



# Tallapoosa County Commission

## Tallapoosa 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)





**State of Alabama**  
Department of  
**Examiners of Public Accounts**

P.O. Box 302251, Montgomery, AL 36130-2251  
401 Adams Avenue, Suite 280  
Montgomery, Alabama 36104-4338  
Telephone (334) 777-0500  
FAX (334) 242-1775

Rachel Laurie Riddle  
*Chief Examiner*

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

Dear Madam:

An audit was conducted on the Tallapoosa County Commission, Tallapoosa County, Alabama, for the period October 1, 2023 through September 30, 2024. 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,

Maria McCollum  
Examiner of Public Accounts

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Department of  
**Examiners of Public Accounts**

**SUMMARY**

**Tallapoosa County Commission  
October 1, 2023 through September 30, 2024**

The Tallapoosa County Commission (the “Commission”) is governed by a five-member body elected by the citizens of Tallapoosa 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 Tallapoosa County.

This report presents the results of an audit the objectives of which were to determine whether the financial statements present fairly the financial position and results of financial operations and whether the Commission complied with applicable laws and regulations, including those applicable to its major federal financial assistance programs. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States as well as the requirements of the Department of Examiners of Public Accounts under the authority of the ***Code of Alabama 1975***, Section 41-5A-12.

An unmodified opinion was issued on the financial statements, which means that the Commission’s financial statements present fairly, in all material respects, its financial position and the results of its operations for the fiscal year ended September 30, 2024.

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

**EXIT CONFERENCE**

Commission members and administrative personnel, as reflected on Exhibit 18, were invited to discuss the results of this report at an exit. Individuals in attendance were Blake Beck, County Administrator; and County Commissioners: Emma Jean Thweatt, Thomas Coley, Jr., George Carleton, Jr., John McKelvey and Steven Robinson. Representing the Department of Examiners of Public Accounts were Chris Newton, Audit Manager and Maria McCollum, Examiner.

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*Independent Auditor's Report*

## **Independent Auditor's Report**

Members of the Tallapoosa County Commission and County Administrator  
Dadeville, 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 Tallapoosa 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 Tallapoosa 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 Tallapoosa 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 Tallapoosa County Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of 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 Tallapoosa 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 Tallapoosa 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 Tallapoosa 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 and 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 Tallapoosa County Commission's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (Exhibit 17), 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 September 25, 2025, on our consideration of the Tallapoosa 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 Tallapoosa 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 Tallapoosa County Commission's internal control over financial reporting and compliance.



Rachel Laurie Riddle  
Chief Examiner  
Department of Examiners of Public Accounts

Montgomery, Alabama

September 25, 2025

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# *Basic Financial Statements*

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

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 29,079,579.33
Cash with Fiscal Agent	528,123.59
Accounts Receivable	123,802.95
Intergovernmental Receivable	763,619.08
Ad Valorem Property Taxes Receivable	8,826,264.18
Prepaid Items	5,709.11
Capital Assets (Note 5):	
Nondepreciable	889,862.52
Depreciable	9,576,484.66
Total Assets	<u>49,793,445.42</u>
<b>Deferred Outflows of Resources</b>	
Employer Pension Contribution	289,843.00
Deferred Outflows Related to Net Pension Liability	1,410,998.00
Total Deferred Outflows of Resources	<u>1,700,841.00</u>
<b>Liabilities</b>	
Accounts Payable	445,074.88
Due to Other Governments	554,071.05
Unearned Revenue	3,092,949.39
Salaries and Benefits Payable	275,915.61
Long-Term Liabilities:	
Portion Due or Payable Within One Year:	
Notes from Direct Borrowing	31,489.03
Warrants Payable	845,000.00
Compensated Absences	32,613.55
Portion Due or Payable After One Year:	
Notes from Direct Borrowing	13,419.50
Warrants Payable	6,240,000.00
Total OPEB Liability	654,473.00
Net Pension Liability	3,478,313.00
Compensated Absences	293,521.98
Total Liabilities	<u>\$ 15,956,840.99</u>

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

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	<b>Governmental Activities</b>
<b>Deferred Inflows of Resources</b>	
Unavailable Revenue - Property Taxes	\$ 8,741,866.43
Revenue Received in Advance - Motor Vehicle Taxes	323,178.81
Deferred Inflows Related to Net Pension Liability	197,917.00
Total Deferred Inflows of Resources	9,262,962.24
<b>Net Position</b>	
Net Investment in Capital Assets	10,421,438.65
Restricted for:	
Highways and Roads	3,927,253.81
Capital Projects	1,338,499.22
Debt Service	3,197.77
Other Purposes	1,627,269.47
Unrestricted	8,956,824.27
Total Net Position	\$ 26,274,483.19

**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	Primary Government	Total Governmental Activities
<b>Governmental Activities:</b>						
General Government	\$ 8,435,036.19	\$ 2,733,294.42	\$ 401,840.43	\$ 336,399.45	\$ (4,963,501.89)	
Public Safety	5,834,412.29	1,433,875.41	4,759,027.31		358,490.43	
Highways and Roads	8,251,376.82		4,398,080.72		(3,853,296.10)	
Health	28,500.00		18,724.30		(9,775.70)	
Welfare	77,279.98		9,486.33		(67,793.65)	
Culture and Recreation	17,500.02				(17,500.02)	
Education	153,939.79				(153,939.79)	
Interest on Long-Term Debt	316,602.10				(316,602.10)	
Total Governmental Activities	<u>\$ 23,114,647.19</u>	<u>\$ 4,167,169.83</u>	<u>\$ 9,587,159.09</u>	<u>\$ 336,399.45</u>		<u>(9,023,918.82)</u>
<b>General Revenues:</b>						
Taxes:						
Property Taxes for General Purposes					5,467,952.30	
Property Taxes for Specific Purposes					3,821,766.32	
Other County Sales and Use Taxes					835,577.10	
Grants and Contributions Not Restricted for Specific Purposes					1,401,205.92	
Investment Earnings					1,452,217.42	
Gain on Sale of Capital Assets					395,767.34	
Miscellaneous Revenue					661,608.78	
Total General Revenues					<u>14,036,095.18</u>	
Change in Net Position					5,012,176.36	
Net Position - Beginning of Year					<u>21,262,306.83</u>	
Net Position - End of Year					<u>\$ 26,274,483.19</u>	

