



Colbert County Commission

Colbert County, Alabama

October 1, 2023 through September 30, 2024

Filed: November 28, 2025

ALABAMA DEPARTMENT OF
EXAMINERS of Public Accounts

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



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

Dear Madam:

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

Respectfully submitted,

Thomas Strawn
Examiner of Public Accounts

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Department of **Examiners of Public Accounts**

SUMMARY

Colbert County Commission October 1, 2023 through September 30, 2024

The Colbert County Commission (the “Commission”) is governed by a six-member body elected by the citizens of Colbert County. The members and administrative personnel in charge of governance of the Commission are listed on Exhibit 21. 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 Colbert County.

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

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

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

EXIT CONFERENCE

Commission members and administrative personnel, as reflected on Exhibit 21, were invited to discuss the results of this report at an exit conference. Individuals in attendance were Roger Creekmore, County Administrator; and Commissioners: Darol Bendall, Tori Bailey, W. Tyrus Mansell and David C. Isom. Also in attendance were the following representatives from the Department of Examiners of Public Accounts: Denise H. Olive, Audit Manager; Thomas Strawn, Examiner; and Timothy Posey, Examiner.

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Independent Auditor's Report

Independent Auditor's Report

Members of the Colbert County Commission and County Administrator
Tuscumbia, Alabama

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States (**Government Auditing Standards**). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Colbert County Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Colbert 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 Colbert 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 Colbert County Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

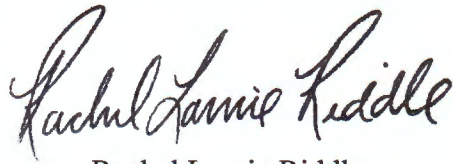
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), the Schedule of Changes in the Employer's Net Pension Liability, the Schedule of Changes in the Employer's Other Postemployment Benefits (OPEB) Liability, the Schedules of the Employer's Contributions and the Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Exhibits 12 through 19), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Colbert County Commission's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (Exhibit 20), as required by Title 2 U. S. *Code of Federal Regulations* Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)***, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated November 6, 2025, on our consideration of the Colbert County Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Colbert 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 Colbert County Commission's internal control over financial reporting and compliance.

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

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

November 6, 2025

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Management's Discussion and Analysis
(Required Supplementary Information)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis provide an overview of the financial activities and financial position for the Colbert County Commission for the fiscal year ended September 30, 2024. Please read it in conjunction with the County's basic financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

- ◆ The County's net position decreased by \$718,011.01 as a result of the current year's operations. Net position of governmental activities increased by \$1,370,995.31; and the net position for business-type activities decreased by \$2,089,006.32.
- ◆ The County's governmental fund type balances increased by \$755,199.52. Total revenues from all sources were \$29,828,657.78 while total costs of all programs were \$34,186,271.34.
- ◆ Governmental Fund Type expenditures exceeded revenues by \$4,357,613.56.

REPORT LAYOUT

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

- ◆ Government-wide financial statements provide information for the County as a whole and present a longer-term view of the County's finances.
- ◆ Fund financial statements provide detailed information for the County's significant funds. Governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.
- ◆ Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses.
- ◆ The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.
- ◆ Notes to the financial statements provide additional information that is essential to understanding the County's financial condition.

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

Government-Wide Financial Statements

The *government-wide financial statements* are designed to present a broad overview of the County's financial position in a manner similar to a private-sector business. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

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

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

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

Fund Financial Statements

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

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

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

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

Notes to the Financial Statements

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The following two tables (A-1 and A-2) present condensed information on the County's Net Position and Changes in Net Position for the fiscal year ended September 30, 2024. Comparative information for the prior fiscal year is included.

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. In the County's case, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,589,864.44 at the close of the fiscal year.

The largest portion of the County's Net Position (66%) reflects its investment in capital assets (e.g., land, buildings, equipment, construction in progress); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TABLE A-1
COUNTY'S NET POSITION

| | Governmental Activities 2023 | Governmental Activities 2024 | Business-Type Activities 2023 | Business-Type Activities 2024 | TOTAL 2023 | TOTAL 2024 |
|-------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|---------------|---------------|
| Current and Other Assets | \$55.631 | \$52.977 | \$ 3.895 | \$2.985 | \$59.526 | \$55.962 |
| Capital Assets | 27.854 | 32.061 | 8.783 | 8.146 | 36.637 | 40.673 |
| TOTAL ASSETS | 83.485 | 85.038 | 12.678 | 11.131 | 96.163 | 96.635 |
| Deferred Outflows of Resources | 4.424 | 3.150 | .975 | .695 | 5.399 | 3.845 |
| Long-term Debt Outstanding | 30.290 | 32.858 | 6.015 | 6.270 | 36.305 | 39.128 |
| Other Liabilities | 10.058 | 5.759 | .249 | .294 | 10.307 | 6.053 |
| TOTAL LIABILITIES | 40.348 | 38.617 | 6.264 | 6.564 | 46.612 | 45.181 |
| Deferred Inflows of Resources | 9.484 | 10.123 | .158 | .121 | 9.642 | 10.244 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 25.905 | 29.774 | 5.165 | 5.201 | 31.070 | 34.975 |
| Restricted for: | | | | | | |
| Road Projects | 3.930 | 4.235 | | | 3.930 | 4.235 |
| Capital Projects | 2.759 | 4.254 | | | 2.759 | 4.254 |
| Other Purposes | 1.499 | 1.305 | | | 1.499 | 1.305 |
| Unrestricted | 3.984 | (.120) | 2.066 | (.060) | 6.050 | (.180) |
| TOTAL NET POSITION | \$38.077 | \$39.448 | \$7.231 | \$5.141 | \$45.308 | \$45.589 |
| (Numbers are reflected in millions) | | | | | | |

TABLE A-2
CHANGES IN NET POSITION

| | Governmental Activities 2023 | Governmental Activities 2024 | Business-Type Activities 2023 | Business-Type Activities 2024 | TOTAL 2023 | TOTAL 2024 |
|---------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-----------------|-----------------|
| <u>Revenues:</u> | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$3.685 | 4.313 | \$6.546 | \$6.565 | \$10.231 | \$10.878 |
| Operating Grants and Contributions | 7.016 | 10.991 | | | 7.016 | 10.991 |
| Capital Grants and Contributions | .436 | .459 | | | .436 | .459 |
| General Revenues: | | | | | | |
| Property Taxes - General Purpose | 7.140 | 8.233 | | | 7.140 | 8.233 |
| Property Taxes - Specific Purpose | 1.363 | 1.433 | | | 1.363 | 1.433 |
| County Gasoline Sales Tax | 1.703 | 1.778 | | | 1.703 | 1.778 |
| TVA in Lieu of Taxes | 1.251 | 1.217 | | | 1.251 | 1.217 |
| Miscellaneous Taxes | .382 | .372 | | | .382 | .372 |
| Gain (Loss) on Sale of Capital Assets | .208 | .131 | .137 | | .345 | .131 |
| Donated Capital Assets | 0.00 | .085 | | | 0.00 | .085 |
| Interest Revenue | .032 | .050 | .003 | .002 | .035 | .052 |
| Miscellaneous | .863 | .981 | .471 | .237 | 1.334 | 1.218 |
| Transfers | (.031) | (.026) | .031 | .026 | 0.00 | 0.00 |
| TOTAL REVENUES & TRANSFERS | 24.048 | \$30.017 | 7.188 | 6.83 | 31.236 | 36.847 |
| <u>Expenses:</u> | | | | | | |
| Current: | | | | | | |
| General Government | 5.598 | 6.732 | | | 5.598 | 6.732 |
| Public Safety | 6.995 | 7.665 | | | 6.995 | 7.665 |
| Highways and Roads | 5.668 | 12.034 | | | 5.668 | 12.034 |
| Sanitation | .059 | 0.00 | | | .059 | 0.00 |
| Health | .240 | .305 | | | .240 | .305 |
| Welfare | .428 | .526 | | | .428 | .526 |
| Culture and Recreation | .345 | .363 | | | .345 | .363 |
| Education | .292 | .464 | | | .292 | .464 |
| Water | | | 4.428 | 5.174 | 4.428 | 5.174 |
| Solid Waste | | | 3.340 | 3.745 | 3.340 | 3.745 |
| Interest and Fiscal Charges | .578 | .557 | | | .578 | .557 |
| TOTAL EXPENDITURES | 20.203 | 28.649 | 7.768 | 8.919 | 27.971 | 37.568 |
| Increase (Decrease) in Net Position | | | | | | |
| Change in Net Position | 3.845 | 1.371 | (.580) | (2.089) | 3.265 | (.718) |
| Net Position - Beginning | 34.232 | 38.077 | 7.811 | 7.231 | 42.043 | 45.308 |
| Net Position - Ending | \$38.077 | \$39.448 | \$7.231 | \$5.142 | \$45.308 | \$44.590 |
| (Numbers are reflected in millions) | | | | | | |

