14.228	CY-CM-PF-23-001		52,919.40
<b><u>U. S. Department of Interior</u></b>				
<b><u>Direct Program</u></b>				
Payments in Lieu of Taxes	15.226	N.A.		55,109.00
<b><u>U. S. Department of Justice</u></b>				
<b><u>Passed Through Alabama Department of Finance</u></b>				
Violence Against Women Formula Grants	16.588	2024-WF-LE-134		19,026.76
<b><u>Direct Program</u></b>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-06106-JAGX		13,650.00
Total U. S. Department of Justice				32,676.76
<b><u>U. S. Department of Transportation</u></b>				
<b><u>Passed Through Alabama Department of Transportation</u></b>				
Highway Planning and Construction	20.205	SPR-0001(067)		12,000.00
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RPTO-100077937		40,304.00
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RPTO-100077938		78,982.00
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RPTO-100077940		41,258.00
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RPTO-100077939		12,645.00
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RPTO-100077936		99,971.00
Formula Grants for Rural Areas and Tribal Transit Program	20.509	RPTO-100076060		610.00
Sub-Total Formula Grants for Rural Areas and Tribal Transit Program				273,770.00
<b><u>Passed Through East Central Regional Highway Safety Office</u></b>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	24-FP-PT-028		33,821.71
State and Community Highway Safety	20.600	24-FP-OP-026		1,333.94
Sub-Total State and Community Highway Safety				35,155.65
National Priority Safety Programs	20.616	23-ID-M5-015		3,215.37
Sub-Total Highway Safety Cluster				38,371.02
Total U. S. Department of Transportation				324,141.02
Sub-Total Forward			\$ 26,429.79 \$	517,705.77

***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 Number</b>	<b>Pass-Through to Subrecipient</b>	<b>Total Federal Expenditures</b>
Sub-Total Brought Forward			\$ 26,429.79	\$ 517,705.77
<b><u>U. S. Department of Treasury</u></b>				
<b><u>Direct Program</u></b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N.A.		3,108,236.25
<b><u>U. S. Department of Health and Human Services</u></b>				
<b><u>Passed Through Alabama Department of Public Health</u></b>				
Public Health Emergency Preparedness	93.069	5NU90TP922030-05		15,096.00
Public Health Emergency Preparedness	93.069	1NU90RU000044-01-00		4,200.50
Sub-Total Public Health Emergency Preparedness				19,296.50
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	C20115162		60,427.28
Total U. S. Department of Health and Human Services				79,723.78
<b><u>U. S. Department of Homeland Security</u></b>				
<b><u>Passed Through Alabama Emergency Management Agency</u></b>				
Homeland Security Grant Program	97.067	2023-3LOC-ST5-126		143,657.00
Emergency Management Performance Grants	97.042	EMA-2023-EP-00005		35,955.00
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4554-82-PA-AL		192,921.30
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4573-183-PA-AL		5,365.42
Total U. S. Department of Homeland Security				377,898.72
Total Expenditures of Federal Awards			\$ 26,429.79	\$ 4,083,564.52

N.A. = Not Available/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 Chilton County Commission (the “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 Commission, it is not intended to and does not present the financial position or changes in net position of the 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 Commission has not elected to use the 10-percent de minimis indirect cost rate as allowed in the *Uniform Guidance*.

### **Note 4 – Approved Project Worksheets**

The Chilton County Commission incurred eligible expenditures in a previous fiscal year and the Federal Emergency Management Agency (FEMA) approved the Commission’s project worksheets during the fiscal year ended September 30, 2024. The Commission recorded the eligible expenditures of \$15,519.17 in Assistance Listing Number 97.036 on this year’s Schedule of Federal Awards.

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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. Jimmie Hardee	Chairman	2024
Hon. Randell Kelley	Vice-Chairman	2024
Hon. Joseph Parnell	Member	2024
Hon. Darrell Bone	Member	2024
Hon. Joe Headley	Member	2024
Hon. Matthew Mims	Member	2024
Hon. Allen Williams	Member	2024
<b><u>Administrative Personnel</u></b>		
Sylvia Singleton	County 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 Chilton County Commission and County Administrator  
Clanton, 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 (***Governmental Auditing Standards***), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chilton County Commission (the "Commission"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated August 14, 2025.

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

In planning and performing our audit of the financial statements, we considered the 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

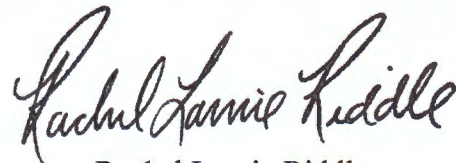
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## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 the 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 Commission'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 Commission'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

August 14, 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 Chilton County Commission and County Administrator  
Chilton, Alabama

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the Chilton County Commission's 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 Chilton County Commission's major federal programs for the year ended September 30, 2024. The Chilton 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 Chilton 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 Chilton 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 Chilton 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 the 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 Chilton 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 Chilton County Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not an absolute assurance and therefore it is not guaranteed 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 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 Chilton 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 Chilton 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 Chilton 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 Chilton 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 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 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 of 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

August 14, 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	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.