

Chambers County Commission

Chambers County, Alabama

October 1, 2021 through September 30, 2022

Filed: November 21, 2025

ALABAMA DEPARTMENT OF
EXAMINERS of Public Accounts

Rachel Laurie Riddle, Chief Examiner | 334-777-0500 | www.alexaminers.gov



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Examiners of Public Accounts

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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 Chambers County Commission, Chambers County, Alabama, for the period October 1, 2021 through September 30, 2022. 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,

James Perry
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

SUMMARY

**Chambers County Commission
October 1, 2021 through September 30, 2022**

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

This report presents the results of an audit the objectives of which were to determine whether the financial statements present fairly the financial position and results of financial operations and whether the Commission complied with applicable laws and regulations. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States as well as the requirements of the Department of Examiners of Public Accounts under the authority of the ***Code of Alabama 1975***, Section 41-5A-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, 2022.

Financial statements for the fiscal year ending September 30, 2022 were not prepared by management until January 9, 2025. The Commission’s failure to prepare timely financial statements may impact the relevance of the financial information presented to users of the financial statements.

AUDIT FINDING

A problem was found with the Commission’s internal controls over financial reporting as shown on Exhibit 14, and it is summarized below.

- ◆ 2022-001: The Commission failed to properly record revenues and receivables. This finding was previously reported as Finding 2017-003, Finding 2018-002, Finding 2019-002, Finding 2020-001 and Finding 2021-001.

EXIT CONFERENCE

Commission members and administrative personnel, as reflected on Exhibit 13, were invited to discuss the results of this report at an exit conference. Individuals in attendance were County Manager Regina Chambers; and County Commissioners David Eastridge, Charlie Williams, Douglas Jones, Jr., James Williams, Samuel Bradford and Debra Riley. Representing the Department of Examiners of Public Accounts were BriAnna Upchurch, Audit Manager and James Perry, Examiner.

Independent Auditor's Report

Independent Auditor's Report

Members of the Chambers County Commission and County Manager
LaFayette, 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 Chambers County Commission, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Chambers County Commission's basic financial statements 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 Chambers County Commission, as of September 30, 2022, 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 Chambers County Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Notes 5 and 9 to the financial statements, the Chambers County Commission implemented Governmental Accounting Standards Board (GASB) Statement Number 87, ***Leases***, during the fiscal year ended September 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 Chambers County Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ◆ exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ◆ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chambers 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 Chambers 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 and the Schedules of the Employer's Contributions (Exhibits 9 through 12), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis (MD&A) and the Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, 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 opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated October 29, 2025, on our consideration of the Chambers County Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Chambers 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 Chambers County Commission's internal control over financial reporting and compliance.



Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

October 29, 2025

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Basic Financial Statements

Statement of Net Position
September 30, 2022

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 22,321,228.00
Investments	8,531,854.00
Restricted Cash Held with Fiscal Agent	228,589.00
Receivables	121,989.00
Due from Other Governments	60,509.00
Ad Valorem Taxes Receivable	7,536,445.00
Prepaid Items	8,590.00
Capital Assets (Note 5):	
Nondepreciable	1,450,460.00
Depreciable, Net	22,461,022.00
Total Assets	<u>62,720,686.00</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Net Pension Liability	1,146,124.00
Deferred Outflows Related to Other Postemployment Benefits (OPEB)	12,230.00
Total Deferred Outflows of Resources	<u>1,158,354.00</u>
Liabilities	
Accounts Payable	321,631.00
Accrued Wages Payable	185,059.00
Unearned Revenue (Note 4)	6,155,599.00
Accrued Interest Payable	162,965.00
Long-Term Liabilities:	
Portion Due Within One Year:	
Notes from Direct Borrowing	404,704.00
Warrants Payable	975,000.00
Less: Unamortized Discount	(10,836.00)
Estimated Liability for Compensated Absences	8,371.00
Portion Payable After One Year:	
Notes from Direct Borrowing	1,850,840.00
Warrants Payable	12,920,000.00
Less: Unamortized Discount	(110,476.00)
Estimated Liability for Compensated Absences	327,409.00
Other Postemployment Benefits Payable	2,796,377.00
Net Pension Liability	3,023,789.00
Total Liabilities	<u>\$ 29,010,432.00</u>

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

		Governmental Activities
<u>Deferred Inflows of Resources</u>		
Unavailable Revenue - Property Taxes		\$ 7,536,445.00
Deferred Inflows Related to Other Postemployment Benefits (OPEB)		3,456,765.00
Deferred Inflows Related to Pension		974,905.00
Total Deferred Inflows of Resources		<u>11,968,115.00</u>
<u>Net Position</u>		
Net Investment in Capital Assets		7,973,483.00
Restricted for:		
Highways and Roads		7,096,242.00
Debt Service		228,589.00
Capital Projects		2,724,909.00
Other Purposes		816,739.00
Unrestricted		<u>4,060,531.00</u>
Total Net Position		<u><u>\$ 22,900,493.00</u></u>

Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
Primary Government Governmental Activities						
General Government	\$ 3,623,870.00	\$ 1,476,049.00	\$ 192,880.00	\$ 5,466,499.00	\$ 3,511,558.00	
Public Safety	5,711,373.00				(5,711,373.00)	
Highways and Roads	4,601,806.00				(4,601,806.00)	
Sanitation	54,491.00				(54,491.00)	
Health	77,500.00				(77,500.00)	
Welfare	369,021.00				(369,021.00)	
Culture and Recreation	656,556.00		43,948.00		(612,608.00)	
Education	432,901.00		9,962.00		(422,939.00)	
Interest and Fiscal Charges	671,893.00				(671,893.00)	
Total Governmental Activities	\$ 16,199,411.00	\$ 1,476,049.00	\$ 246,790.00	\$ 5,466,499.00		(9,010,073.00)
General Revenues						
Taxes:						
Property Taxes for General Purposes					4,930,077.00	
Property Taxes for Specific Purposes					1,946,178.00	
General Sales Tax					2,625,769.00	
Miscellaneous Tax					319,177.00	
Investment Earnings					71,022.00	
Gain on Sale of Capital Assets					605,581.00	
Miscellaneous Revenue					2,536,736.00	
Total General Revenues						13,034,540.00
Change in Net Position						4,024,467.00
Net Position - Beginning of Year						18,876,026.00
Net Position - End of Year					\$	22,900,493.00