The County's total revenues were approximately \$36,847 million. Approximately 27% of the County's revenue comes from property taxes. Another 26% comes from fees charged for services and the majority of the remainder is state and federal aid.

The total cost of all programs and services (excluding transfers) was approximately \$37.568 million. The County's expenses cover a range of services. The majority of the expenses are related to general government (19%), public safety (21%) and highways and roads (32%).

Governmental Activities

Each of the County's three largest programs is identified separately-general government, public safety and highways and roads. The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

The total cost of all governmental activities for the year was \$28.649 million. Revenues exceeded Expenditures by \$1.371 million.

Colbert County had funds that were considered as its major funds as of September 30, 2024. The General Fund had an ending fund balance of \$11,825,259.89, which was an increase from September 30, 2023. The Gasoline Tax Fund had an ending fund balance of \$1,749,442.90 which was an increase from September 30, 2023. The Reappraisal fund and the ARPA Fund had no beginning or ending fund balance. The Construction Fund had an ending balance of \$18,368,809.80, which is a decrease from September 30th, 2023.

Proprietary Activities

The revenues for the water fund and the solid waste fund experienced a slight decrease.

General Fund Budgetary Highlights

The County Commission has established an annual budget process whereby all of the departments submit an annual budget request to the Commission for the coming year's operating expenses. The Commission reviews, adjusts as necessary and then adopts an original budget to fund the operating needs of each department. Throughout the year, the original budget is amended to reflect changes in funding needs. The County has established policies and procedures for amending the budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2024, the Colbert County Commission had invested \$40.207 in capital assets for its governmental and business-type activities. This investment in capital assets includes land, buildings and improvement, equipment and furniture and construction in progress.

TABLE A-3
CAPITAL ASSETS

| | Governmental Activities | | Business-Type Activities | |
|-------------------------------------|-------------------------|-------------------|--------------------------|-------------------|
| | 2023 | 2024 | 2023 | 2024 |
| Land | \$ 650,569.25 | \$650,569.25 | \$ 9,855.79 | \$9,855.79 |
| Infrastructure – Non-Depreciable | \$0.00 | \$0.00 | | \$0.00 |
| Construction in Progress | \$290,606.04 | \$4,547,010.02 | 59,076.00 | \$199,051.43 |
| Infrastructure – Depreciable | \$28,917,152.98 | \$28,917,152.98 | \$22,026,017.25 | \$22,026,017.25 |
| Land Improvement | 837,298.45 | \$837,298.45 | \$0.00 | \$0.00 |
| Buildings and Building Improvements | \$13,669,150.33 | \$13,976,649.33 | \$613,083.89 | \$613,083.89 |
| Equipment and Furniture | \$8,750,192.98 | \$9,297,224.93 | \$3,265,732.29 | \$3,340,732.29 |
| Accumulated Depreciation | \$(25,260,646.82) | \$(26,214,047.46) | \$(17,190,538.78) | \$(18,042,861.15) |
| Total Capital Assets | \$27,854,323.21 | \$32,011,857.50 | \$8,783,226.44 | \$8,145,879.50 |

Long-Term Debt

At year end the County's Governmental Activities had \$34,718,267.41 in outstanding long-term debt, a 7% increase from last year as shown in Table A-4. More detailed information about the County's long-term liabilities is presented in the notes to the financial statements.

TABLE A-4
OUTSTANDING DEBT

| | 2023 | 2024 |
|--|-----------------|-----------------|
| <u>Governmental Activities:</u> | | |
| Warrants from Direct Placement, 2022 | \$486,591.94 | \$370,013.56 |
| General Obligation Warrant, 2021 | 16,585,000.00 | 16,225,000.00 |
| Warrant from Direct Placement, 2019 | 1,200,000.00 | |
| Warrant from Direct Placement, 2023 | 56,453.42 | 4,500,000.00 |
| Premium on Warrants | 943,187.05 | 909,501.80 |
| Compensated Absences | 561,664.09 | 617,092.35 |
| Notes from Direct Borrowing | 1,460,381.95 | 1,311,912.28 |
| Other Post Employment Benefit Obligation | 1,998,830.36 | 2,016,197.96 |
| Net Pension Liability | 8,972,972.18 | 8,768,549.46 |
| TOTAL | \$32,265,080.99 | \$34,718,267.41 |
| <u>Business-Type Activities:</u> | | |
| Warrants from Direct Placement, 2022 | \$86,257.33 | \$505,000.00 |
| Warrants from Direct Placement, 2020 | 485,000.00 | 465,000.00 |
| General Obligation Warrant ,2021 | 2,825,000.00 | 2,730,000.00 |
| Compensated Absences | 147,717.65 | 156,478.16 |
| Premium on Warrants | 222,714.34 | 214,760.26 |
| Other Post Employment Benefit Obligation | 438,767.64 | 442,580.04 |
| Net Pension Liability | 1,969,676.83 | 1,924,803.55 |
| TOTAL | \$6,175,133.79 | \$6,438,622.01 |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property tax revenue is a major resource component for the County. It represents 27% of the resources to operate the governmental activities. In recent years, Colbert County has experienced gradual growth in residential housing developments. As our population grows, we expect our tax base to increase and help provide the additional revenue to fund the increase in demand of services provided to our citizens. Other sources of revenues to finance governmental operations come from fees and charges for services which include permits, licenses and court fees.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions concerning this report or need further information, contact the Colbert County Commission, 201 N. Main Street, Courthouse, Tuscumbia, Alabama 35674.