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

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

	General Fund	Gasoline Tax Fund	Reappraisal Fund	ARPA Revenue Reduction Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Cash Equivalents	\$ 19,373,130.15	\$ 1,529,766.47	\$ 95,506.69	\$ 3,496,397.35	\$ 4,584,778.67	\$ 29,079,579.33
Cash with Fiscal Agent					528,123.59	528,123.59
Accounts Receivable	123,802.95					123,802.95
Intergovernmental Receivable	416,128.36	93,988.14			253,502.58	763,619.08
Ad Valorem Taxes Receivable	8,116,075.24		710,188.94			8,826,264.18
Prepaid Items	5,709.11					5,709.11
<b>Total Assets</b>	<b>28,034,845.81</b>	<b>1,623,754.61</b>	<b>805,695.63</b>	<b>3,496,397.35</b>	<b>5,366,404.84</b>	<b>39,327,098.24</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	285,457.07	140,123.12	5,544.69		13,950.00	445,074.88
Due to Other Governments	21,539.62	70.15	18.32	228,910.27	303,532.69	554,071.05
Unearned Revenue			73,173.41	3,019,775.98		3,092,949.39
Accrued Wages Payable	196,717.61	62,427.73	16,770.27			275,915.61
<b>Total Liabilities</b>	<b>503,714.30</b>	<b>202,621.00</b>	<b>95,506.69</b>	<b>3,248,686.25</b>	<b>317,482.69</b>	<b>4,368,010.93</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue - Property Taxes	8,031,677.49		710,188.94			8,741,866.43
Revenue Received in Advance - Motor Vehicle Taxes	323,178.81					323,178.81
<b>Total Deferred Inflows of Resources</b>	<b>8,354,856.30</b>		<b>710,188.94</b>			<b>9,065,045.24</b>
<b>Fund Balances</b>						
Nonspendable:						
Prepaid Items	5,709.11					5,709.11
Restricted for:						
Debt Service				3,197.77		3,197.77
Highways and Roads		1,421,133.61			2,506,120.20	3,927,253.81
Capital Projects					1,338,499.22	1,338,499.22
Other Purposes	178,453.41		247,711.10		1,201,104.96	1,627,269.47
Unassigned	18,992,112.69					18,992,112.69
<b>Total Fund Balances</b>	<b>19,176,275.21</b>	<b>1,421,133.61</b>	<b>247,711.10</b>	<b>5,048,922.15</b>	<b>25,894,042.07</b>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 28,034,845.81</b>	<b>\$ 1,623,754.61</b>	<b>\$ 805,695.63</b>	<b>\$ 3,496,397.35</b>	<b>\$ 5,366,404.84</b>	<b>\$ 39,327,098.24</b>

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) \$ 25,894,042.07

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. 10,466,347.18

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds. 1,502,924.00

Long-term liabilities, including warrants payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

	Amounts Due or Payable Within One Year	Amount Due or Payable After One Year
Warrants Payable	\$ 845,000.00	\$ 6,240,000.00
Notes from Direct Borrowing	31,489.03	13,419.50
Compensated Absences	32,613.55	293,521.98
Total OPEB Liability		654,473.00
Net Pension Liability		3,478,313.00
<b>Total Long-Term Liabilities</b>	<b>\$ 909,102.58</b>	<b>\$ 10,679,727.48</b>
		<u>(11,588,830.06)</u>

Total Net Position - Governmental Activities (Exhibit 1) \$ 26,274,483.19

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	Gasoline Tax Fund	Reappraisal Fund	ARPA Revenue Reduction Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 9,408,705.25	\$ 588,461.13	\$ 716,590.47	\$ 1,845,166.08	\$ 3,275,204.92	\$ 10,125,295.72
Licenses and Permits						588,461.13
Intergovernmental	2,546,616.74	3,952,347.22				11,619,334.96
Charges for Services	2,853,109.60					2,867,598.83
Miscellaneous	1,459,737.98	113,385.88	61,731.38	198,044.87	697,465.46	2,530,365.57
<b>Total Revenues</b>	<b>16,856,630.70</b>	<b>4,065,733.10</b>	<b>778,321.85</b>	<b>2,043,210.95</b>	<b>3,987,159.61</b>	<b>27,731,056.21</b>
<b>Expenditures</b>						
Current:						
General Government	3,704,634.03	6,102.56	775,290.85	1,180,722.73	2,333,163.77	7,999,913.94
Public Safety	5,343,343.06					5,633,527.73
Highways and Roads	656,468.58	4,010,979.95				7,585,856.48
Health	28,500.00					28,500.00
Welfare	77,279.98					77,279.98
Culture and Recreation	17,500.02					17,500.02
Education	153,939.79					153,939.79
Capital Outlay	996,295.18	1,167,250.90	3,031.00	430,630.74	149,088.64	2,746,296.46
Debt Service:						
Principal Retirement		30,495.16				825,000.00
Interest and Fiscal Charges		1,968.56				310,579.16
Other Debt Service Costs	4,054.38					4,054.38
<b>Total Expenditures</b>	<b>10,982,015.02</b>	<b>5,216,797.13</b>	<b>778,321.85</b>	<b>1,611,353.47</b>	<b>6,826,424.19</b>	<b>25,414,911.66</b>
Excess (Deficiency) of Revenues Over Expenditures	5,874,615.68	(1,151,064.03)		431,857.48	(2,839,264.58)	2,316,144.55
<b>Other Financing Sources (Uses)</b>						
Transfers In	237,625.92	2,208,627.54			1,132,292.60	3,578,546.06
Sale of Capital Assets	635,927.25	62,767.00				698,694.25
Transfers Out	(2,875,292.60)			(233,812.61)	(469,440.85)	(3,578,546.06)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,001,739.43)</b>	<b>2,271,394.54</b>		<b>(233,812.61)</b>	<b>662,851.75</b>	<b>698,694.25</b>
Net Changes in Fund Balances	3,872,876.25	1,120,330.51		198,044.87	(2,176,412.83)	3,014,838.80
Fund Balances - Beginning of Year	15,303,398.96	300,803.10		49,666.23	7,225,334.98	22,879,203.27
Fund Balances - End of Year	<b>\$ 19,176,275.21</b>	<b>\$ 1,421,133.61</b>		<b>\$ 247,711.10</b>	<b>\$ 5,048,922.15</b>	<b>\$ 25,894,042.07</b>

***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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Total Net Changes in Fund Balances - Total Governmental Funds (Exhibit 5) \$ 3,014,838.80

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation in the current period.

Depreciation Capital Outlay	\$ (1,036,130.93)
	<u>2,746,296.46</u>
	1,710,165.53

In the Statement of Activities, only the gain or loss on the sale of capital assets is recognized, whereas, in the governmental funds, the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balances by this amount.