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

Balance Sheet
Governmental Funds
September 30, 2022

	General Fund	Capital Projects Fund	Capital Improvement Fund	Reappraisal Fund	ARPA Revenue Reduction Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 15,099,200.00	\$ 91,233.00	\$ 663,874.00	\$ 529,990.00	\$ 2,425,260.00	\$ 3,511,671.00	\$ 22,321,228.00
Investments	4,042,457.00		1,259,797.00		3,229,600.00		8,531,854.00
Restricted Cash with Fiscal Agent						228,589.00	228,589.00
Receivables (Note 4)	121,989.00						121,989.00
Due from Other Governments	340.00					60,169.00	60,509.00
Ad Valorem Taxes Receivable	6,817,837.00			718,608.00			7,536,445.00
Interfund Receivables	8,275.00						8,275.00
Prepaid Items	8,590.00						8,590.00
Total Assets	26,098,688.00	91,233.00	1,923,671.00	1,248,598.00	5,654,860.00	3,800,429.00	38,817,479.00
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts Payable	74,837.00					246,794.00	321,631.00
Accrued Wages Payable	170,979.00			14,080.00			185,059.00
Interfund Payables						8,275.00	8,275.00
Unearned Revenue (Note 4)			515,910.00	5,639,689.00			6,155,599.00
Total Liabilities	245,816.00		529,990.00	5,639,689.00		255,069.00	6,670,564.00
Deferred Inflows of Resources							
Unavailable Revenue - Property Taxes	6,817,837.00		718,608.00				7,536,445.00
Total Deferred Inflows of Resources	6,817,837.00		718,608.00				7,536,445.00
Fund Balances							
Nonspendable:							
Prepaid Items	8,590.00						8,590.00
Restricted for:							
Debt Service						228,589.00	228,589.00
Highways and Roads	4,131,034.00					2,965,208.00	7,096,242.00
Capital Projects	800,238.00	91,233.00	1,923,671.00			1,000.00	2,816,142.00
Other Purposes	426,023.00					390,715.00	816,738.00
Assigned to:							
Highways and Roads	2,427,002.00						2,427,002.00
Other Purposes	5,886,697.00			15,171.00			5,901,868.00
Unassigned	5,355,451.00					(40,152.00)	5,315,299.00
Total Fund Balances	19,035,035.00	91,233.00	1,923,671.00	15,171.00	3,545,360.00	24,610,470.00	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 26,098,688.00	\$ 91,233.00	\$ 1,923,671.00	\$ 1,248,598.00	\$ 5,654,860.00	\$ 3,800,429.00	\$ 38,817,479.00

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

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2022

Total Fund Balances - Governmental Funds (Exhibit 3) \$ 24,610,470.00

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

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

Land	\$ 426,770.00
Construction in Progress	1,023,690.00
Buildings and Improvements	18,878,080.00
Equipment and Furniture	5,371,255.00
Equipment Under Capital Lease	3,664,198.00
Infrastructure	16,645,283.00
Accumulated Depreciation	<u>(22,097,794.00)</u>
	23,911,482.00

Certain deferred inflows and outflows of resources are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred Outflows Related to Net Pension Liability	\$ 171,219.00
Deferred Inflows Related to Other Postemployment Benefits Payable (OPEB) Liability	<u>(3,444,535.00)</u>
	(3,273,316.00)

Long-term liabilities, including warrants payable, net pension liability, and other postemployment benefits payable (OPEB), are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities consist of:

	Amounts Due or Payable Within One Year	Amounts Due or Payable After One Year
Accrued Interest Payable	\$ 162,965.00	\$
Notes from Direct Borrowing	404,704.00	1,850,840.00
Warrants Payable	975,000.00	12,920,000.00
Unamortized Discount	(10,836.00)	(110,476.00)
Compensated Absences	8,371.00	327,409.00
Other Postemployment Benefits Payable		2,796,377.00
Net Pension Liability	<u>\$ 1,540,204.00</u>	<u>\$ 20,807,939.00</u>
		<u>(22,348,143.00)</u>
Total Net Position - Governmental Activities (Exhibit 1)		<u>\$ 22,900,493.00</u>

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, 2022

	General Fund	Capital Projects Fund	Capital Improvement Fund	Reappraisal Fund	ARPA Revenue Reduction Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 9,434,912.00	\$ 80,965.00	\$ 305,570.00	\$ 386,289.00	\$ 819,511.00	\$ 2,480,253.00	\$ 9,821,201.00
Licenses and Permits						8,941.00	89,906.00
Intergovernmental	2,107,954.00						5,713,288.00
Charges for Services	1,148,456.00						1,148,456.00
Fines and Forfeits	237,687.00						237,687.00
Miscellaneous	2,577,269.00	682.00	7,495.00	3,905.00	12,069.00	6,338.00	2,607,758.00
Total Revenues	15,587,243.00	682.00	313,065.00	390,194.00	831,580.00	2,495,532.00	19,618,296.00
Expenditures							
Current:							
General Government	3,143,159.00			390,194.00		11,464.00	3,544,817.00
Public Safety	5,483,850.00						5,483,850.00
Highways and Roads	2,440,511.00				193,776.00	796,544.00	3,430,831.00
Sanitation	51,885.00						51,885.00
Health	77,500.00						77,500.00
Welfare	112,544.00					256,478.00	369,022.00
Culture and Recreation	560.00				625,735.00	30,261.00	656,556.00
Education	432,901.00						432,901.00
Capital Outlay	2,353,335.00						2,353,335.00
Debt Service:							
Principal Retirement	797,364.00					955,000.00	1,752,364.00
Interest and Fiscal Charges	63,174.24					380,969.00	444,143.24
Warrant Issue Costs	209,805.76						209,805.76
Total Expenditures	15,166,589.00			390,194.00	819,511.00	2,430,716.00	18,807,010.00
Excess (Deficiency) of Revenues Over Expenditures	420,654.00	682.00	313,065.00		12,069.00	64,816.00	811,286.00
Other Financing Sources (Uses)							
Proceeds from Sale of Capital Assets	956,270.00						956,270.00
Transfers In	961,884.00					1,561,790.00	2,523,674.00
Proceeds from Notes from Direct Borrowing	1,005,839.00						1,005,839.00
Proceeds of Refunding Warrants	5,650,000.00						5,650,000.00
Payments to Refunded Warrant Escrow Agent	(2,245,000.00)						(2,245,000.00)
Transfers Out	(1,561,790.00)		(137,129.00)			(824,755.00)	(2,523,674.00)
Total Other Financing Sources (Uses)	4,767,203.00		(137,129.00)			737,035.00	5,367,109.00
Net Changes in Fund Balances	5,187,857.00	682.00	175,936.00		12,069.00	801,851.00	6,178,395.00
Fund Balances - Beginning of Year	13,847,178.00	90,551.00	1,747,735.00		3,102.00	2,743,509.00	18,432,075.00
Fund Balances - End of Year	\$ 19,035,035.00	\$ 91,233.00	\$ 1,923,671.00	\$	\$ 15,171.00	\$ 3,545,360.00	\$ 24,610,470.00

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

***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, 2022***

Net Changes in Fund Balances - Total Governmental Funds (Exhibit 5) \$ 6,178,395.00

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

Capital outlays to purchase or build capital assets are reported in the governmental funds 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 differed from depreciation in the current period.

Capital Outlay	\$ 2,353,335.00	
Depreciation	<u>(1,974,595.00)</u>	378,740.00

In the Statement of Activities, only the gain on the sale of capital assets is reported 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.

Proceeds from the Sale of Capital Assets	\$ (956,270.00)	
Gain (Loss) on Sale of Capital Assets	<u>605,581.00</u>	(350,689.00)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Payments to refund warrants reduce long-term liabilities in the Statement of Net Position.