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Basic Financial Statements

Statement of Net Position
September 30, 2024

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|------------------|
| Assets | | | |
| Current Assets | | | |
| Cash | \$ 41,977,474.69 | \$ 1,873,821.19 | \$ 43,851,295.88 |
| Investments | 500,402.91 | | 500,402.91 |
| Receivables (Note 4) | 1,259,177.21 | 575,202.09 | 1,834,379.30 |
| Ad Valorem Taxes Receivable | 9,109,494.72 | | 9,109,494.72 |
| Inventories | 130,639.43 | 536,208.91 | 666,848.34 |
| Total Current Assets | 52,977,188.96 | 2,985,232.19 | 55,962,421.15 |
| Noncurrent Assets | | | |
| Cash With Fiscal Agent | 49,006.12 | | 49,006.12 |
| Capital Assets (Note 5): | | | |
| Nondepreciable | 5,197,579.27 | 208,907.22 | 5,406,486.49 |
| Depreciable, Net | 26,814,278.23 | 7,936,972.28 | 34,751,250.51 |
| Total Noncurrent Assets | 32,060,863.62 | 8,145,879.50 | 40,206,743.12 |
| Total Assets | 85,038,052.58 | 11,131,111.69 | 96,169,164.27 |
| Deferred Outflow of Resources | | | |
| Employer Pension Contributions | 611,772.52 | 134,291.52 | 746,064.04 |
| Deferred Outflows Related to Net Pension Liability | 2,126,980.30 | 470,824.70 | 2,597,805.00 |
| Deferred Outflows Related to Other Postemployment Benefits (OPEB) | 263,290.52 | 57,795.48 | 321,086.00 |
| Employer Other Postemployment Benefits (OPEB) Contributions | 148,258.46 | 32,544.54 | 180,803.00 |
| Total Deferred Outflow of Resources | 3,150,301.80 | 695,456.24 | 3,845,758.04 |
| Liabilities | | | |
| Current Liabilities | | | |
| Payables (Note 9) | 161,983.52 | 125,697.45 | 287,680.97 |
| Accrued Interest Payable | 23,790.16 | | 23,790.16 |
| Unearned Revenue | 3,713,174.25 | | 3,713,174.25 |
| Long-Term Liabilities: | | | |
| Portion Due or Payable Within One Year: | | | |
| Notes from Direct Borrowings | 156,318.35 | | 156,318.35 |
| Warrants Payable | 370,000.00 | 95,000.00 | 465,000.00 |
| Warrants from Direct Placement | 1,225,503.95 | 45,000.00 | 1,270,503.95 |
| Premium on Warrant Issuance | 33,685.25 | 7,954.08 | 41,639.33 |
| Estimated Liability for Compensated Absences | 74,863.94 | 20,695.60 | 95,559.54 |
| Total Current Liabilities | \$ 5,759,319.42 | \$ 294,347.13 | \$ 6,053,666.55 |

Statement of Net Position
September 30, 2024

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|-------------------|
| <u>Noncurrent Liabilities</u> | | | |
| Portion Due or Payable After One Year: | | | |
| Notes from Direct Borrowings | \$ 1,155,593.93 | \$ | \$ 1,155,593.93 |
| Warrants Payable | 15,855,000.00 | 2,635,000.00 | 18,490,000.00 |
| Warrants from Direct Placement | 3,644,509.61 | 925,000.00 | 4,569,509.61 |
| Premium on Warrant Issuance | 875,816.55 | 206,806.18 | 1,082,622.73 |
| Estimated Liability for Compensated Absences | 542,228.41 | 135,782.56 | 678,010.97 |
| Net Pension Liability | 8,768,549.46 | 1,924,803.55 | 10,693,353.01 |
| Other Postemployment Benefits (OPEB) Liability | 2,016,197.96 | 442,580.04 | 2,458,778.00 |
| Total Noncurrent Liabilities | 32,857,895.92 | 6,269,972.33 | 39,127,868.25 |
| Total Liabilities | 38,617,215.34 | 6,564,319.46 | 45,181,534.80 |
| <u>Deferred Inflow of Resources</u> | | | |
| Unavailable Revenue - Property Taxes | 9,109,494.72 | | 9,109,494.72 |
| Revenue Received in Advance - Motor Vehicle Taxes | 463,836.35 | | 463,836.35 |
| Deferred Inflows Related to Net Pension Liability | 144,445.46 | 31,707.54 | 176,153.00 |
| Deferred Inflows Related to Other Postemployment Benefits (OPEB) Liability | 405,111.98 | 88,927.02 | 494,039.00 |
| Total Deferred Inflow of Resources | 10,122,888.51 | 120,634.56 | 10,243,523.07 |
| <u>Net Position</u> | | | |
| Net Investment in Capital Assets | 29,773,902.11 | 5,201,119.24 | 34,975,021.35 |
| Restricted for: | | | |
| Capital Projects | 4,253,706.85 | | 4,253,706.85 |
| Road Projects | 4,235,691.41 | | 4,235,691.41 |
| Other Purposes | 1,305,104.29 | | 1,305,104.29 |
| Unrestricted | (120,154.13) | (59,505.33) | (179,659.46) |
| Total Net Position | \$ 39,448,250.53 | \$ 5,141,613.91 | \$ 44,589,864.44 |

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

Statement of Activities
For the Year Ended September 30, 2024

| Functions/Programs | Expenses | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Position | | |
|---|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary Government | | | | | | | |
| <u>Governmental Activities</u> | | | | | | | |
| General Government | \$ 6,732,547.41 | \$ 2,572,532.65 | \$ 4,824,205.07 | \$ 387,985.03 | \$ 1,052,175.34 | \$ | \$ 1,052,175.34 |
| Public Safety | 7,665,932.61 | 294,780.13 | 834,911.47 | | (6,536,241.01) | | (6,536,241.01) |
| Highways and Roads | 12,034,015.75 | 1,446,012.17 | 5,007,089.61 | | (5,580,913.97) | | (5,580,913.97) |
| Sanitation | | | | | | | |
| Health | 304,840.57 | | | | (304,840.57) | | (304,840.57) |
| Welfare | 525,968.52 | | 324,973.81 | | (200,994.71) | | (200,994.71) |
| Culture and Recreation | 363,673.49 | | | 71,226.82 | (292,446.67) | | (292,446.67) |
| Education | 464,633.39 | | | | (464,633.39) | | (464,633.39) |
| Interest on Long-Term Debt | 557,076.71 | | | | (557,076.71) | | (557,076.71) |
| Total Governmental Activities | 28,648,688.45 | 4,313,324.95 | 10,991,179.96 | 459,211.85 | (12,884,971.69) | | (12,884,971.69) |
| <u>Business-Type Activities</u> | | | | | | | |
| County-Wide Water | 5,173,374.83 | 3,380,703.01 | | | | (1,792,671.82) | (1,792,671.82) |
| Solid Waste | 3,745,280.09 | 3,183,838.71 | | | | (561,441.38) | (561,441.38) |
| Total Business-Type Activities | 8,918,654.92 | 6,564,541.72 | | | | (2,354,113.20) | (2,354,113.20) |
| Total Primary Government | \$ 37,567,343.37 | \$ 10,877,866.67 | \$ 10,991,179.96 | \$ 459,211.85 | (12,884,971.69) | (2,354,113.20) | (15,239,084.89) |
| <u>General Revenues and Transfers:</u> | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes for General Purposes | | | | | 8,233,051.86 | | 8,233,051.86 |
| Property Taxes for Specific Purposes | | | | | 1,433,281.78 | | 1,433,281.78 |
| County Sales and Use Taxes | | | | | 1,778,186.11 | | 1,778,186.11 |
| Miscellaneous Taxes | | | | | 372,111.64 | | 372,111.64 |
| Gain on Sale of Capital Assets | | | | | 131,675.48 | | 131,675.48 |
| Donated Capital Assets | | | | | 84,928.00 | | 84,928.00 |
| Interest Revenue | | | | | 50,400.42 | 2,840.91 | 53,241.33 |
| TVA in Lieu of Taxes | | | | | 1,217,306.09 | | 1,217,306.09 |
| Miscellaneous Revenue | | | | | 980,603.12 | 236,688.47 | 1,217,291.59 |
| Transfers | | | | | (25,577.50) | 25,577.50 | |
| Total General Revenues and Transfers | | | | | 14,255,967.00 | 265,106.88 | 14,521,073.88 |
| Change in Net Position | | | | | 1,370,995.31 | (2,089,006.32) | (718,011.01) |
| Net Position - Beginning of Year | | | | | 38,077,255.22 | 7,230,620.23 | 45,307,875.45 |
| Net Position - End of Year | | | | | \$ 39,448,250.53 | \$ 5,141,613.91 | \$ 44,589,864.44 |