Sale of Capital Assets	\$ (698,694.25)
Gain/(Loss) of Disposition of Capital Assets	<u>395,767.34</u>
	(302,926.91)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 855,495.16

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

Net (Increase)/Decrease in Compensated Absences	\$ 35,422.77
Net (Increase)/Decrease in OPEB Expense	187,011.00
Net (Increase)/Decrease in Pension Expense	<u>(487,829.99)</u>
	(265,396.22)

Change in Net Position of Governmental Activities (Exhibit 2) \$ 5,012,176.36

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

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

	<b>Custodial Funds</b>
<b><u>Assets</u></b>	
Cash and Cash Equivalents	\$ 1,229,305.70
Total Assets	<u>1,229,305.70</u>
<b><u>Liabilities</u></b>	
Due to Individuals	477,434.30
Due to Other Governments	689,980.98
Total Liabilities	<u>1,167,415.28</u>
<b><u>Net Position</u></b>	
Held for Individuals or Other Agencies and Other Governments	<u>\$ 61,890.42</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	\$ 26,897,730.82
Intergovernmental	528,052.72
Court Fees	1,038,233.49
Miscellaneous	320.14
Total Additions	<u>28,464,337.17</u>
<b><u>Deductions</u></b>	
Payments to Other Governmental Agencies	28,206,482.09
Payments to Individuals	257,534.94
Total Deductions	<u>28,464,017.03</u>
Changes in Net Position	320.14
Net Position - Beginning of Year	<u>61,570.28</u>
Net Position - End of Year	<u>\$ 61,890.42</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 Tallapoosa County Commission (the “Commission”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

#### **A. Reporting Entity**

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

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

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

The Statement of Net Position and the Statement of Activities display information about the Commission. These statements include the financial activities of the primary government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. 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. The fund is also used to report the expenditures of special property taxes for building and maintaining public buildings, roads, and bridges as well as the expenditure of host fees derived from a hosted solid waste disposal site.
- ◆ **Gasoline Tax Fund** – This fund is used to account for the expenditures of 7-cent State gasoline tax revenue for the activities and supervision of the public works/highway department as related to maintenance, development, and resurfacing of roads, bridges, and right-of-way's and for the retirement of bonds for which gasoline tax revenues have been pledged.
- ◆ **Reappraisal Fund** – This fund is used to account for property taxes and the other revenue required to be expended for the costs of the county's property reappraisal program.
- ◆ **ARPA Revenue Reduction Fund** – This fund is used to account for the expenditure of the American Rescue Plan Act of 2021 (“ARPA”) revenues received by the Commission. ARPA allows a county to use payments from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency. Final Rule published on January 6, 2022, by the U. S. Department of Treasury, counties will be required to make a one-time, irrevocable election of revenue replacement on their project and expenditure report. This allows counties to assume up to \$10 million in revenue replacement from ARPA Funds. The county has elected to take the standard allowance; this action was voted on the Commission at its regularly scheduled meeting on February 14, 2022.

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

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

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

#### **Governmental Fund Types**

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

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**

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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.

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## *Notes to the Financial Statements*

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

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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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and landfill closure and postclosure care costs, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. General long-term debt issued 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 position available to finance the program. It is the Commission's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

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

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

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

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

##### **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 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 due from other governments include amounts due from grantors for grants issued for specific programs and capital projects and amounts due from the State for taxes and cost-sharing.

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

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

#### **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 their original historical cost-plus ancillary charges such as transportation, installation, and site preparation costs. Donated capital assets are valued at their acquisition value (plus any ancillary costs) at the acquisition date. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Major outlays of capital assets and improvements are capitalized as projects are constructed.

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

	Capitalization Threshold	Estimated Useful Life
Land Improvements	\$ 2,500	20 years
Buildings and Building Improvements	\$ 2,500	25 – 50 years
Bridges	\$50,000	40 – 50 years
Equipment and Furniture	\$ 2,500	5 – 20 years

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

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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 government-wide 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 applicable governmental activities Statement of Net Position. Bond/Warrant premiums and discounts are deferred and amortized over the life of the bonds/warrants. Bonds/Warrants payable are reported gross with the applicable bond/warrant premium or discount reported separately. Bond/Warrant issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

##### **Annual Leave**

Employees will earn leave with pay in accordance with these guidelines. Newly appointed full-time classified employees shall accrue leave but shall not be credited with any leave until the successful completion of six months of service.

If the employee does not successfully complete six months of service and is separated from employment, he or she is not entitled to and will not be paid for any leave at separation. New employees shall be credited with vacation leave on their six-month anniversary date. After the initial year, employees shall be credited with vacation leave at the rate of 3.07 hours per pay period.

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

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

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#### **Sick Leave**

Classified employees will earn sick leave credit at the rate of one day (8 hours) per month for a total of ninety-six (96) hours of sick leave per year. Probationary employees shall accrue but will not be authorized to use any sick leave until they have successfully completed their probationary period. Eligible employees may accumulate up to four hundred eighty (480) hours of sick leave credit. Employees may be compensated for unused, accrued sick leave at a rate of fifty percent (50%) of up to a maximum of four hundred eighty (480) hours upon retirement.

#### **Compensatory Leave**

Compensatory leave is provided to permanent full-time employees in accordance with the Fair Labor Standards Act. Generally, employees in public safety activity, emergency response activity, or seasonal activity may accumulate 480 hours; all other employees 240 hours maximum. According to the Fair Labor Standards Act, employees should be paid for compensatory leave in excess of the maximum hours stipulated. Compensatory leave is calculated at one and one-half times the regular hours.

The ***Code of Alabama 1975***, Section 36-21-4.1, provides that any non-elected law enforcement officer in the service of a county who has worked overtime be given the choice of overtime pay or compensatory leave. Under this statute, officers must make an election at the end of each month with regard to overtime earned during that month. Any overtime to be received as salary is to be paid the following month and any overtime to be taken as compensatory leave must be taken in the calendar year in which it is earned. Under this provision, deputies may accrue compensatory leave, but it must be used in the calendar year in which it is earned and there is no provision to pay out any unused compensatory leave.

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.

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

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

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

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

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

Net position is reported on the government-wide 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 and intangible right-to-use 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 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. An example of nonspendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include prepaid items.
- B. Restricted fund balances consist of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- C. Committed fund balances consist of amounts that are subject to a specific purpose imposed by formal action of the Commission, which is the highest level of decision-making authority, before the end of the fiscal year and that require the same level of formal action to remove or modify the constraint.

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

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

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- D. Assigned fund balances consist of amounts that are intended to be used by the Commission for specific purposes. The County Commission policy authorizes the Commission Chairman or County Administrator to designate fund balances.
- E. Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the General Fund is available to finance operating expenditures.

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

#### **E. Pensions**

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

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

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Tallapoosa County Retiree Benefits Plan (TCRBP) and additions to/deductions from TCRBP's fiduciary net position have been determined on the same basis as they are reported by TCRBP. For this purpose, TCRBP recognizes benefit payments when due and payable in accordance with the benefit terms. TCRBP has no financial accounting asset, which is defined as assets held in a separate Trust established for the sole purpose of providing benefits to retirees and their beneficiaries.