Proceeds from Notes from Direct Borrowing	\$ (1,005,839.00)	
Proceeds from Refunding Warrants	<u>(5,650,000.00)</u>	
Payments to Refunded Warrant Escrow Agent	<u>2,245,000.00</u>	(4,410,839.00)

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. 1,752,364.00

Discounts are reported in the funds in the year the applicable debt is issued; however, these amounts are deferred and amortized over the life of the debt. (10,836.00)

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

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

Net Decrease in Estimated Liability for Compensated Absences	\$ (115,381.00)
Net Decrease in Estimated Liability for Retiree Health Insurance	540,207.00
Net Increase in Pension Expense	69,472.00
Net Decrease in Accrued Interest Payable	<u>(6,966.00)</u>
Net Adjustment	<u>487,332.00</u>
Change in Net Position of Governmental Activities (Exhibit 2)	<u>\$ 4,024,467.00</u>

Statement of Fiduciary Net Position
September 30, 2022

	Custodial Funds
<u>Assets</u>	
Cash and Cash Equivalents	\$ 1,354,134.00
Receivables	988.00
Total Assets	<u>1,355,122.00</u>
<u>Liabilities</u>	
Accounts Payable	616,823.00
Total Liabilities	<u>616,823.00</u>
<u>Net Position</u>	
Held for Individuals and Other Agencies	738,299.00
Total Net Position	<u>\$ 738,299.00</u>

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

***Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2022***

	Custodial Funds
Additions	
Contributions from:	
Motor Vehicle Taxes	\$ 4,630,603.26
Ad Valorem Taxes	12,243,573.54
Law Library Fees	8,597.00
Land Redemptions	96,027.00
Total Additions	<u>16,978,800.80</u>
Deductions	
Motor Vehicle Taxes	4,630,603.26
Ad Valorem Taxes	12,243,573.54
Law Library Fees	695.00
Land Redemptions	77,952.00
Fire and Rescue	8,695.00
Total Deductions	<u>16,961,518.80</u>
Changes in Net Position	17,282.00
Net Position - Beginning of Year	<u>721,017.00</u>
Net Position - End of Year	<u>\$ 738,299.00</u>

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

Notes to the Financial Statements

For the Year Ended September 30, 2022

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Chambers 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.

Notes to the Financial Statements

For the Year Ended September 30, 2022

Fund Financial Statements

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

The Commission reports the following major governmental funds:

- ◆ **General Fund** – The General Fund is the primary operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund. The Commission primarily received revenues from collections of property taxes and revenues collected by the State of Alabama and shared with the Commission. This fund is also used to account for expenditures of ad valorem and gas taxes for construction, improvement, maintenance, and supervision of highways, bridges, and streets; court fees pledged for payment of debt; sales taxes for economic development; and State of Alabama grant funding for improvements to the Chambers County Industrial Park.
- ◆ **Capital Projects Fund** – This fund is used to account for and report financial resources associated with the General Obligation Warrants, Series 2018, and other resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets.
- ◆ **Capital Improvement Fund** – This fund is used to account for the county's share of distribution from the Alabama Trust Fund. Revenues are earmarked (1) for constructing, furnishing, equipping and renovating public buildings, (2) for purchasing sanitary landfills, solid waste equipment and facilities, (3) for installing and maintaining water and wastewater treatment facilities, (4) for constructing and maintaining county roads and bridges, (5) for payment of any bonds, notes, and warrants for any of the purposes listed above, and (6) for operating and maintaining the county health department and the county human resources department.
- ◆ **Reappraisal Fund** – This fund is used to account for the expenditures of property taxes for the 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.

Notes to the Financial Statements

For the Year Ended September 30, 2022

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

Governmental Fund Types

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

The Commission reports the following fiduciary fund type:

Fiduciary Fund Type

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

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

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2022

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

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 and 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. Investments are reported at fair value, with the exception of certificates of deposit, which are reported at cost, and money market funds, which are reported at amortized cost.

2. Receivables

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

Millage rates for property taxes are levied by the Commission. Property is assessed for taxation as of October 1 of the preceding year based on the millage rates established by the 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.

Notes to the Financial Statements

For the Year Ended September 30, 2022

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. Restricted Assets

Certain general obligation warrants, as well as certain resources set aside for their repayment, shown in cash are considered restricted assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Various debt service accounts are used to segregate resources accumulated for debt service payments. Cash with fiscal agent is restricted for debt service.

5. 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 and proprietary funds are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings and Building Improvements	\$100,000	20 – 40 years
Equipment and Furniture	\$ 5,000	5 – 10 years
Road	\$250,000	20 years
Bridges	\$ 5,000	40 years

Notes to the Financial Statements

For the Year Ended September 30, 2022

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.

6. 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.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. 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 or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Compensated Absences

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

Annual Leave

For the first year through the fifth year of consecutive service, each employee is credited with five days of annual leave per year. For each consecutive year from the fifth year forward each employee is credited with ten days of annual leave per year. Up to five days of unused annual leave credits may be accumulated and carried over into successive years by employees. Upon separation or retirement, employees are paid up to fifteen days for accrued annual leave.

Notes to the Financial Statements

For the Year Ended September 30, 2022

Sick Leave

Sick leave benefits with pay are provided for permanent full-time employees in the amount of one day per month, which is equivalent to twelve days per year. Up to one hundred thirty days of unused sick leave credits may be accumulated and carried over into successive fiscal years by employees. All unused sick leave is forfeited upon separation.

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 compensatory leave. 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. Accumulated compensatory leave is paid to employees upon separation from County service.

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.

9. 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.

Notes to the Financial Statements

For the Year Ended September 30, 2022

10. Net Position/Fund Balances

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

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

Fund balance is reported in 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 includes 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.

Notes to the Financial Statements

For the Year Ended September 30, 2022

D. Assigned fund balances consist of amounts that are intended to be used by the Commission for specific purposes. County Commission policy authorizes the Commission Chairman or County Manager to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority to remove the constraint.

E. Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the General Fund is available to finance operating expenditures.

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

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 purposes of measuring the total 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 Chambers County Retiree Benefits Plan (CCRBP) and additions to/deductions from CCRBP's fiduciary net position have been determined on the same basis as they are reported by CCRBP. For this purpose, CCRBP recognizes benefit payments when due and payable in accordance with the benefit terms. CCRBP 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.

Notes to the Financial Statements

For the Year Ended September 30, 2022

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 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.

All of the Commission's investments were in certificates of deposit. These certificates of deposit are classified as "Deposits" in order to determine insurance and collateralization. However, they are classified as "Investments" on the financial statements.

Notes to the Financial Statements

For the Year Ended September 30, 2022

B. Cash with Fiscal Agent

The Commission has deposits totaling \$228,589 in the debt service funds, which is shown as restricted cash with fiscal agent on the fund financial statements and on the government-wide financial statements. These funds are invested in First American Government Obligations Money Market Funds and are valued at amortized cost. This money market fund invests primarily in U. S. Government securities and repurchase agreements collateralized by such obligations. First American Government Obligations are rated AAAm by Standard & Poor's with an average maturity of 40 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 interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Governments are required to 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, 2022, 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.