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

Balance Sheet
Governmental Funds
September 30, 2024

| | General Fund | Gasoline Tax Fund | Reappraisal Fund | ARPA Revenue Reduction Fund | Construction Fund | Other Governmental Funds | Total Governmental Funds |
|--|------------------|----------------------|---------------------|-----------------------------------|----------------------|--------------------------------|--------------------------------|
| <u>Assets</u> | | | | | | | |
| Cash | \$ 11,610,309.35 | \$ 1,064,057.86 | \$ 124,154.21 | \$ 3,591,018.32 | \$ 18,368,809.80 | \$ 7,219,125.15 | \$ 41,977,474.69 |
| Cash with Fiscal Agent | | | | | | 49,006.12 | 49,006.12 |
| Investments | 500,402.91 | | | | | | 500,402.91 |
| Receivables (Note 4) | 382,651.98 | 579,850.41 | | | | 296,674.82 | 1,259,177.21 |
| Ad Valorem Taxes Receivable | 7,711,055.03 | | 1,398,439.69 | | | | 9,109,494.72 |
| Inventories | | 130,639.43 | | | | | 130,639.43 |
| Total Assets | 20,204,419.27 | 1,774,547.70 | 1,522,593.90 | 3,591,018.32 | 18,368,809.80 | 7,564,806.09 | 53,026,195.08 |
| <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u> | | | | | | | |
| <u>Liabilities</u> | | | | | | | |
| Payables (Note 9) | 148,509.86 | 6,000.00 | 1,998.28 | | | 5,475.38 | 161,983.52 |
| Unearned Revenue | | | 122,155.93 | 3,591,018.32 | | | 3,713,174.25 |
| Estimated Liability for Compensated Absences | 55,759.14 | 19,104.80 | | | | | 74,863.94 |
| Total Liabilities | 204,269.00 | 25,104.80 | 124,154.21 | 3,591,018.32 | | 5,475.38 | 3,950,021.71 |
| <u>Deferred Inflows of Resources</u> | | | | | | | |
| Unavailable Revenue - Property Taxes | 7,711,055.03 | | 1,398,439.69 | | | | 9,109,494.72 |
| Revenue Received in Advance - Motor Vehicle Taxes | 463,836.35 | | | | | | 463,836.35 |
| Total Deferred Inflows of Resources | 8,174,891.38 | | 1,398,439.69 | | | | 9,573,331.07 |
| <u>Fund Balances</u> | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventories | | 130,639.43 | | | | | 130,639.43 |
| Restricted for: | | | | | | | |
| Highways and Roads | | 314,194.86 | | | | 3,790,857.12 | 4,105,051.98 |
| Capital Projects | | | | | 18,368,809.80 | 2,463,369.30 | 20,832,179.10 |
| Other Purposes | | | | | | 1,305,104.29 | 1,305,104.29 |
| Assigned to: | | | | | | | |
| Highways and Roads | | 1,304,608.61 | | | | | 1,304,608.61 |
| Other Purposes | 215,757.57 | | | | | | 215,757.57 |
| Unassigned | 11,609,501.32 | | | | | | 11,609,501.32 |
| Total Fund Balances | 11,825,258.89 | 1,749,442.90 | | | 18,368,809.80 | 7,559,330.71 | 39,502,842.30 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 20,204,419.27 | \$ 1,774,547.70 | \$ 1,522,593.90 | \$ 3,591,018.32 | \$ 18,368,809.80 | \$ 7,564,806.09 | \$ 53,026,195.08 |

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, 2024***

Total Fund Balances - Governmental Funds (Exhibit 3) \$ 39,502,842.30

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

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

Capital Assets, Net 32,011,857.50

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

| | | |
|---|---------------------|--------------|
| Deferred Outflows Related to Employer Pension Contributions | \$ 611,772.52 | |
| Deferred Outflows Related to Net Pension Liability | 2,126,980.30 | |
| Deferred Inflows Related to Net Pension Liability | <u>(144,445.46)</u> | |
| | | 2,594,307.36 |

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

| | | |
|--|---------------------|----------|
| Deferred Outflows Related to Other Postemployment Benefits (OPEB) Contributions | \$ 148,258.46 | |
| Deferred Outflows Related to Other Postemployment Benefits (OPEB) Liability | 263,290.52 | |
| Deferred Inflows Related to Other Postemployment Benefits (OPEB) Liability | <u>(405,111.98)</u> | |
| | | 6,437.00 |

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

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

| | Current Liabilities | Noncurrent Liabilities | |
|--|------------------------|---------------------------|--------------------------------|
| Warrants Payable | \$ 370,000.00 | \$ 15,855,000.00 | |
| Warrant from Direct Placement | 1,225,503.95 | 3,644,509.61 | |
| Notes from Direct Borrowing | 156,318.35 | 1,155,593.93 | |
| Premium on Bond Issuance | 33,685.25 | 875,816.55 | |
| Accrued Interest Payable | 23,790.16 | | |
| Estimated Liability for Compensated Absences | | 542,228.41 | |
| Net Pension Liability | | 8,768,549.46 | |
| Other Postemployment Benefits (OPEB) Liability | | 2,016,197.96 | |
| Total Long-Term Liabilities | \$ 1,809,297.71 | \$ 32,857,895.92 | |
| | | | <u>(34,667,193.63)</u> |
| Total Net Position - Governmental Activities (Exhibit 1) | | | <u><u>\$ 39,448,250.53</u></u> |

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Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

| | General Fund | Gasoline Tax Fund | Reappraisal Fund | ARPA Revenue Reduction Fund | Construction Fund | Other Governmental Funds | Total Governmental Funds |
|---|------------------|----------------------|---------------------|-----------------------------------|----------------------|--------------------------------|--------------------------------|
| <u>Revenues</u> | | | | | | | |
| Taxes | \$ 8,733,145.40 | \$ | \$ 1,273,859.11 | \$ | \$ | \$ 54,467.75 | \$ 10,061,472.26 |
| Licenses and Permits | 210,097.00 | 3,768.10 | | | | | 213,865.10 |
| Intergovernmental | 3,934,438.49 | 1,704,897.37 | | 4,292,403.85 | | 4,142,161.18 | 14,073,900.89 |
| Charges for Services | 2,398,489.91 | 1,445,972.17 | | | | 264,683.96 | 4,109,146.04 |
| Miscellaneous | 889,661.34 | 69,290.99 | 63,169.11 | | | 348,152.05 | 1,370,273.49 |
| Total Revenues | 16,165,832.14 | 3,223,928.63 | 1,337,028.22 | 4,292,403.85 | | 4,809,464.94 | 29,828,657.78 |
| <u>Expenditures</u> | | | | | | | |
| Current: | | | | | | | |
| General Government | 4,653,782.94 | | 1,337,028.22 | 87,302.96 | | 182,061.25 | 6,260,175.37 |
| Public Safety | 6,419,348.68 | | | 150.00 | 2,629.00 | 522,714.79 | 6,944,842.47 |
| Highways and Roads | | 9,360,963.15 | | | | 1,609,364.19 | 10,970,327.34 |
| Health | 287,019.27 | | | | | | 287,019.27 |
| Welfare | 308,138.73 | | | | | 190,849.62 | 498,988.35 |
| Culture and Recreation | 281,249.71 | | | | | 77,946.90 | 359,196.61 |
| Education | 464,633.39 | | | | | | 464,633.39 |
| Capital Outlay | 562,796.72 | 890,466.88 | | 2,065,104.23 | 410,950.00 | 2,056,875.40 | 5,986,193.23 |
| Debt Service: | | | | | | | |
| Principal Retirement | | | | | | 1,825,048.05 | 1,825,048.05 |
| Interest and Fiscal Charges | | | | | | 589,847.26 | 589,847.26 |
| Total Expenditures | 12,976,969.44 | 10,251,430.03 | 1,337,028.22 | 2,152,557.19 | 413,579.00 | 7,054,707.46 | 34,186,271.34 |
| Excess (Deficiency) of Revenues Over Expenditures | 3,188,862.70 | (7,027,501.40) | | 2,139,846.66 | (413,579.00) | (2,245,242.52) | (4,357,613.56) |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers In | 347,380.00 | 3,006,244.85 | 100,000.00 | | | 3,833,467.24 | 7,287,092.09 |
| Proceeds from the Issuance of Debt | | 4,443,546.58 | | | | | 4,443,546.58 |
| Proceeds from Sale of Assets | 32,700.00 | 658,983.00 | | | | 3,161.00 | 694,844.00 |
| Transfers Out | (2,932,627.67) | (375,568.00) | (100,000.00) | (2,139,846.66) | | (1,764,627.26) | (7,312,669.59) |
| Total Other Financing Sources (Uses) | (2,552,547.67) | 7,733,206.43 | | (2,139,846.66) | | 2,072,000.98 | 5,112,813.08 |
| Net Changes in Fund Balances | 636,315.03 | 705,705.03 | | | (413,579.00) | (173,241.54) | 755,199.52 |
| Fund Balances - Beginning of Year | 11,188,943.86 | 1,043,737.87 | | | 18,782,388.80 | 7,732,572.25 | 38,747,642.78 |
| Fund Balances - End of Year | \$ 11,825,258.89 | \$ 1,749,442.90 | \$ | \$ | \$ 18,368,809.80 | \$ 7,559,330.71 | \$ 39,502,842.30 |