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

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

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

##### **Budgets**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the capital projects funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

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

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

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

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

The Commission has deposits totaling \$528,123.59 in the other governmental funds, which is shown as cash with fiscal agents on the fund financial statements and on the government-wide financial statements. These funds are invested in the Fidelity Investments Money Market Treasury Portfolio Fund and valued at amortized cost. This money market fund invests primarily in U. S. Treasury obligations and in repurchase agreements collateralized by U. S. Treasury obligations. The Fidelity Institutional Money Market Treasury Only Fund is related AAAm by Standard & Poor's and has an average maturity of 36 days or less.

**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 rates.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. GASB Statement 40 requires that governments provide information about the credit risk associated with their investments by disclosing the credit quality ratings of investment in debt securities as described by nationally recognized statistical rating organizations such as Standard & Poor's, Moody's Investors Service, and Fitch Ratings, rating agencies, as of the date of the financial statements. The Commission does not have a formal investment policy requiring investments to be rated in the highest category rating. As of September 30, 2023, the Commission's investments in the Money Market Funds were rated AAAm by Standard and Poor's and AAA-mf by Moody's.

**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 a formal investment policy that limits the amount of securities that can be held by counterparties.

**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 of securities that can be held by counterparties.

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

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### **Note 4 – Unearned Revenue**

Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At September 30, 2024, the Commission reported unspent restricted revenue as follows:

	Unearned
Unexpended Coronavirus State and Local Fiscal Recovery Funds	\$3,019,775.98
Unexpended Reappraisal Funds	73,173.41
Total Unearned Revenue for Governmental Funds	<u>\$3,092,949.39</u>

### **Note 5 – Capital Assets**

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

	Balance 10/01/2023	Additions	Retirements	Balance 09/30/2024
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 889,862.52	\$	\$	889,862.52
Total Capital Assets, Not Being Depreciated	<u>889,862.52</u>			<u>889,862.52</u>
Capital Assets Being Depreciated:				
Buildings	8,629,307.89	655,769.92		9,285,077.81
Bridges	309,884.58			309,884.58
Equipment and Furniture	10,069,431.74	2,090,526.54	(1,286,282.59)	10,873,675.69
Total Capital Assets Being Depreciated	<u>19,008,624.21</u>	<u>2,746,296.46</u>	<u>(1,286,282.59)</u>	<u>20,468,638.08</u>
Less Accumulated Depreciation for:				
Buildings	(4,506,196.23)	(157,892.24)		(4,664,088.47)
Bridges	(123,953.82)	(6,197.69)		(130,151.51)
Equipment and Furniture	(6,209,228.13)	(872,041.00)	983,355.69	(6,097,913.44)
Total Accumulated Depreciation	<u>(10,839,378.18)</u>	<u>(1,036,130.93)</u>	<u>983,355.69</u>	<u>(10,892,153.42)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,169,246.03</u>	<u>1,710,165.53</u>	<u>(302,926.90)</u>	<u>9,576,484.66</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,059,108.55</u>	<u>\$ 1,710,165.53</u>	<u>\$ (302,926.90)</u>	<u>\$ 10,466,347.18</u>

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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
<b><u>Governmental Activities:</u></b>	
General Government	\$ 169,726.03
Public Safety	200,884.56
Highway and Roads	665,520.34
Total Depreciation Expense – Governmental Activities	<u>\$1,036,130.93</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 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 formula method. 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	20,256
Active Members	58,659
Post-DROP participants who are still active service	33
Total	113,079

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

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

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#### **Contributions**

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

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

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

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit, and administrative expenses of the Plan. For the year ended September 30, 2024, the Tallapoosa County Commission's active employee contribution rate was 6.48% of covered employee payroll, and the County's average contribution rate to fund the normal and accrued liability costs was 4.98% of covered employee payroll.

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

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

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The Tallapoosa County Commission's contractually required contribution rate for the year ended September 30, 2024, was 6.11% of pensionable pay for Tier 1 employees, and 4.28% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2023, 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 \$289,843.00 for the year ended September 30, 2024.

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

The Tallapoosa 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	\$15,758,954	\$16,315,330	\$16,315,330
(b) Discount Rate	7.45%	7.45%	7.45%
(c) Entry Age Normal Cost for the period October 1, 2022 through September 30, 2023	506,839	506,839	506,839
(d) Transfers Among Employers:		319,271	319,271
(e) Actual Benefit Payments and Refunds for the period October 1, 2022 through September 30, 2023	(886,814)	(886,814)	(886,814)
(f) Total Pension Liability as of September 30, 2023 = [(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))]	<u>\$16,519,987</u>	<u>\$17,437,085</u>	<u>\$17,437,085</u>
(g) Difference between Expected and Actual		\$ 917,098	
(h) Less Liability Transferred for Immediate Recognition		<u>319,271</u>	
(i) Difference between Expected and Actual – Experience (Gain)/Loss		<u>\$ 597,827</u>	
(j) Difference between Actual TPL Before and After Plan Changes – Benefit Change (Gain)/Loss			\$

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

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### **Actuarial Assumptions**

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

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

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

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

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

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

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

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

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

(\*) 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.

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

**C. Changes in Net Pension Liability**

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at September 30, 2022	\$15,758,954	\$12,235,867	\$ 3,523,087
<b>Changes for the Year:</b>			
Service cost	506,839		506,839
Interest	1,141,008		1,141,008
Differences between expected and actual experience	597,827		597,827
Contributions – employer		289,843	(289,843)
Contributions – employee		403,900	(403,900)
Net investment income		1,596,705	(1,596,705)
Benefit payments, including refunds of employee contributions	(886,814)	(886,814)	
Transfers among employers	319,271	319,271	
<b>Net Changes</b>	<b>1,678,131</b>	<b>1,722,905</b>	<b>(44,774)</b>
Balances at September 30, 2023	<b>\$17,437,085</b>	<b>\$13,958,772</b>	<b>\$ 3,478,313</b>

**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	\$5,550,457	\$3,478,313	\$1,737,286

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

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

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

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

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

For the year ended September 30, 2024, the Tallapoosa County Commission recognized pension expense of \$777,323. At September 30, 2024, the Tallapoosa 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
Differences between expected and actual experience	\$ 613,375	\$197,917
Changes of assumptions	263,857	
Net difference between projected and actual earnings on pension plan investments	533,766	
Employer contributions subsequent to the measurement date	289,843	
<b>Total</b>	<b>\$1,700,841</b>	<b>\$197,917</b>

The \$289,843.00 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	\$366,646
2026	\$290,005
2027	\$573,121
2028	\$ (28,413)
2029	\$ 11,722
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 provides certain continuing health care benefits for its retired employees. The Commission's OPEB Plan (the "OPEB Plan") is a defined benefit postemployment healthcare plan in which the Commission contributes to the Local Government Health Insurance Program which is administered by the State Insurance Board. The authority to establish and/or amend the obligation of the employer, employees, and retirees' rests with the Commission. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 ***Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria – Defined Benefit***.