Notes to the Financial Statements

For the Year Ended September 30, 2022

Note 4 – Unearned Revenues

Governmental funds defer revenue recognition in connection with resources that have been received but not yet earned. At September 30, 2022, the various components of unearned revenue reported in the governmental funds were as follows:

Unearned
Unexpended Coronavirus State and Local Fiscal Recovery Funds
Unexpended Reappraisal Funds
Total Unearned Revenue for Governmental Funds

Note 5 – Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Balance 10/01/2021, as Restated (*)	Additions/ Reclassifications	Reductions/ Reclassifications	Balance 09/30/2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land and Improvements – Inexhaustible	\$ 426,770.00	\$ 1,023,690.00	\$	\$ 426,770.00
Construction in Progress				1,023,690.00
Total Capital Assets, Not Being Depreciated	426,770.00	1,023,690.00		1,450,460.00
Capital Assets Being Depreciated:				
Infrastructure	16,645,283.00			16,645,283.00
Buildings and Improvements	18,878,079.00			18,878,079.00
Equipment and Furniture	8,366,925.00	1,329,645.00	(647,760.00)	9,048,810.00
Total Capital Assets Being Depreciated	43,890,287.00	1,329,645.00	(647,760.00)	44,572,172.00
Less Accumulated Depreciation for:				
Infrastructure	(6,798,270.00)	(669,747.00)		(7,468,017.00)
Buildings and Improvements	(7,931,723.00)	(454,186.00)		(8,385,909.00)
Equipment and Furniture	(4,161,451.00)	(346,742.00)	93,340.00	(4,414,853.00)
Equipment Under Capital Lease	(1,542,185.00)	(503,918.00)	203,731.00	(1,842,371.00)
Total Accumulated Depreciation	(20,433,628.00)	(1,974,593.00)	297,071.00	(22,111,150.00)
Total Capital Assets Being Depreciated, Net	23,456,659.00	(644,948.00)	(350,689.00)	22,461,022.00
Total Governmental Activities Capital Assets, Net	\$ 23,883,429.00	\$ 378,742.00	\$ (350,689.00)	\$ 23,911,482.00

(*) Assets and related depreciation previously classified as Assets Under Capital Leases were reclassified to Equipment and Furniture due to the implementation of GASB Statement Number 87, **Leases**.

Notes to the Financial Statements

For the Year Ended September 30, 2022

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

	Current Year Depreciation Expense
<u>Governmental Activities:</u>	
General Government	\$ 173,324.00
Public Safety	490,591.00
Highway and Roads	1,303,810.00
Sanitation	6,868.00
Total Depreciation Expense – Governmental Activities	<u>\$1,974,593.00</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 plan (the "Plan"), was established October 1, 1945 under the provisions of Act Number 515, Acts of Alabama 1945, for the purpose of providing retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 15 trustees. Effective October 1, 2021, 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.

Notes to the Financial Statements

For the Year Ended September 30, 2022

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 full-time employee of a participating municipality or city in ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6.
 - d. One full-time employee of a participating county in ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6.
 - e. One full-time employee or retiree of a participating employer in ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6.
 - f. One full-time employee of a participating employer other than a municipality, city or county in ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6.

Benefits Provided

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

Notes to the Financial Statements

For the Year Ended September 30, 2022

Act Number 2012-377, Acts of Alabama, established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. 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 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 590 employers adopted Act Number 2019-132, Acts of Alabama.

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 879 local participating employers. The ERS membership includes approximately 104,510 participants. As of September 30, 2021, membership consisted of:

Retirees and beneficiaries currently receiving benefits	29,727
Terminated employees entitled to but not yet receiving benefits	2,130
Terminated employees not entitled to a benefit	16,415
Active Members	56,184
Post-DROP participants who are still active service	54
Total	104,510

Notes to the Financial Statements

For the Year Ended September 30, 2022

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 firefighters and law enforcement officers 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, 2022, the Commission's active employee contribution rate was 6.93% of covered employee payroll, and the Commission's average contribution rate to fund the normal and accrued liability costs was 5.95% of pensionable payroll.

Notes to the Financial Statements

For the Year Ended September 30, 2022

The Commission's contractually required contribution rate for the year ended September 30, 2022 was 6.39% of pensionable pay for Tier 1 employees, and 5.14% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2019, 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 \$342,224.00 for the year ended September 30, 2022.

B. Net Pension Liability

The Commission's net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2020, rolled forward to September 30, 2021, using standard roll-forward techniques as shown in the following table:

	Total Pension Liability Roll-Forward			
	Expected	Actual Before Act 2019-132	Actual After Act 2019-132	Actual After 2020 Experience Study
(a) Total Pension Liability as of September 30, 2020	\$15,405,533	\$15,526,738	\$15,526,738	\$16,075,405
(b) Discount Rate	7.70%	7.70%	7.70%	7.45%
(c) Entry Age Normal Cost for the period October 1, 2019 through September 30, 2020	401,012	401,012	401,012	440,413
(d) Transfers Among Employers		(38,201)	(38,201)	(38,201)
(e) Actual Benefit Payments and Refunds for the period October 1, 2019 through September 30, 2021	(1,065,033)	(1,065,033)	(1,065,033)	(1,065,033)
(f) Total Pension Liability as of September 30, 2021 = [(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))]	\$15,886,734	\$15,979,071	\$15,979,071	\$16,570,530
(g) Difference between Expected and Actual		\$ 92,337		
(h) Less Liability Transferred for Immediate Recognition		(38,201)		
(i) Difference between Expected and Actual – Experience (Gain)/Loss		\$ 130,538		
(j) Difference between Actual TPL Before and After 2020 Experience Study – Assumption Change (Gain)/Loss				\$ 591,459

Notes to the Financial Statements

For the Year Ended September 30, 2022

Actuarial Assumptions

The total pension liability as of September 30, 2021 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2020. 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 (*)	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	Public Safety Healthy Below Median	Male: +1, Female: none	None
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: +2	None
Non-FLC Disabled Retirees	General Disability	Male: +7, Female: +3	None
FLC/State Police Disabled Retirees	Public Safety Disability	Male: +7, Female: none	None

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

Notes to the Financial Statements

For the Year Ended September 30, 2022

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%
Total	<u>100.00%</u>	

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

Discount Rate

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

Notes to the Financial Statements
For the Year Ended September 30, 2022

C. Changes in Net Pension Liability

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2020	\$15,405,533	\$11,514,448	\$ 3,891,085
Changes for the Year:			
Service cost	401,012		401,012
Interest	1,145,222		1,145,222
Changes of assumptions	591,459		591,459
Differences between expected and actual experience	130,538		130,538
Contributions – employer		273,526	(273,526)
Contributions – employee		357,473	(357,473)
Net investment income		2,504,528	(2,504,528)
Benefit payments, including refunds of employee contributions	(1,065,033)	(1,065,033)	
Transfers among employers	(38,201)	(38,201)	
Net Changes	1,164,997	2,032,293	(867,296)
Balances at September 30, 2021	\$16,570,530	\$13,546,741	\$ 3,023,789

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 Rate (7.45%)	1% Increase (8.45%)
Commission's Net Pension Liability	\$4,977,153	\$3,023,789	\$1,383,258

Notes to the Financial Statements

For the Year Ended September 30, 2022

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Annual Comprehensive Report for the fiscal year ended September 30, 2021. The supporting actuarial information is included in the GASB Statement Number 68 Report for the ERS prepared as of September 30, 2021. The auditor's report dated August 19, 2022 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.

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

For the year ended September 30, 2022, the Commission recognized pension expense of \$253,141.00. At September 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 319,865	\$
Changes of assumptions	484,035	
Net difference between projected and actual earnings on pension plan investments		974,905
Employer contributions subsequent to the measurement date	342,224	
Total	\$1,146,124	\$974,905

The \$342,224.00 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

Year Ending:	
September 30, 2023	\$ 35,032
2024	\$ 78,420
2025	\$ (64,769)
2026	\$ (219,688)
2027	\$ 0
Thereafter	\$ 0

Notes to the Financial Statements

For the Year Ended September 30, 2022

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

The Commission provides medical benefits to eligible retirees on a cost sharing basis. The Commission pays the cost of single coverage in excess of a \$10 monthly premium paid by the retiree. For fiscal year 2022, the Commission contributed \$165 towards the monthly cost of premiums of eligible retirees. For fiscal year 2022, the Commission contributed \$78,206 to cover 23 participants.