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, 2024***

Net Change in Fund Balances - Total Governmental Funds (Exhibit 5) \$ 755,199.52

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

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

| | | |
|-----------------------------|-----------------------|--------------|
| Capital Outlay Expenditures | \$ 5,986,193.23 | |
| Depreciation Expense | <u>(1,350,418.42)</u> | |
| Total | | 4,635,774.81 |

Donation of Capital Assets increases Net Position in the Government-Wide Statements. 84,928.00

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. Thus, the change in net position differs from the change in fund balance
by the cost of the capital assets sold. (563,168.52)

Debt proceeds provide current financial resources to governmental funds, but issuing
debt increases long-term liabilities in the Statement of Net Position and does not
affect the Statement of Activities.

| | |
|-------------------------------|----------------|
| Debt Issued: | |
| Warrant from Direct Placement | (4,443,546.58) |

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, 1,825,048.05

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 Increase in Compensated Absences | \$ | (40,739.84) | |
| Amortization of Premium on Debt Issued | | 33,685.25 | |
| Net Increase in Accrued Interest Payable | | (914.70) | |
| Net Increase in Pension Expense | | (994,011.18) | |
| Net Decrease in OPEB Expense | | 78,740.50 | |
| Total Additional Expenditures | | | <u>(923,239.97)</u> |

| | | | |
|---|--|--|-------------------------------|
| Change in Net Position of Governmental Activities (Exhibit 2) | | | <u><u>\$ 1,370,995.31</u></u> |
|---|--|--|-------------------------------|

Statement of Net Position
Proprietary Funds
September 30, 2024

| | County-Wide Water Fund | Solid Waste Fund | Total Enterprise Funds |
|--|---------------------------|---------------------|------------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash | \$ 550,495.73 | \$ 1,323,325.46 | \$ 1,873,821.19 |
| Receivables (Note 4) | 304,947.51 | 270,254.58 | 575,202.09 |
| Inventories | 536,208.91 | | 536,208.91 |
| Total Current Assets | 1,391,652.15 | 1,593,580.04 | 2,985,232.19 |
| Noncurrent Assets | | | |
| Capital Assets (Note 5): | | | |
| Nondepreciable | 208,907.22 | | 208,907.22 |
| Depreciable, Net | 6,805,524.79 | 1,131,447.49 | 7,936,972.28 |
| Total Noncurrent Assets | 7,014,432.01 | 1,131,447.49 | 8,145,879.50 |
| Total Assets | 8,406,084.16 | 2,725,027.53 | 11,131,111.69 |
| Deferred Outflows of Resources | | | |
| Employer Pension Contributions | 67,145.76 | 67,145.76 | 134,291.52 |
| Deferred Outflows Related to Net Pension Liability | 235,412.35 | 235,412.35 | 470,824.70 |
| Deferred Outflow Related to Other Postemployment Benefits (OPEB) | 28,897.74 | 28,897.74 | 57,795.48 |
| Employer Other Postemployment Benefits (OPEB) Contributions | 16,272.27 | 16,272.27 | 32,544.54 |
| Total Deferred Outflows of Resources | 347,728.12 | 347,728.12 | 695,456.24 |
| Liabilities | | | |
| Current Liabilities | | | |
| Payables (Note 9) | 4,904.85 | 120,792.60 | 125,697.45 |
| Long-Term Liabilities: | | | |
| Portion Due or Payable Within One Year: | | | |
| Warrants Payable | 95,000.00 | | 95,000.00 |
| Warrant from Direct Placement | 45,000.00 | | 45,000.00 |
| Premium on Bond Issuance | 7,954.08 | | 7,954.08 |
| Estimated Liability for Compensated Absences | 10,604.80 | 10,090.80 | 20,695.60 |
| Total Current Liabilities | \$ 163,463.73 | \$ 130,883.40 | \$ 294,347.13 |

Statement of Net Position
Proprietary Funds
September 30, 2024

| | County-Wide Water Fund | Solid Waste Fund | Total Enterprise Funds |
|--|---------------------------|------------------------|------------------------------|
| <u>Noncurrent Liabilities</u> | | | |
| Portion Due or Payable After One Year: | | | |
| Warrants Payable | \$ 2,635,000.00 | \$ | \$ 2,635,000.00 |
| Warrant from Direct Placement | 925,000.00 | | 925,000.00 |
| Premium on Bond Issuance | 206,806.18 | | 206,806.18 |
| Estimated Liability for Compensated Absences | 72,982.57 | 62,799.99 | 135,782.56 |
| Pension Liability | 962,401.78 | 962,401.77 | 1,924,803.55 |
| Other Postemployment Benefits (OPEB) Liability | 221,290.02 | 221,290.02 | 442,580.04 |
| Total Noncurrent Liabilities | <u>5,023,480.55</u> | <u>1,246,491.78</u> | <u>6,269,972.33</u> |
| Total Liabilities | <u>5,186,944.28</u> | <u>1,377,375.18</u> | <u>6,564,319.46</u> |
| <u>Deferred Inflows of Resources</u> | | | |
| Deferred Inflows Related to Net Pension Liability | 15,853.77 | 15,853.77 | 31,707.54 |
| Deferred Inflows Related to Other Postemployment Benefits (OPEB) Liability | 44,463.51 | 44,463.51 | 88,927.02 |
| Total Deferred Inflows of Resources | <u>60,317.28</u> | <u>60,317.28</u> | <u>120,634.56</u> |
| <u>Net Position</u> | | | |
| Net Investment in Capital Assets | 4,069,671.75 | 1,131,447.49 | 5,201,119.24 |
| Unrestricted | <u>(563,121.03)</u> | <u>503,615.70</u> | <u>(59,505.33)</u> |
| Total Net Position | <u>\$ 3,506,550.72</u> | <u>\$ 1,635,063.19</u> | <u>\$ 5,141,613.91</u> |