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

Benefits are provided in accordance with a resolution approved by the Commission, to all County employees who retire with twenty-five years of service with the Commission until age 65. Effective January 1, 2016, the eligibility rules were changed to include retirees who reach age 62 with at least 15 years of service. The 25 years of service without regard to age continues as an eligibility threshold. As of the same date the subsidy was changed to 100% of the Alabama Local Government Health Insurance Plan individual retiree rate (\$10,332 health insurance and \$233 for dental) for calendar year 2016. Any additional required contribution will be made by the retiree. Employees who retired prior to January 1, 2016, are not required to pay any additional contributions.

Dependents can be covered under an eligible retiree's family plan if the dependent meets the definition of who can be covered in each option's contract. Also, employees who retire without twenty-five years of service for the Commission can continue the health insurance coverage for which they must reimburse the full cost of the premium.

The Commission does not anticipate setting up a trust fund within the next two years to fund its postemployment medical insurance plan.

The Commission contributed amounts ranging from \$10,593.00 to \$15,717.00 (depending on the retirement date of the employee) towards the cost of current-year premiums for eligible retirees' medical and dental insurance premiums; retirees reimburse the county for any additional premiums. For fiscal year 2024, the Commission contributed \$37,998.04 to cover 5 participants. Plan members under age 65 and whose dependents receive benefits contributed \$860.99 for medical insurance premiums.

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

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

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#### **C. Employee's Covered by Benefit Terms**

At September 30, 2024, the following employees were covered by the benefit terms:

Status	Total	Employee Only	Employee and Dependent
Active	129	67	62
Retired	4	4	0
Total	<u>133</u>	<u>71</u>	<u>62</u>

#### **D. Total OPEB Liability**

The Commission's total OPEB liability of \$654,473 as of reporting date September 30, 2024 was measured as of September 30, 2024 and was determined by an actuarial valuation as of that date based on the census information, benefit schedules and costs from the September 30, 2024 actuarial valuation.

#### **E. Actuarial Assumptions**

The total OPEB liability in the September 30, 2024 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%
Salary Scale	3.50%
Discount Rate	4.06% (1.56% real rate of return plus 2.50% inflation)
Healthcare Cost Trend Rates	Level 4.50%

Mortality rates were based on the RPH-2014 mortality table with Projection MP-2021. The actuarial assumptions used in the September 30, 2024 valuation were based on data provided by the Commission as of March 2025.

The actuarial assumptions used in the September 30, 2024, valuation were based on the results of an actuarial experience study for the period September 30, 2024.

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## *Notes to the Financial Statements*

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

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The discount rate was selected by reviewing the recent published Bond Buyer GO-20 bond index, which is one of the indices acceptable under GASB Statement Number 75. This index is published weekly and trending downward at the measurement date. The discount rate of 4.06% was selected for this valuation.

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

Balance at October 1, 2023	\$ 841,484
Changes for the Year:	
Service Cost	23,415
Interest	40,350
Changes in assumptions	33,398
Benefit payments and net transfers	(37,988)
Differences between expected and actual	(246,186)
Net Changes	(187,011)
Balance at September 30, 2024	\$ 654,473

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

The following presents the total OPEB liability of the Commission, 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 (3.06%) or 1-percentage point higher (5.06%) than the current discount rate:

	1% Decrease (3.06%)	Current Discount 4.06%	1% Increase (5.06%)
Total OPEB Liability	\$705,256	\$654,473	\$608,049

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

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

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

The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (3.50%) or 1-percentage point higher (5.50%) than the current healthcare trend rates:

	1% Decrease (3.50%)	Current Trend (4.50%)	1% Increase (5.50%)
Total OPEB Liability	\$595,546	\$654,473	\$722,703

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

For the year ended September 30, 2024, the Commission recognized OPEB expense of \$187,011 prior to recording the actual OPEB benefit amounts. The Commission did not report deferred outflows and deferred inflows of resources related to OPEB.

#### **Note 8 – Long-Term Debt Obligations**

On February 12, 2015, the Commission issued \$7,045,000 in General Obligation Warrants, Series 2015, for the purpose of (a) refunding, on a current basis the County's General Obligation Warrants, dated July 1, 2005, (b) paying the cost of certain capital improvements within the County, including improvements to public roads and bridges, and (c) paying the issuance costs of the warrants.

On February 14, 2019, the Commission entered into notes from direct borrowing in the amounts of \$203,399.78 and \$59,425.17 for the purpose of purchasing new road equipment including two backhoes and a mini-excavator.

On August 14, 2023, the Commission issued \$2,480,000 in General Obligation Warrants, Series 2023, for the purpose of a HVAC project for the Alexander City Annex location paying the issuance costs of the warrants.

## **Notes to the Financial Statements**

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

The following is a summary of long-term 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>					
Warrants Payable:					
General Obligation Warrants	\$ 7,910,000.00	\$	\$ (825,000.00)	\$ 7,085,000.00	\$845,000.00
Total Warrants Payable	<u>7,910,000.00</u>		<u>(825,000.00)</u>	<u>7,085,000.00</u>	<u>845,000.00</u>
Other Liabilities:					
Notes from Direct Borrowing	75,403.69		(30,495.16)	44,908.53	31,489.03
Estimated Liability Related to OPEB	841,484.00		(187,011.00)	654,473.00	
Net Pension Liability	3,523,087.00		(44,774.00)	3,478,313.00	
Compensated Absences	361,558.30		(35,422.77)	326,135.53	32,613.55
Total Other Liabilities	<u>4,801,532.99</u>		<u>(297,702.93)</u>	<u>4,503,830.06</u>	<u>64,102.58</u>
Government Activities					
Long-Term Liabilities	\$12,711,532.99	\$	\$(1,122,702.93)	\$11,588,830.06	\$909,102.58

The compensated absences liability attributable to the governmental activities will be liquidated by several of the Commission's governmental funds. In the past, approximately 64% has been paid by the General Fund, 28% by the Gasoline Fund, and the remainder by the Reappraisal Fund.