The retiree must be eligible for retirement under the Retirement System of Alabama and have at least 25 years of credited service to continue in the health plan. All eligible retirees pay the full additional cost of any elected dependent coverage.

The Commission's contributions were on a pay-as-you-go basis as of September 30, 2022. The Commission does not anticipate setting up a trust fund within the next two years to fund its postemployment medical insurance plans.

C. Employee's Covered by Benefit Terms

At September 30, 2021, the following employees were covered by the benefit terms:

Status	Employee Only	Employee and Dependent	Total
Active Employees	112	12	124
Retired Employees	23		23
Total Membership	135	12	147

Notes to the Financial Statements

For the Year Ended September 30, 2022

D. Total OPEB Liability

The Commission's total OPEB liability of \$2,796,377, as of the reporting date of September 30, 2022, was measured as of September 30, 2022, and was determined by an actuarial valuation as of September 30, 2022.

E. Actuarial Methods and Assumptions

The total OPEB Plan liability in the September 30, 2022, 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	4.77% (2.27% real rate of return plus 2.50% inflation)
Healthcare Cost Trend Rates	Level 4.50%

Mortality rates were based on the RPH-2014 total mortality table with the MP-2021 mortality projection used as a current available projection scale.

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 is trending down preceding the measurement date.

F. Changes in the Total OPEB Liability

Total OPEB Liability as of September 30, 2021	\$ 4,068,819
Changes for the Year:	
Service Cost	149,413
Interest Cost	94,030
Difference Between Expected and Actual Experience	14,123
Changes in Assumptions	(1,451,802)
Benefit Payments	(78,206)
Total OPEB Liability as of September 30, 2022	<u>\$ 2,796,377</u>

Notes to the Financial Statements

For the Year Ended September 30, 2022

G. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Commission, calculated using the health care cost trend rates, as well as what the Commission's total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate of 4.50%.

	1% Decrease (3.50%)	Current (4.50%)	1% Increase (5.50%)
Total OPEB Liability	\$2,391,837	\$2,796,377	\$3,308,049

H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Commission, calculated using the discount rate of 4.77%, as well as what the Commission's total OPEB liability would be if it were calculated using a Discount Rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (3.77%)	Current (4.77%)	1% Increase (5.77%)
Total OPEB Liability	\$3,257,590	\$2,796,377	\$2,424,546

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the Commission recognized OPEB income of \$461,998. At September 30, 2022, the Commission reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$12,230	\$ 80,257
Changes of assumptions or other inputs		3,376,508
Total	\$12,230	\$3,456,765

Notes to the Financial Statements

For the Year Ended September 30, 2022

Amounts reported as Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB Expense as follows:

Year Ending:	
September 30, 2023	\$(705,441)
2024	\$(705,441)
2025	\$(705,441)
2026	\$(705,441)
2027	\$(341,406)
Thereafter	\$(281,365)

Note 8 – Contingent Liabilities

Under the provisions of the ***Code of Alabama 1975***, Section 36-22-60, a sheriff is eligible to become a supernumerary sheriff upon retirement after sixteen (16) years of service credit as a law enforcement officer, twelve (12) of which have been as a sheriff, and who has attained the age of fifty-five (55) years. The County Sheriff, who has elected to participate in this retirement plan, makes monthly contributions out of his salary as required by law. The Commission has a responsibility to properly manage these funds in order to provide the necessary monthly payments to the Sheriff when he retires. Should the Sheriff decide to withdraw from the plan for whatever reason, the Commission is obligated to refund the Sheriff's total contribution which at September 30, 2022, amounted to \$103,116.25.

Note 9 – Long-Term Debt

The Commission issued \$5,345,000 Series 2017 General Obligation Warrants (the “Series 2017 Warrants”) in order to refund and retire the General Obligation Warrants, dated May 1, 2008 of the County (the “Series 2008 Warrants”). The Series 2008 Warrants were issued in order to provide funding for the construction of infrastructure facilities to encourage economic development in the County and were originally issued in the aggregate principal amount of \$7,215,000. By the issuance of the Series 2017 Warrants, the County reduced its annual interest cost with respect to the Series 2008 Warrants. The Commission pledged to repay the Series 2017 Warrants from the portion of the special sales and use tax (the “Special County Sales Tax”) that is authorized to be levied in certain unincorporated areas of the County pursuant to the provisions of Act Number 2006-396 enacted at the 2006 Regular Session of the Alabama Legislature (the “Special County Sales Tax Act”). The Series 2017 Warrants will mature in fiscal year 2028.

Notes to the Financial Statements

For the Year Ended September 30, 2022

The Commission issued \$6,535,000 Series 2018 General Obligation Warrants (the “Series 2018 Warrants”) for the purpose of constructing improvements to the county jail in the County as well as needed energy related improvements of public buildings owned by the County. The Series 2018 Warrants were issued under Chapter 28, Title 11, ***Code of Alabama 1975***, as well as a resolution of the Chambers County Commission (the “Commission”), the governing body of the County (the “Authorizing Resolution”). The Series 2018 Warrants constitute a general obligation indebtedness of the County for the payment of the principal of and the interest on which the County will irrevocably pledge its full faith and credit. In addition, the County will pledge for such payment the proceeds of the Special County Ad Valorem Tax (the “Special County Tax”) levied pursuant to Section 215 of the Constitution of the State of Alabama at the rate of 4.1 mills on each one dollar of taxable property in the County. The Series 2018 Warrants were issued for the aforesaid authorized purposes and are primarily payable from the proceeds of the Special County Tax. If those proceeds are not sufficient for such payment, then such payment shall be made from the general revenues of the County. The Series 2018 Warrants will mature in fiscal year 2038.

In 2021, the Commission issued \$5,650,000 Series 2021 Gasoline Tax Warrants (the “Series 2021 Warrants”) for the purpose of refunding and retiring the State Gasoline Tax Warrants, Series 2012 and for constructing and improving certain roads and bridges in the County. The Commission pledged to repay the Series 2021 Warrants from the County’s share of the net proceeds of the excise tax levied by the State of Alabama pursuant to the State Gasoline Tax Act, on the sales, consumption, distribution, storage, and withdrawal from the storage of gasoline, as those terms are defined in the State Gasoline Tax Act. The Series 2021 warrants will mature in fiscal year 2042.

The Commission is obligated under several notes from direct borrowing for equipment and vehicles. Payments on the notes from direct borrowing are made by the General Fund and the Gasoline Tax Fund.

The Commission is obligated under a note payable for a vehicle. Payments on the note are made by the General Fund.

The compensated absences liabilities attributable to the governmental activities will be liquidated by two of the Commission’s governmental funds. In the past, approximately 75% has been paid by the General Fund and 25% by the Gasoline Tax Fund.