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

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

| | County-Wide Water Fund | Solid Waste Fund | Total Enterprise Funds |
|--|---------------------------|---------------------|------------------------------|
| <u>Operating Revenues</u> | | | |
| Charges for Services | \$ | \$ | \$ |
| Water Sales | 3,380,703.01 | 3,183,838.71 | 3,183,838.71 |
| Total Operating Revenues | 3,380,703.01 | 3,183,838.71 | 6,564,541.72 |
| <u>Operating Expenses</u> | | | |
| Salaries and Benefits | 1,381,699.29 | 1,570,213.55 | 2,951,912.84 |
| Contractual and Professional Services | 315,630.18 | 1,372,068.69 | 1,687,698.87 |
| Materials and Supplies | 1,060,615.34 | 339,059.53 | 1,399,674.87 |
| Repairs and Maintenance | 140,939.36 | 186,243.38 | 327,182.74 |
| Utilities | 306,646.79 | 29,520.24 | 336,167.03 |
| Travel | 5,583.45 | 2,889.90 | 8,473.35 |
| Insurance | 106,293.97 | 81,305.64 | 187,599.61 |
| Depreciation | 692,768.19 | 159,554.16 | 852,322.35 |
| Purchase of Water | 1,044,175.89 | | 1,044,175.89 |
| Miscellaneous | 23,021.45 | 4,425.00 | 27,446.45 |
| Total Operating Expenses | 5,077,373.91 | 3,745,280.09 | 8,822,654.00 |
| Operating Income (Loss) | (1,696,670.90) | (561,441.38) | (2,258,112.28) |
| <u>Nonoperating Revenues (Expenses)</u> | | | |
| Miscellaneous Revenue | 228,453.47 | 8,235.00 | 236,688.47 |
| Interest Expense | (96,000.92) | | (96,000.92) |
| Interest Revenue | 709.34 | 2,131.57 | 2,840.91 |
| Total Nonoperating Revenues (Expenses) | 133,161.89 | 10,366.57 | 143,528.46 |
| Income (Loss) Before Transfers | (1,563,509.01) | (551,074.81) | (2,114,583.82) |
| <u>Operating Transfers</u> | | | |
| Transfers In | 25,577.50 | | 25,577.50 |
| Total Operating Transfers | 25,577.50 | | 25,577.50 |
| Change in Net Position | (1,537,931.51) | (551,074.81) | (2,089,006.32) |
| Net Position - Beginning of Year | 5,044,482.23 | 2,186,138.00 | 7,230,620.23 |
| Net Position - End of Year | \$ 3,506,550.72 | \$ 1,635,063.19 | \$ 5,141,613.91 |

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

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

| | County-Wide Water Fund | Solid Waste Fund | Total Enterprise Funds |
|--|---------------------------|---------------------|------------------------------|
| <u>Cash Flows from Operating Activities</u> | | | |
| Cash Received for Services | \$ 3,343,614.78 | \$ 3,321,244.82 | \$ 6,664,859.60 |
| Cash Payments to Employees | (1,284,609.55) | (1,457,628.70) | (2,742,238.25) |
| Cash Payments for Goods and Services | (2,703,538.81) | (1,978,940.76) | (4,682,479.57) |
| Net Cash Provided (Used) by Operating Activities | (644,533.58) | (115,324.64) | (759,858.22) |
| <u>Cash Flows from Noncapital Financing Activities</u> | | | |
| Other Cash Receipts | 228,453.47 | 8,235.00 | 236,688.47 |
| Cash Received from Other Funds | 25,577.50 | | 25,577.50 |
| Net Cash Provided (Used) by Noncapital Financing Activities | 254,030.97 | 8,235.00 | 262,265.97 |
| <u>Cash Flows from Capital and Related Financing Activities</u> | | | |
| Principal Paid on Debt | (135,000.00) | | (135,000.00) |
| Interest Paid on Debt | (96,000.92) | | (96,000.92) |
| Proceeds from Long-Term Debt | 438,742.67 | | 438,742.67 |
| Amortization of Premium | (7,954.08) | | (7,954.08) |
| Acquisition of Capital Assets | (139,975.43) | (75,000.00) | (214,975.43) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 59,812.24 | (75,000.00) | (15,187.76) |
| <u>Cash Flows from Investing Activities</u> | | | |
| Interest Received | 709.34 | 2,131.57 | 2,840.91 |
| Net Cash Provided (Used) by Investing Activities | 709.34 | 2,131.57 | 2,840.91 |
| Net Increase (Decrease) in Cash | (329,981.03) | (179,958.07) | (509,939.10) |
| Cash - Beginning of Year | 880,476.76 | 1,503,283.53 | 2,383,760.29 |
| Cash - End of Year | \$ 550,495.73 | \$ 1,323,325.46 | \$ 1,873,821.19 |

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

| | County-Wide Water Fund | Solid Waste Fund | Total Enterprise Funds |
|---|---------------------------|------------------------|------------------------------|
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u> | | | |
| Operating Income (Loss) | \$ (1,696,670.90) | \$ (561,441.38) | \$ (2,258,112.28) |
| <u>Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided (Used) for Operating Activities</u> | | | |
| Depreciation Expense | 692,768.19 | 159,554.16 | 852,322.35 |
| (Increase)/Decrease in Accounts Receivable | (37,088.23) | 137,406.11 | 100,317.88 |
| (Increase)/Decrease in Materials and Supplies on Hand | 299,327.62 | | 299,327.62 |
| Increase/(Decrease) in Payables | 40.00 | 36,571.62 | 36,611.62 |
| Increase/(Decrease) in Estimated Liability for Compensated Absences | (3,366.80) | 12,127.31 | 8,760.51 |
| (Increase)/Decrease in Pension and OPEB Expense | 100,456.54 | 100,457.54 | 200,914.08 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (644,533.58)</u> | <u>\$ (115,324.64)</u> | <u>\$ (759,858.22)</u> |

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

Statement of Fiduciary Net Position
September 30, 2024

| | Custodial Funds |
|--|----------------------------|
| <hr/> | |
| <u>Assets</u> | |
| Cash | \$ 1,407,477.06 |
| Receivables (Note 4) | 2,334,037.75 |
| Total Assets | <u>3,741,514.81</u> |
| <u>Liabilities</u> | |
| Payables (Note 9) | 2,236,516.38 |
| Total Liabilities | <u>2,236,516.38</u> |
| <u>Net Position</u> | |
| Restricted for: | |
| Individuals, Organizations and Other Governments | 1,504,998.43 |
| Total Net Position | <u>\$ 1,504,998.43</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, 2024

| | Custodial Funds |
|----------------------------------|-------------------------------|
| <hr/> | |
| <u>Additions</u> | |
| Contributions from: | |
| Taxes | \$ 55,580,819.49 |
| Intergovernmental | 560,041.02 |
| Charges for Services | 509,120.11 |
| Miscellaneous | 38,354.75 |
| Total Additions | <u>56,688,335.37</u> |
| <u>Deductions</u> | |
| Administrative Expenses: | |
| General Government | 56,141,505.27 |
| Public Safety | 436,444.21 |
| Education | 131,432.41 |
| Total Deductions | <u>56,709,381.89</u> |
| Changes in Net Position | (21,046.52) |
| Net Position - Beginning of Year | <u>1,526,044.95</u> |
| Net Position - End of Year | <u><u>\$ 1,504,998.43</u></u> |

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

Notes to the Financial Statements

For the Year Ended September 30, 2024

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Colbert County Commission (the “Commission”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Commission. These statements include the financial activities of the primary government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Commission. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Notes to the Financial Statements

For the Year Ended September 30, 2024

Fund Financial Statements

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

The Commission reports the following major governmental funds:

- ◆ **General Fund** – The General Fund is the primary operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund. The Commission primarily received revenues from collections of property taxes and revenues collected by the State of Alabama and shared with the Commission. The General Fund also accounts for the expenditures of special county property taxes for building and maintaining public buildings, roads and bridges.
- ◆ **Gasoline Tax Fund** – This fund is used to account for the expenditure of the seven-cent gasoline tax revenue and revenues from motor vehicle licenses and drivers' licenses for the construction, improvement, maintenance, and supervision of highways, bridges, and streets.
- ◆ **Reappraisal Fund** – This fund is used to account for the expenditures of property taxes related to the county's reappraisal program.
- ◆ **ARPA Revenue Reduction Fund** – This fund is used to account for the expenditure of federal revenues to aid the County in its recovery from the COVID 19 pandemic.
- ◆ **Construction Fund** – This fund is used to account for the proceeds of a bond issue to be used for renovation of the County Jail.