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

Fiscal Year Ending	General Obligation Warrants		Notes from Direct Borrowing		Total Principal and Interest Requirements to Maturity
	Principal	Interest	Principal	Interest	
September 30, 2025	\$ 845,000.00	\$ 294,577.00	\$31,489.03	\$ 974.69	\$1,172,040.72
2026	875,000.00	283,941.00	13,419.50	107.52	1,172,468.02
2027	920,000.00	269,659.00			1,189,659.00
2028	965,000.00	254,462.00			1,219,462.00
2029	440,000.00	130,400.00			570,400.00
2030-2034	2,480,000.00	367,600.00			2,847,600.00
2035	560,000.00	11,200.00			571,200.00
Total	<u>\$7,085,000.00</u>	<u>\$1,611,839.00</u>	<u>\$44,908.53</u>	<u>\$1,082.21</u>	<u>\$8,742,829.74</u>

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

##### **Interfund Transfers**

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

	Transfers Out				Totals
	General Fund	Revenue Reduction Fund	Other Governmental Funds	ARPA	
<b>Transfers In:</b>					
General Fund	\$ 1,943,000.00	\$233,812.61	\$ 3,813.31	\$ 237,625.92	
Gasoline Tax Fund			265,627.54	2,208,627.54	
Other Governmental Funds	932,292.60		200,000.00	1,132,292.60	
<b>Total</b>	<b>\$2,875,292.60</b>	<b>\$233,812.61</b>	<b>\$469,440.85</b>	<b>\$3,578,546.06</b>	

The Commission typically used transfers to fund ongoing operating subsidies

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

A majority of the Board of the following organizations are appointed by the Tallapoosa County Commission: Jackson's Gap Water Authority, Tallapoosa County 9-1-1, Wall Street Water Authority, Hackneyville Water Authority, Walnut Hill Water Authority, and the Tourism Authority. The County, however, is not financially accountable, because it does not impose its will and have a financial benefit or burden relationship, for the organizations and the organization is not considered part of the Commission's financial reporting entity. The organizations are considered related organizations of the County Commission.

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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	\$ 506,839	\$ 461,161	\$ 376,044	\$ 359,246	\$ 357,114	\$ 342,019	\$ 347,049	\$ 338,686	\$ 345,126	\$ 339,425
Interest	1,141,008	1,106,047	1,023,598	988,266	912,012	894,630	895,438	828,369	782,398	735,704
Changes of benefit terms		13,937	285,478							
Changes of assumptions			578,086			66,588			382,400	
Difference between expected and actual experience	597,827	(248,196)	166,634	(162,519)	413,451	(324,470)	(579,045)	171,498	43,668	
Benefit payments, including refunds of employee contributions	(886,814)	(785,027)	(725,890)	(692,893)	(673,201)	(615,092)	(552,235)	(654,729)	(538,385)	(444,526)
Transfers among employers	319,271	(27,752)	(121,590)	(16,752)	(9,218)	(33,911)	(90,204)	81,953		
Net change in total pension liability	1,678,131	520,170	1,582,360	475,348	1,000,158	329,764	21,003	1,148,177	632,807	630,603
Total pension liability - beginning	15,758,954	15,238,784	13,656,424	13,181,076	12,180,918	11,851,154	11,830,151	10,681,974	10,049,167	9,418,564
Total pension liability - ending (a)	\$ 17,437,085	\$ 15,758,954	\$ 15,238,784	\$ 13,656,424	\$ 13,181,076	\$ 12,180,918	\$ 11,851,154	\$ 11,830,151	\$ 10,681,974	\$ 10,049,167
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 289,843	\$ 290,193	\$ 229,161	\$ 207,205	\$ 239,472	\$ 243,217	\$ 222,552	\$ 254,254	\$ 237,535	\$ 243,114
Contributions - employee	403,900	345,688	279,323	270,726	250,172	235,044	225,013	224,381	217,982	202,870
Net investment income	1,596,705	(1,807,280)	2,614,771	651,899	290,922	975,097	1,216,685	891,641	103,776	938,908
Benefit payments, including refunds of employee contributions	(886,814)	(785,027)	(725,890)	(692,893)	(673,201)	(615,092)	(552,235)	(654,729)	(538,385)	(444,526)
Transfers among employers	319,271	(27,752)	(121,590)	(16,752)	(9,218)	(33,911)	(90,204)	81,953	(14,745)	62,638
Net change in plan fiduciary net position	1,722,905	(1,984,178)	2,275,775	420,185	98,147	804,355	1,021,811	797,500	6,163	1,003,004
Plan fiduciary net position - beginning	12,235,867	14,220,045	11,944,270	11,524,085	11,425,938	10,621,583	9,599,772	8,802,272	8,796,109	7,793,105
Plan fiduciary net position - ending (b)	\$ 13,958,772	\$ 12,235,867	\$ 14,220,045	\$ 11,944,270	\$ 11,524,085	\$ 11,425,938	\$ 10,621,583	\$ 9,599,772	\$ 8,802,272	\$ 8,796,109
Commission's net pension liability - ending (a) - (b)	\$ 3,478,313	\$ 3,523,087	\$ 1,018,739	\$ 1,712,154	\$ 1,656,991	\$ 754,980	\$ 1,229,571	\$ 2,230,379	\$ 1,879,702	\$ 1,253,058
Plan fiduciary net position as a percentage of the total pension liability	80.05%	77.64%	93.31%	87.46%	87.43%	93.80%	89.62%	81.15%	82.40%	87.53%
Covered payroll (*)	\$ 5,839,745	\$ 5,199,605	\$ 4,960,197	\$ 4,649,113	\$ 4,501,797	\$ 4,262,975	\$ 4,089,253	\$ 4,129,551	\$ 3,868,642	\$ 3,837,071
Commission's net pension liability as a percentage of covered payroll	59.56%	67.76%	20.54%	36.83%	36.81%	17.71%	30.07%	54.01%	48.59%	32.66%

(\*) 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 (*)	\$ 289,843	\$ 289,843	\$ 290,193	\$ 229,161	\$ 207,205	\$ 239,472	\$ 243,217	\$ 222,552	\$ 254,254	\$ 237,535
Contributions in relation to the actuarially determined contribution	\$ 289,843	\$ 289,843	\$ 290,193	\$ 229,161	\$ 207,205	\$ 239,472	\$ 243,217	\$ 222,552	\$ 254,254	\$ 237,535
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Covered payroll (**)	\$ 5,819,249	\$ 5,839,745	\$ 5,199,605	\$ 4,960,197	\$ 4,649,113	\$ 4,501,797	\$ 4,262,975	\$ 4,089,253	\$ 4,129,551	\$ 3,868,642
Contributions as a percentage of covered payroll	4.98%	4.96%	5.58%	4.62%	4.46%	5.32%	5.71%	5.44%	6.16%	6.14%

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

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

**Notes to Schedule**

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	19 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 Net Other Postemployment Benefits (OPEB) Liability  
For the Year Ended September 30, 2024**

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>							
Service Cost	\$ 23,415	\$ 23,415	\$ 39,691	\$ 39,691	\$ 23,368	\$ 23,368	\$ 22,456
Interest	40,350	39,265	28,020	27,519	43,217	42,199	44,089
Benefit Payments	(37,988)	(41,877)	(38,366)	(51,518)	(54,406)	(73,317)	(107,958)
Experience (Gain)/Loss	(246,186)		(268,264)		(37,313)		
Changes of Assumptions	33,398		(165,218)		165,965		
Net change in total OPEB liability	(187,011)	20,803	(404,137)	15,692	140,831	(7,750)	(41,413)
Total OPEB liability - beginning	841,484	820,681	1,224,818	1,209,126	1,068,295	1,076,045	1,117,458
Total OPEB liability - ending	\$ 654,473	\$ 841,484	\$ 820,681	\$ 1,224,818	\$ 1,209,126	\$ 1,068,295	\$ 1,076,045
Covered-employee payroll	\$ 5,229,585	\$ 4,972,990	\$ 4,972,990	\$ 4,221,907	\$ 4,221,970	\$ 4,501,797	\$ 4,262,975
Total OPEB liability as a percentage of covered-employee payroll	12.51%	16.92%	16.50%	29.01%	28.64%	23.73%	25.24%

**Notes to Schedule:**

*Benefit Changes* : There were no changes of benefit terms for the year ended September 30, 2024.