Notes to the Financial Statements

For the Year Ended September 30, 2022

The following is a summary of long-term debt transactions for the Commission for the year ended September 30, 2022:

	Debt Outstanding 10/01/2021	Issued/ Increased	Repaid/ Decreased	Debt Outstanding 09/30/2022	Amounts Due Within One Year
Governmental Activities:					
Warrants Payable:					
General Obligation Warrants 2018	\$5,765,000.00	\$	\$ (265,000.00)	\$ 5,500,000.00	\$ 275,000.00
General Obligation Refunding Warrants 2017	3,435,000.00		(460,000.00)	2,975,000.00	465,000.00
Gasoline Tax Warrant 2012	2,245,000.00		(2,245,000.00)		
Gasoline Tax Warrant 2021		5,650,000.00	(230,000.00)	5,420,000.00	235,000.00
Less Deferred Amounts:					
Unamortized Discount	(132,148.00)		10,836.00	(121,312.00)	(10,836.00)
Net Warrants Payable	<u>11,312,852.00</u>	<u>5,650,000.00</u>	<u>(3,189,164.00)</u>	<u>13,773,688.00</u>	<u>964,164.00</u>
Notes from Direct Borrowing:					
Notes from Direct Borrowing (*)	2,047,070.00	1,005,839.00	(797,364.00)	2,255,545.00	404,704.00
Total Notes from Direct Borrowing	<u>2,047,070.00</u>	<u>1,005,839.00</u>	<u>(797,364.00)</u>	<u>2,255,545.00</u>	<u>404,704.00</u>
Other Liabilities:					
Retiree Health Insurance	4,068,819.00		(1,272,442.00)	2,796,377.00	
Net Pension Liability	3,891,085.00		(867,296.00)	3,023,789.00	
Compensated Absences	220,399.00	116,168.00	(787.00)	335,780.00	8,371.00
Total Other Liabilities	<u>8,202,303.00</u>	<u>116,168.00</u>	<u>(2,140,525.00)</u>	<u>6,155,946.00</u>	<u>16,766.00</u>
Total Governmental Activities					
Long-Term Liabilities	\$21,540,225.00	\$6,772,007.00	\$(6,127,053.00)	\$22,185,179.00	\$1,377,239.00
(*) Amounts previously reported as Capital Leases totaling \$2,024,620.00 were reclassified to Notes from Direct Borrowing due to the implementation of GASB Statement Number 87, Leases .					

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

Fiscal Year Ending	Warrants Payable		Notes from Direct Borrowing		Total Principal and Interest Requirements to Maturity
	Principal	Interest	Principal	Interest	
September 30, 2023	\$ 975,000.00	\$ 371,158.76	\$ 404,704.21	\$ 58,847.86	\$ 1,809,710.83
2024	995,000.00	349,121.26	562,644.97	59,368.01	1,966,134.24
2025	1,020,000.00	325,571.26	1,116,138.79	42,578.47	2,504,288.52
2026	1,045,000.00	300,583.76	84,360.42	6,795.70	1,436,739.88
2027	1,075,000.00	273,852.50	87,696.82	3,463.46	1,440,012.78
2028-2032	3,550,000.00	1,011,345.50			4,561,345.50
2033-2037	3,465,000.00	550,500.00			4,015,500.00
2038-2041	1,770,000.00	93,935.00			1,863,935.00
Total	<u>\$13,895,000.00</u>	<u>\$3,276,068.04</u>	<u>\$2,255,545.21</u>	<u>\$171,053.50</u>	<u>\$19,597,666.75</u>

Notes to the Financial Statements

For the Year Ended September 30, 2022

Discounts

The Commission has warrant discounts in connection with the Series 2017 and 2018 General Obligation Warrants. The bond discount is being amortized using the straight-line method over the length of the debt.

The following is a summary of those amortization expenses and remaining unamortized balances of warrant discounts and loss on refunding:

	Discount
Total Discount	\$229,184.00
Amount Amortized in Prior Years	(97,036.00)
Balance October 1, 2020	132,148.00
Current Year Amortization	(10,836.00)
Balance September 30, 2021	<u><u>\$121,312.00</u></u>

Pledged Revenues

The Commission issued \$5,345,000 Series 2017 General Obligation Warrants (the “Series 2017 Warrants”) in order to refund and retire the General Obligation Warrants, dated May 1, 2008, of the County (the “Series 2008 Warrants”). The Series 2008 Warrants were issued in order to provide funding for the construction of infrastructure facilities to encourage economic development in the County and were originally issued in the aggregate principal amount of \$7,215,000. By the issuance of the Series 2017 Warrants, the County reduced its annual interest cost with respect to the Series 2008 Warrants. The Commission pledged to repay the Series 2017 Warrants from the portion of the special sales and use tax (the “Special County Sales Tax”) that is authorized to be levied in certain unincorporated areas of the County pursuant to the provisions of Act Number 2006-396 enacted at the 2006 Regular Session of the Alabama Legislature (the “Special County Sales Tax Act”). Future revenues of \$3,261,045.50 are pledged to repay the principal and interest on the Series 2017 Warrants at September 30, 2022. The portion of the proceeds of the Special County Sales Tax designated for the construction and maintenance of county infrastructure items related to the development of industrial, economic, commercial, recreational, and public welfare projects of \$1,430,960.26 were received by the Commission during the fiscal year ended September 30, 2022, of which \$546,091.18 as used to pay the principal and interest on the Series 2017 Warrants. The Series 2017 Warrants will mature in fiscal year 2028.

Notes to the Financial Statements

For the Year Ended September 30, 2022

The Commission issued \$6,535,000 Series 2018 General Obligation Warrants (the “Series 2018 Warrants”) for the purpose of constructing improvements to the county jail in the County as well as needed energy related improvements of public buildings owned by the County. The Series 2018 Warrants were issued under Chapter 28, Title 11, ***Code of Alabama 1975***, as well as a resolution of the Chambers County Commission (the “Commission”), the governing body of the County (the “Authorizing Resolution”). The Series 2018 Warrants constitute a general obligation indebtedness of the County for the payment of the principal of and the interest on which the County irrevocably pledged its full faith and credit. In addition, the County pledged, for such payment, the proceeds of the Special County Ad Valorem Tax (the “Special County Tax”) levied pursuant to Section 215 of the Constitution of the State of Alabama at the rate of 4.1 mills on each one dollar of taxable property in the County. The Series 2018 Warrants were issued for the aforesaid authorized purposes and are primarily payable from the proceeds of the Special County Tax. If those proceeds are not sufficient for such payment, then such payment shall be made from the general revenues of the County. Future revenues in the amount of \$7,261,167.54 are pledged to repay the principal and interest on the Series 2018 Warrants at September 30, 2022. Proceeds of the special ad valorem tax in the amount of \$1,520,783.25 were received by the Commission during the fiscal year ended September 30, 2022, of which \$452,697.34 was used to pay the principal and interest on the Series 2018 Warrants. The Series 2018 Warrants will mature in fiscal year 2038.

The Commission issued \$5,650,000 Series 2021 State Gasoline Tax Warrants (the “Series 2021 Warrants”) in order to refund and retire the State Gasoline Tax Warrants, Series 2012, dated November 1, 2012, of the County (the “Series 2012 Warrants”). The Series 2012 Warrants were issued in order to provide funding for the construction and improvement of certain roads and bridges in the County and were originally issued in the aggregate principal amount of \$3,110,000. By the issuance of the Series 2021 Warrants, the County reduced its annual interest cost with respect to the Series 2012 Warrants. The Commission pledged to repay the Series 2021 Warrants from the portion of the State’s Gasoline Taxes (the “Gasoline Tax”). Future revenues of \$6,648,855.00 are pledged to repay the principal and interest on the Series 2021 Warrants at November 1, 2021. The portion of the proceeds of the State’s Gasoline Taxes designated for the construction and improvement of certain roads and bridges in the County of \$2,424,617.43 were received by the Commission during the fiscal year ended September 30, 2022, of which \$337,181.28 was used to pay the principal and interest on the Series 2021 Warrants. The Series 2021 Warrants will mature in fiscal year 2041.