The Commission reports the following major enterprise funds:

- ◆ **County-Wide Water Fund** – This fund is used to account for the costs of providing water services to county residents.
- ◆ **Solid Waste Fund** – This fund is used to account for the cost of providing solid waste service to county residents.

Notes to the Financial Statements

For the Year Ended September 30, 2024

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

Governmental Fund Types

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

The Commission reports the following fiduciary fund type:

Fiduciary Fund Type

- ◆ **Custodial Funds** – These funds are used to report fiduciary activities 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 proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are charges between the government's solid waste function and water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Notes to the Financial Statements

For the Year Ended September 30, 2024

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 is reported as other financing sources.

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

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

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

1. Deposits and Investments

Cash includes cash on hand and demand deposits.

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

Investments, which consist only of certificates of deposit, are reported at cost.

Notes to the Financial Statements

For the Year Ended September 30, 2024

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.

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 and local governments.

Receivables in the enterprise funds consist of amounts due from the Sheffield Utility Department for amounts billed for garbage and water service.

Receivables in the fiduciary funds consist of sales taxes receivable and TVA in lieu of taxes receivable.

3. Inventories

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

4. Restricted Assets

Certain general obligation warrants, as well as certain resources set aside for their repayment, are classified as restricted cash with fiscal agent on the balance sheet because they are maintained separately, and their use is limited by applicable debt covenants. The Debt Service funds are used to segregate resources accumulated for debt service payments.

Notes to the Financial Statements

For the Year Ended September 30, 2024

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 applicable governmental and business-type activities columns 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

| | Capitalization Threshold | Estimated Useful Life |
|-------------------------|-----------------------------|--------------------------|
| Buildings | \$ 50,000 | 40 years |
| Equipment and Furniture | \$ 5,000 | 5 – 10 years |
| System Infrastructure | \$100,000 | 25 years |
| Roads | \$250,000 | 20 years |
| Bridges | \$ 50,000 | 40 years |

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

6. Deferred Outflows of Resources

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

Notes to the Financial Statements

For the Year Ended September 30, 2024

7. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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. Commission employees earn annual leave according to the number of years they have worked for the Commission. Below is the scale for annual leave.

| | |
|---------------|---------------------------|
| 1 – 5 years | 8 hours earned per month |
| 5 – 10 years | 10 hours earned per month |
| 10 – 15 years | 12 hours earned per month |
| 15 – 20 years | 14 hours earned per month |
| 20 – 25 years | 16 hours earned per month |

Annual Leave

A maximum of 480 hours can be carried forward to annual leave. The Commission instituted a policy during the fiscal year 2004 and updated it during the fiscal year 2015 that enabled eligible employees to convert to cash a designated number of days according to a predetermined schedule. The employee must have been employed full-time for a minimum of 13 months as of October 1 each calendar year. The employee must have a minimum of 12 days at the cut off day before the employee is eligible to convert annual leave days to cash. The employee must have taken a minimum of six annual leave days during the preceding fiscal year. The employee must have two days of annual leave left after conversion.

Notes to the Financial Statements

For the Year Ended September 30, 2024

Sick Leave

Each full-time Commission employee also earns one sick leave day per month. Before August 22, 1995, all unused sick leave is a benefit payable upon separation from the Commission for employees who give reasonable notice of intention to resign or said sick leave may be converted to retirement credit in lieu of receiving a payment for unused sick leave. All sick leave accumulated after August 22, 1995, cannot be paid upon separation from the Commission. There is a cap on accumulated sick leave of 120 days. In June 2006, the Commission voted to allow employees hired before August 22, 1995, the option of cashing out their unused accumulated sick leave balances as of August 22, 1995, or at present, whichever is less.

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

- ◆ **Termination Payment Method** – Under this method an accrual for earned sick leave is made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

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.

10. Net Position/Fund Balances

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

- ◆ **Net Investment in Capital Assets** – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to acquisition, construction and improvement of those assets should 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.

Notes to the Financial Statements

For the Year Ended September 30, 2024

- ◆ **Restricted** – Constraints imposed on net position by external creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation.
- ◆ **Unrestricted** – The net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position. Unrestricted net position is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Commission.

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

- ◆ **Nonspendable** – Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples of nonspendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include inventories, prepaid items, and long-term receivables.
- ◆ **Restricted** – Restricted fund balances consist of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- ◆ **Committed** – Committed fund balances consist of amounts that are subject to a purpose constraint 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.
- ◆ **Assigned** – Assigned fund balances consist of amounts that are intended to be used by the Commission for specific purposes. The Commission authorizes the County Administrator to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority to remove the constraint.
- ◆ **Unassigned** – Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the General Fund is available to finance operating expenditures.

Notes to the Financial Statements

For the Year Ended September 30, 2024

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

E. Pensions

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

F. Postemployment Benefits Other Than Pensions (OPEB)

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

Note 2 – Stewardship, Compliance, and Accountability

Budgets

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

Notes to the Financial Statements

For the Year Ended September 30, 2024

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 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

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, 2024

Note 4 – Receivables

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

| | General Fund | Gasoline Tax Fund | Other Governmental Fund | Total Governmental Funds |
|----------------------------|---------------------|----------------------|-------------------------------|--------------------------------|
| <u>Governmental Funds:</u> | | | | |
| <u>Receivables:</u> | | | | |
| Accounts Receivable | \$ 15,952.54 | \$449,712.02 | \$ | \$ 465,664.56 |
| Due From Other Governments | 366,699.44 | 130,138.39 | 296,674.82 | 793,512.65 |
| Total Receivables | <u>\$382,651.98</u> | <u>\$579,850.41</u> | <u>\$296,674.82</u> | <u>\$1,259,177.21</u> |

| | County-Wide Water Fund | Solid Waste Fund | Total Enterprise Funds |
|---------------------------|---------------------------|---------------------|------------------------------|
| <u>Proprietary Funds:</u> | | | |
| <u>Receivables:</u> | | | |
| Accounts Receivable | \$304,947.51 | \$270,254.58 | \$575,202.09 |
| Total Receivables | <u>\$304,947.51</u> | <u>\$270,254.58</u> | <u>\$575,202.09</u> |

| | Custodial Funds | Total Fiduciary Funds |
|----------------------------|-----------------------|-----------------------------|
| <u>Fiduciary Funds:</u> | | |
| <u>Receivables:</u> | | |
| Sales Taxes Receivable | \$1,157,414.90 | \$1,157,414.90 |
| Due From Other Governments | 1,176,622.85 | 1,176,622.85 |
| Total Receivables | <u>\$2,334,037.75</u> | <u>\$2,334,037.75</u> |

Governmental funds defer revenue recognition in connection with resources that have been received but not yet earned. At September 30, 2024, the various components of unearned revenue reported in the governmental funds were as follows:

| | Unearned |
|--|-----------------------|
| Unexpended Coronavirus State and Local Fiscal Recovery Funds | \$3,591,018.32 |
| Unexpended Reappraisal Funds | 122,155.93 |
| Total Unearned Revenue for Governmental Funds | <u>\$3,713,174.25</u> |