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
Contractually required contribution (*)	\$ 37,988	\$ 41,877	\$ 38,366	\$ 51,518	\$ 54,406	\$ 73,317	\$ 107,958
Contributions in relation to the contractually required contribution	\$ 37,988	\$ 41,877	\$ 38,366	\$ 51,882	\$ 81,498	\$ 85,022	\$ 75,997
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$
Covered-employee payroll	\$ 5,229,585	\$ 4,972,990	\$ 4,972,990	\$ 4,221,907	\$ 4,221,970	\$ 4,501,797	\$ 4,262,975
Contributions as a percentage of covered-employee payroll	0.73%	0.84%	0.77%	1.23%	1.93%	1.89%	1.78%

(\*) Per Actuary Report, there were no actuarially determined contributions. However, premiums charged to the employer by the plan are reflected.

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**

	Budgeted Amounts		Actual Amounts		Budget to GAAP Differences	Actual Amounts GAAP Basis
	Original	Final	Budgetary Basis			
<b>Revenues</b>						
Taxes	\$ 6,248,104.00	\$ 6,248,104.00	\$ 6,486,266.46	(1) \$ 2,922,438.79	\$ 9,408,705.25	
Licenses and Permits	505,000.00	505,000.00	588,461.13		588,461.13	
Intergovernmental	2,472,323.00	2,472,323.00	2,555,982.68	(1) (9,365.94)	2,546,616.74	
Charges for Services	2,291,500.00	2,291,500.00	2,441,893.84	(1) 411,215.76	2,853,109.60	
Miscellaneous	575,418.00	575,418.00	1,282,453.15	(1) 177,284.83	1,459,737.98	
Total Revenues	12,092,345.00	12,092,345.00	13,355,057.26		3,501,573.44	16,856,630.70
<b>Expenditures</b>						
Current:						
General Government	5,462,757.40	5,462,757.40	3,704,305.03	(2) (329.00)	3,704,634.03	
Public Safety	5,620,118.00	5,620,118.00	5,343,343.06		5,343,343.06	
Highways and Roads				(2) (656,468.58)	656,468.58	
Health	28,500.00	28,500.00	28,500.00		28,500.00	
Welfare	72,832.00	72,832.00	77,279.98		77,279.98	
Culture and Recreation	17,500.00	17,500.00	17,500.02		17,500.02	
Education	124,532.00	124,532.00	153,939.79		153,939.79	
Capital Outlay			979,177.78	(2) (17,117.40)	996,295.18	
Debt Service:						
Other Debt Service Costs			2,200.00	(2) (1,854.38)	4,054.38	
Total Expenditures	11,696,021.40	11,696,021.40	10,306,245.66		(675,769.36)	10,982,015.02
Excess (Deficiency) of Revenues Over Expenditures	396,323.60	396,323.60	3,048,811.60		2,825,804.08	5,874,615.68
<b>Other Financing Sources (Uses)</b>						
Transfers In	100,000.00	100,000.00	237,625.92		237,625.92	
Sale of Capital Assets			8,616.00	(3) 627,311.25	635,927.25	
Transfers Out			(369,623.41)	(3) (2,505,669.19)	(2,875,292.60)	
Total Other Financing Sources (Uses)	100,000.00	100,000.00	(123,381.49)		(1,878,357.94)	(2,001,739.43)
Net Changes in Fund Balances	496,323.60	496,323.60	2,925,430.11		947,446.14	3,872,876.25
Fund Balances - Beginning of Year	12,000,000.00	12,000,000.00	12,825,939.15	(4) 2,477,459.81	2,477,459.81	15,303,398.96
Fund Balances - End of Year	\$ 12,496,323.60	\$ 12,496,323.60	\$ 15,751,369.26		\$ 3,424,905.95	\$ 19,176,275.21

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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 between Actual Amounts on Budgetary Basis and  
Actual Amounts per GAAP Basis:**

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

(1) Revenues

Pistol Permit Fund	\$ (16,934.72)
Opioid Settlement Fund	19,067.43
Public Roads, Buildings and Bridges Fund	3,063,477.55
Solid Waste Fund	424,936.52
Manufactured Homes Trust Fund	1,374.45
Probate and Revenue Commissioner's Discretionary Fund	<u>9,652.21</u>
	\$ 3,501,573.44

(2) Expenditures

Public Roads, Buildings and Bridges Fund	\$ (335,173.56)
Solid Waste Fund	(340,266.80)
Probate and Revenue Commissioner's Discretionary Fund	<u>(329.00)</u>
	(675,769.36)

(3) Other Financing Sources/(Uses), Net

Public Roads, Buildings and Bridges Fund, Debt Service	\$ (1,912,182.94)
Solid Waste Fund	33,825.00
	<u>(1,878,357.94)</u>

Net Change in Fund Balance - Budget to GAAP

\$ 947,446.14

(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 cumulative effect of transactions such as those described above.

**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 Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 1,390,711.00	\$ 1,390,711.00	\$ 3,952,347.22	\$ 3,952,347.22	
Miscellaneous	28,200.00	28,200.00	113,385.88	113,385.88	
Total Revenues	1,418,911.00	1,418,911.00	4,065,733.10	4,065,733.10	
<b>Expenditures</b>					
Current:					
General Government			6,102.56	6,102.56	
Highways and Roads	3,108,673.00	3,108,673.00	4,010,979.95	4,010,979.95	
Capital Outlay	2,025,000.00	2,025,000.00	1,167,250.90	1,167,250.90	
Debt Service:					
Principal	30,946.00	30,946.00	30,495.15	30,495.15	
Interest	1,969.00	1,969.00	1,968.57	1,968.57	
Total Expenditures	5,166,588.00	5,166,588.00	5,216,797.13	5,216,797.13	
Excess (Deficiency) of Revenues Over Expenditures	(3,747,677.00)	(3,747,677.00)	(1,151,064.03)	(1,151,064.03)	
<b>Other Financing Sources (Uses)</b>					
Transfers In	3,860,000.00	3,860,000.00	2,208,627.54	2,208,627.54	
Sale of Capital Assets			62,767.00	62,767.00	
Total Other Financing Sources (Uses)	3,860,000.00	3,860,000.00	2,271,394.54	2,271,394.54	
Net Changes in Fund Balances	112,323.00	112,323.00	1,120,330.51	1,120,330.51	
Fund Balances - Beginning of Year			300,803.10	300,803.10	
Fund Balances - End of Year	\$ 112,323.00	\$ 112,323.00	\$ 1,421,133.61	\$ 1,421,133.61	