Notes to the Financial Statements

For the Year Ended September 30, 2022

Defeased Debt

On October 7, 2021, the Commission issued \$5,650,000 in State Gasoline Tax Warrants, Series 2021 for the purpose of (1) refunding and redeeming, on a current basis on November 15, 2021, the State Gasoline Tax Warrants, Series 2012 and (2) funding the cost of various road and bridge improvements in the County. The net proceeds of \$5,440,194.24 (after payment of \$239,430.56 in issuance costs and original issue premium of \$29,624.80) and existing resources in the amount of \$325,185.00 were used to refund the State Gasoline Tax Warrants, Series 2012, for a total of \$2,271,787.25. (The remaining proceeds of \$3,493,591.99 were set aside for the road and bridge projects.) As a result, the State Gasoline Tax Warrants, series 2012, are considered to be defeased and the liability for those warrants has been removed. The Commission increased its total debt service payments by approximately \$311,311.24 which resulted in an economic loss (difference between present values of the debt service payments on the old and new debt) of \$162,708.75.

Note 10 – 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. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Notes to the Financial Statements

For the Year Ended September 30, 2022

The Commission has employee health insurance coverage through the Local Government Health Insurance Program, administered by the State Employee's Health Insurance Board (SEHIB). The program functions as a public entity risk pool. This program is self-sustaining through member premiums. Monthly premiums are determined annually by the program's actuary and are based on the pool's claims experience, considering any remaining fund balance on hand available for claims.

Note 11 – Interfund Transactions

Interfund Receivables and Payables

The amounts of interfund payables and receivables during the fiscal year ended September 30, 2022, were as follows:

		Interfund Receivables	
		General Fund	Totals
Interfund Payables:			
	Other Governmental Funds	\$8,275.00	\$8,275.00
	Total	<u>\$8,275.00</u>	<u>\$8,275.00</u>

Interfund Transfers

The amounts of interfund transfers during the fiscal year ended September 30, 2022, were as follows:

	Transfers Out				Totals
	General Fund	Capital Improvement Fund	Other Governmental Funds		
Transfers In:					
General Fund	\$		\$137,129.00	\$824,755.00	\$ 961,884.00
Other Governmental Funds		1,561,790.00			1,561,790.00
Totals		<u>\$1,561,790.00</u>	<u>\$137,129.00</u>	<u>\$824,755.00</u>	<u>\$2,523,674.00</u>

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

Notes to the Financial Statements

For the Year Ended September 30, 2022

Note 12 – Related Organizations

A majority of the members of the Boards of the organizations listed below are appointed by the Chambers County Commission. The Commission, however, is not financially accountable, because it does not impose its will and have a financial benefit or burden relationship for the organizations, and the organizations are not considered to be part of the Commission's financial reporting entity. The organizations presented below are considered to be related organizations of the County Commission.

Related Organizations
Huguley Water, Sewer and Fire Protection Authority East Alabama Water, Sewer and Fire Protection District Chambers County Development Authority Lee Chambers Water District Board Chambers Water District Board Chambers County Museum Chambers County Library Chambers County E-911 Board

Huguley Water, Sewer and Fire Protection Authority
East Alabama Water, Sewer and Fire Protection District
Chambers County Development Authority
Lee Chambers Water District Board
Chambers Water District Board
Chambers County Museum
Chambers County Library
Chambers County E-911 Board

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Required Supplementary Information

**Schedule of Changes in the Employer's Net Pension Liability
For the Year Ended September 30, 2022**

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 401,012	\$ 357,852	\$ 347,668	\$ 329,171	\$ 334,115	\$ 324,891	\$ 316,970	\$ 302,930
Interest	1,145,222	1,073,870	1,048,450	1,006,620	1,002,991	977,846	950,096	924,378
Difference between expected and actual experience	130,538	250,260	137,247	109,846	(294,086)	(68,878)	16,137	
Changes in benefit terms		267,641						
Changes of assumptions	591,459		67,526		403,093			
Transfers among employers	(38,201)	5,004	(30,052)	277,852	(40,914)	20,302		
Benefit payments, including refunds of employee contributions	(1,065,033)	(990,925)	(1,355,425)	(971,423)	(939,158)	(937,857)	(934,795)	(876,862)
Net change in total pension liability	1,164,997	963,702	147,888	819,592	62,948	719,397	348,408	350,446
Total pension liability - beginning	15,405,533	14,441,831	14,293,943	13,474,351	13,411,403	12,692,006	12,343,598	11,993,152
Total pension liability - ending (a)	\$ 16,570,530	\$ 15,405,533	\$ 14,441,831	\$ 14,293,943	\$ 13,474,351	\$ 13,411,403	\$ 12,692,006	\$ 12,343,598
Plan fiduciary net position								
Contributions - employer	\$ 273,526	\$ 233,888	\$ 265,518	\$ 232,444	\$ 245,499	\$ 292,026	\$ 251,477	\$ 212,808
Contributions - employee	357,473	317,499	314,721	319,582	282,124	285,038	277,071	304,161
Net investment income	2,504,528	634,146	293,349	1,007,811	1,269,767	953,249	114,182	1,072,904
Benefit payments, including refunds of employee contributions	(1,065,033)	(990,925)	(1,355,425)	(971,423)	(939,158)	(937,857)	(934,795)	(876,862)
Transfers among employers	(38,201)	5,004	(30,052)	277,852	(40,914)	20,302	(10,142)	(4,592)
Net change in plan fiduciary net position	2,032,293	199,612	(511,889)	866,266	817,318	612,758	(302,207)	708,419
Plan fiduciary net position - beginning	11,514,448	11,314,836	11,826,725	10,960,459	10,143,141	9,530,383	9,832,590	9,124,171
Plan fiduciary net position - ending (b)	\$ 13,546,741	\$ 11,514,448	\$ 11,314,836	\$ 11,826,725	\$ 10,960,459	\$ 10,143,141	\$ 9,530,383	\$ 9,832,590
Commission's net pension liability - ending (a) - (b)	\$ 3,023,789	\$ 3,891,085	\$ 3,126,995	\$ 2,467,218	\$ 2,513,892	\$ 3,268,262	\$ 3,161,623	\$ 2,511,008
Plan fiduciary net position as a percentage of the total pension liability	81.75%	74.74%	78.35%	82.74%	81.34%	75.63%	75.09%	79.66%
Covered payroll (*)	\$ 5,326,524	\$ 4,438,028	\$ 4,310,569	\$ 4,102,735	\$ 3,872,869	\$ 3,713,233	\$ 3,542,047	\$ 3,835,278
Commission's net pension liability as a percentage of covered payroll	56.77%	87.68%	72.54%	60.14%	64.91%	88.02%	89.26%	65.47%

(*) Employer's covered payroll during the measurement period is the total covered payroll. For fiscal year 2022, the measurement period is October 1, 2020 through September 30, 2021. GASB issued a statement "Pension Issues" in March 2016 to redefine covered payroll beginning with fiscal year 2017.