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis
	Original	Final			
<b>Revenues</b>					
Taxes	\$ 583,551.00	\$ 583,551.00	\$ 716,590.47	\$ 716,590.47	
Miscellaneous	11,000.00	11,000.00	61,731.38	61,731.38	
Total Revenues	<u>594,551.00</u>	<u>594,551.00</u>	<u>778,321.85</u>		<u>778,321.85</u>
<b>Expenditures</b>					
Current:					
General Government	798,551.00	798,551.00	775,290.85		775,290.85
Capital Outlay	6,000.00	6,000.00	3,031.00		3,031.00
Total Expenditures	<u>804,551.00</u>	<u>804,551.00</u>	<u>778,321.85</u>		<u>778,321.85</u>
Net Changes in Fund Balances	(210,000.00)	(210,000.00)			
Fund Balances - Beginning of Year	210,000.00	210,000.00			
Fund Balances - End of Year	\$	\$	\$	\$	\$

**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 Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$	\$	\$	\$	\$
Miscellaneous	60,000.00	60,000.00	198,044.87		198,044.87
Total Revenues	60,000.00	60,000.00	2,043,210.95		2,043,210.95
<b>Expenditures</b>					
Current:					
General Government	2,280,425.00	2,280,425.00	1,180,722.73		1,180,722.73
Capital Outlay			430,630.74		430,630.74
Total Expenditures	2,280,425.00	2,280,425.00	1,611,353.47		1,611,353.47
Excess (Deficiency) of Revenues Over Expenditures	(2,220,425.00)	(2,220,425.00)	431,857.48		431,857.48
<b>Other Financing Sources (Uses)</b>					
Transfers Out			(233,812.61)		(233,812.61)
Total Other Financing Sources (Uses)			(233,812.61)		(233,812.61)
Net Changes in Fund Balances	(2,220,425.00)	(2,220,425.00)	198,044.87		198,044.87
Fund Balances - Beginning of Year	5,000,000.00	5,000,000.00	49,666.23		49,666.23
Fund Balances - End of Year	\$ 2,779,575.00	\$ 2,779,575.00	\$ 247,711.10	\$	\$ 247,711.10

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## *Supplementary Information*

**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>Total Federal Expenditures</b>
<b><u>U. S. Department of Interior</u></b>			
<b><u>Direct Program</u></b>			
Payments in Lieu of Taxes	15.226	N.A.	\$ 6,813.00
Total U. S. Department of Interior			<u>6,813.00</u>
<b><u>U. S. Department of Justice</u></b>			
<b><u>Direct Program</u></b>			
Bulletproof Vest Partnership Program	16.607	N.A.	364.50
<b><u>Passed Through City of Alexander City</u></b>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	O-BJA-2023-171790	\$ 6,374.00
Total U. S. Department of Justice			<u>6,374.00</u>
<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.	1,611,353.47
<b><u>Passed Through Alabama Department Environmental Management</u></b>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SW000074-01	\$ 150,000.00
Total U. S. Department of Treasury			<u>150,000.00</u>
<b><u>U. S. Department of Health and Human Services</u></b>			
<b><u>Passed Through Alabama Department of Public Health</u></b>			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6 NU50CK000545-03-01	4,480.00
<b><u>Passed Through East Alabama Regional Planning and Development Commission</u></b>			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	N.A.	2,813.63
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	N.A.	4,448.47
Total Aging Cluster			<u>7,262.10</u>
<b><u>Passed Through Alabama Emergency Management Agency</u></b>			
Public Health Emergency Preparedness	93.069	C30116167	\$ 4,928.74
Total U. S. Department of Health and Human Services			<u>4,928.74</u>
Sub-Total Forward			\$ 1,791,575.81

**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>Total Federal Expenditures</b>
Sub-Total Brought Forward			\$ 1,791,575.81
<b><u>U. S. Department of Homeland Security</u></b>			
<b><u>Passed Through Alabama Emergency Management Agency</u></b>			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-4710-29-PA-AL	1,168,443.04
Emergency Management Performance Grants	97.042	EMA-2024-EP-05023	46,674.00
BRIC: Building Resilient Infrastructure and Communities	97.047	DR-4554-AC	156,913.51
Total U. S. Department of Homeland Security			<u>1,372,030.55</u>
Total Expenditures of Federal Awards			<u>\$ 3,163,606.36</u>

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

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

Expenditures reported on the Schedule are reported on the modified 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 Tallapoosa County Commission has elected not to use the 10-percent de minimis indirect cost rate as allowed in the *Uniform Guidance*.

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## *Additional Information*

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

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<b><u>Commission Members</u></b>		<b><u>Term Expires</u></b>
Hon. Steven Robinson	Chairman	2026
Hon. Thomas Coley, Jr.	Commissioner	2026
Hon. John McKelvey	Commissioner	2026
Hon. Emma Jean Thweatt	Commissioner	2026
Hon. George Carleton, Jr.	Commissioner	2026
<b><u>Administrative Personnel</u></b>		
Blake Beck	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 Tallapoosa County Commission and County Administrator  
Dadeville, Alabama

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States (***Government Auditing Standards***), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tallapoosa County Commission, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Tallapoosa County Commission's basic financial statements, and have issued our report thereon dated September 25, 2025.

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

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

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

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

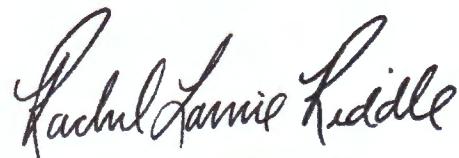
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## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tallapoosa County 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 Tallapoosa County 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

September 25, 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 Tallapoosa County Commission and the County Administrator  
Dadeville, Alabama

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

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

We have audited the Tallapoosa 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 Tallapoosa County Commission's major federal programs for the year ended September 30, 2024. the Tallapoosa County Commission's major federal programs are identified in the Summary of Examiner's Results section of the accompanying Schedule of Findings and Questioned Costs.

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

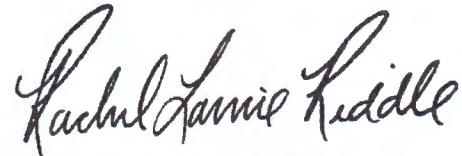
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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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

September 25, 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  No

Significant deficiency(ies) identified?

Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?

Yes  No

Significant deficiency(ies) identified?

Yes  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  No

Identification of major federal programs:

<b>Assistance Listing Numbers</b>	<b>Name of Federal Program or Cluster</b>
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

\$750,000.00

Auditee qualified as low-risk auditee?

Yes  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.