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 - Pension
For the Year Ended September 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (*)	\$ 342,224	\$ 273,526	\$ 233,888	\$ 265,518	\$ 232,444	\$ 245,499	\$ 292,026	\$ 251,477	\$ 212,808
Contributions in relation to the actuarially determined contribution	\$ 342,224	\$ 273,526	\$ 233,888	\$ 265,518	\$ 232,444	\$ 245,499	\$ 292,026	\$ 251,477	\$ 212,808
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Covered payroll (**)	\$ 5,748,229	\$ 5,326,524	\$ 4,438,028	\$ 4,310,569	\$ 4,102,735	\$ 3,872,869	\$ 3,713,233	\$ 3,542,047	\$ 3,835,278
Contributions as a percentage of covered payroll	5.95%	5.14%	5.27%	6.16%	5.67%	6.34%	7.86%	7.10%	5.55%

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

(**) Employer's covered payroll for fiscal year 2022 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 2022 were based on the September 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	27.9 years
Asset valuation method	Five year smoothed market
Inflation	2.75%
Salary increases	3.25 - 5.00%, including inflation
Investment rate of return	7.70%, net of pension plan investment expense, including inflation

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

Schedule of Changes in the Employer's Other Postemployment Benefits (OPEB) Liability
For the Year Ended September 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 149,413	\$ 149,413	\$ 220,950	\$ 220,950	\$ 212,329
Interest	94,030	90,628	300,995	276,835	271,814
Benefit payments	(78,206)	(99,480)	(97,338)	(149,962)	(146,357)
Difference between expected and actual experience	14,123		(136,381)		
Changes in assumptions	(1,451,802)		(3,601,360)		
Net change in total OPEB liability	(1,272,442)	140,561	(3,313,134)	347,823	337,786
Total OPEB liability - beginning	4,068,819	3,928,258	7,241,392	6,893,569	6,555,783
Total OPEB liability - ending	\$ 2,796,377	\$ 4,068,819	\$ 3,928,258	\$ 7,241,392	\$ 6,893,569
Covered-employee payroll	\$ 4,810,990	\$ 5,326,524	\$ 5,055,306	\$ 4,871,131	\$ 4,056,684
Total OPEB liability as a percentage of covered-employee payroll	58.12%	76.39%	77.71%	148.66%	169.93%

Benefit Changes: There were no changes of benefit terms for the year ended September 30, 2022.

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, 2022

	2022	2021	2020	2019	2018
Contractually required contribution (*)	\$ 66,224	\$ 71,645	\$ 91,251	\$ 114,246	\$ 109,692
Contributions in relation to the contractually determined contribution	<u>\$ 66,224</u>	<u>\$ 71,645</u>	<u>\$ 91,251</u>	<u>\$ 114,246</u>	<u>\$ 109,692</u>
Contribution deficiency (excess)	\$	\$	\$	\$	\$
Covered-employee payroll	\$ 4,810,990	\$ 5,326,524	\$ 5,055,306	\$ 4,871,131	\$ 4,056,684
Contributions as a percentage of covered-employee payroll	1.38%	1.35%	1.81%	2.35%	2.70%

(*) 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.

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Additional Information

Commission Members and Administrative Personnel
October 1, 2021 through September 30, 2022

<u>Commission Members</u>		<u>Term Expires</u>
Hon. David Eastridge	Commissioner	November 2026
Hon. Charlie Williams	Commissioner	November 2028
Hon. Douglas Jones, Jr.	Commissioner	November 2028
Hon. James Williams	Commissioner	November 2026
Hon. Samuel Bradford (*)	Commissioner	November 2028
Hon. Debra Riley (**)	Commissioner	November 2026

Administrative Personnel

Regina Chambers	County Manager	Indefinite
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(*) Chairman November 2020 through November 2021

(**) Chairman November 2021 through November 2022

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

Independent Auditor's Report

Members of the Chambers County Commission and County Manager
LaFayette, 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 Chambers County Commission (the “Commission”), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements, and have issued our report thereon dated October 29, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described below as Finding 2022-001 that we consider to be a significant deficiency.

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

Finding 2022-001

The Governmental Accounting Standards Board's ***Codification of Governmental Accounting and Financial Reporting Standards***, Section 1100.110, provides that revenues should be recognized in the accounting period in which they become available and measurable. The Commission failed to accurately record all revenues and receivables for various gasoline taxes received from the State of Alabama. The Commission did not have procedures in place to ensure all revenues and receivables were properly recorded. As a result, all revenues and receivables were not accurately recorded in the Commission's government-wide financial statements and fund financial statements. This finding was previously reported as Findings 2017-003, 2018-002, 2019-002, 2020-001 and 2021-001.

Recommendation

The Commission should implement internal controls to ensure that financial transactions are completely and accurately recorded.

Views of Responsible Officials

The Commission agrees with the finding.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not 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***.

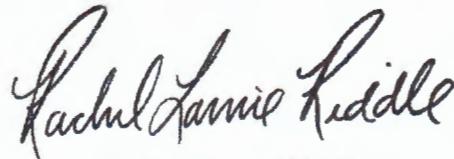
The Commission's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the finding identified in our audit. The Commission's response to the finding identified in our audit are described in the accompanying Auditee Response. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***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***

Purpose of this Report

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



Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

October 29, 2025

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Auditee Response

Chambers County Commission



David Eastridge, District 5

Chairman

Douglas Jones, District 2

Vice Chairman

Regina Chambers, County Manager



Charlie Williams, District 1

James Williams, District 3

Samuel Bradford, District 4

Debra Riley, District 6

Auditee Response

For the Year Ended September 30, 2022

As required by the governmental auditing standards, the Chambers County Commission has prepared and hereby submits the following Auditee Response for the findings which are included in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the year ended September 30, 2022.

Finding	Ref.	No.	Corrective Action Plan Details
2022-001	<i>Finding:</i>		The Governmental Accounting Standards Board's <i>Codification of Governmental Accounting and Financial Reporting Standards</i> , Section 1100.110, provides that revenues should be recognized in the accounting period in which they become available and measurable. The Commission failed to accurately record all revenues and receivables for various gasoline taxes received from the State of Alabama. The Commission did not have procedures in place to ensure all revenues and receivables were properly recorded. As a result, all revenues and receivables were not accurately recorded in the Commission's government-wide financial statements and fund financial statements. This finding was previously reported as Findings 2017-003, 2018-002, 2019-002, 2020-001 and 2021-001.

Recommendation:

The Commission should implement internal controls to ensure that financial transactions are completely and accurately recorded.

Response/Views:

We agree with the finding.

Corrective Action Planned:

The examiner's recommendation and a thorough explanation was provided to the County Manager and the Engineer Department's Administrative Assistant emphasizing the correct way to account for cash, receivables and revenues and how this information should be provided to the entity that is responsible for preparing the financial statements. Both parties will maintain a spreadsheet for receivables and payables to be provided to the agency responsible for the financial statements preparation.

Reason for the Recurrence:

The finding was brought forward from the 2021 exit conference. There was still not a clear understanding of actions to resolve this matter for FY22.

Anticipated Completion Date:

The corrective action is currently in place and was reiterated once more between responsible parties by the County Manager in September 2025.

Contact Person(s):

Regina Chambers, County Manager, Regina.Chambers@chamberscountyal.gov

David W. Eastman
Chairman