Notes to the Financial Statements

For the Year Ended September 30, 2024

Note 5 – Capital Assets

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

| | Balance 10/01/2023 | Additions | Deletions | Balance 09/30/2024 |
|---|-----------------------|-----------------|----------------|-----------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 650,569.25 | \$ | \$ | \$ 650,569.25 |
| Construction in Progress | 290,606.04 | 4,256,403.98 | | 4,547,010.02 |
| Total Capital Assets, Not Being Depreciated | 941,175.29 | 4,256,403.98 | | 5,197,579.27 |
| Capital Assets Being Depreciated: | | | | |
| Infrastructure | 28,917,152.98 | | | 28,917,152.98 |
| Land Improvements | 837,298.45 | | | 837,298.45 |
| Buildings and Improvements | 13,669,150.33 | 307,499.00 | | 13,976,649.33 |
| Vehicles, Equipment and Furniture | 8,750,192.98 | 1,507,218.25 | (960,186.30) | 9,297,224.93 |
| Total Capital Assets Being Depreciated | 52,173,794.74 | 1,814,717.25 | (960,186.30) | 53,028,325.69 |
| Less Accumulated Depreciation for: | | | | |
| Infrastructure | (12,607,102.82) | (456,086.77) | | (13,063,189.59) |
| Land Improvements | (228,387.24) | (19,986.21) | | (248,373.45) |
| Buildings | (5,992,766.58) | (217,390.59) | | (6,210,157.17) |
| Equipment and Vehicles, and Furniture | (6,432,390.18) | (656,954.85) | 397,017.78 | (6,692,327.25) |
| Total Accumulated Depreciation | (25,260,646.82) | (1,350,418.42) | 397,017.78 | (26,214,047.46) |
| Total Capital Assets Being Depreciated, Net | 26,913,147.92 | 464,298.83 | (563,168.52) | 26,814,278.23 |
| Total Governmental Activities Capital Assets, Net | \$ 27,854,323.21 | \$ 4,720,702.81 | \$(563,168.52) | \$ 32,011,857.50 |

| | Balance 10/01/2023 | Additions | Deletions | Balance 09/30/2024 |
|--|-----------------------|----------------|-----------|-----------------------|
| <u>Business-Type Activities:</u> | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 9,855.79 | \$ | \$ | \$ 9,855.79 |
| Construction in Progress | 59,076.00 | 139,975.43 | | 199,051.43 |
| Total Capital Assets, Not Being Depreciated | 68,931.79 | 139,975.43 | | 208,907.22 |
| Capital Assets Being Depreciated: | | | | |
| Infrastructure | 22,026,017.25 | | | 22,026,017.25 |
| Buildings and Improvements | 613,083.89 | | | 613,083.89 |
| Vehicles, Equipment and Furniture | 3,265,732.27 | 75,000.00 | | 3,340,732.27 |
| Total Capital Assets Being Depreciated | 25,904,833.41 | 75,000.00 | | 25,979,833.41 |
| Less Accumulated Depreciation for: | | | | |
| Infrastructure | (14,707,994.68) | (619,987.42) | | (15,327,982.10) |
| Buildings and Improvements | (369,599.91) | (9,945.19) | | (379,545.10) |
| Vehicles, Equipment and Furniture | (2,112,944.19) | (222,389.74) | | (2,335,333.95) |
| Total Accumulated Depreciation | (17,190,538.78) | (852,322.35) | | (18,042,861.13) |
| Total Capital Assets Being Depreciated, Net | 8,714,294.63 | (777,322.37) | | 7,936,972.28 |
| Total Business-Type Activities Capital Assets, Net | \$ 8,783,226.42 | \$(637,346.92) | \$ | \$ 8,145,879.50 |

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

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

| | Current Year Depreciation Expense |
|--|---|
| <u>Governmental Activities:</u> | |
| General Government | \$ 126,541.97 |
| Public Safety | 415,999.91 |
| Highways and Roads | 758,598.19 |
| Welfare | 17,821.30 |
| Culture and Recreation | 26,980.17 |
| Education | 4,476.88 |
| Total Depreciation Expense – Governmental Activities | <u>\$1,350,418.42</u> |

| | Current Year Depreciation Expense |
|---|---|
| <u>Business-Type Activities:</u> | |
| Water | \$692,768.19 |
| Sanitation | 159,554.16 |
| Total Depreciation Expense – Business-Type Activities | <u>\$852,322.35</u> |

The Commission has the original courthouse clock from the bell tower that it does not capitalize. This item adheres to the Commission's policy to (a) maintain the clock for public exhibition, education, or research; (b) protect, keep unencumbered, care for, and preserve the clock; and (c) to keep the clock with no intention to sell. Generally accepted accounting principles permit historical treasures maintained in this manner to be charged to operations at the time of purchase rather than capitalized.

Notes to the Financial Statements

For the Year Ended September 30, 2024

Note 6 – Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Description

The Employees' Retirement System of Alabama (ERS), an agent multiple-employer public employee retirement plan (the "Plan"), was established October 1, 1945, pursuant to the ***Code of Alabama 1975***, Section 36-27 (Act Number 515, Acts of Alabama 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 15 trustees. Act Number 2021-390, Acts of Alabama, created two additional representatives to the ERS Board of Control effective October 1, 2021. The Plan is administered by the Retirement Systems of Alabama (RSA). The ***Code of Alabama 1975***, Section 36-27-2, grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2024

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.

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

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2024

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

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

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

Contributions

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2024

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

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2024, the Commission's active employee contribution rate was 8.08% of covered employee payroll, and the Commission's average contribution rate to fund the normal and accrued liability costs was 8.68% of pensionable payroll.

The Commission's contractually required contribution rate for the year ended September 30, 2024, was 8.50% of pensionable pay for Tier 1 employees, and 9.05% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2021, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the Commission were \$746,064.04 for the year ended September 30, 2024.

Notes to the Financial Statements

For the Year Ended September 30, 2024

B. Net Pension Liability

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

| | Total Pension Liability Roll-Forward | | |
|---|--------------------------------------|-------------------------------|------------------------------|
| | Expected | Actual Before Plan Changes | Actual After Plan Changes |
| (a) Total Pension Liability as of September 30, 2022 | \$31,321,586 | \$31,892,346 | \$31,892,346 |
| (b) Discount Rate | 7.45% | 7.45% | 7.45% |
| (c) Entry Age Normal Cost for the period October 1, 2022 through September 30, 2023 | 722,457 | 722,457 | 722,457 |
| (d) Transfers Among Employers | | 216,170 | 216,170 |
| (e) Actual Benefit Payments and Refunds for the period October 1, 2022 through September 30, 2023 | (2,003,625) | (2,003,625) | (2,003,625) |
| (f) Total Pension Liability as of September 30, 2023 = [(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))] | <u>\$32,299,241</u> | <u>\$33,128,693</u> | <u>\$33,128,693</u> |
| (g) Difference between Expected and Actual | | \$ 829,452 | |
| (h) Less Liability Transferred for Immediate Recognition | | <u>216,170</u> | |
| (i) Difference between Expected and Actual – Experience (Gain)/Loss | | <u>\$ 613,282</u> | |
| (j) Difference between Actual TPL Before and After Plan Changes – Benefit Change (Gain)/Loss | | | <u>\$</u> |

Notes to the Financial Statements

For the Year Ended September 30, 2024

Actuarial Assumptions

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2024

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, 2024

C. Changes in Net Pension Liability

| | Increase/(Decrease) | | |
|--|--------------------------------------|--|-------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balances at September 30, 2022 | \$31,321,586 | \$20,378,937 | \$10,942,649 |
| Changes for the Year: | | | |
| Service cost | 722,457 | | 722,457 |
| Interest | 2,258,823 | | 2,258,823 |
| Differences between expected and actual experience | 613,282 | | 613,282 |
| Contributions – employer | | 639,306 | (639,306) |
| Contributions – employee | | 594,790 | (594,790) |
| Net investment income | | 2,609,762 | 2,609,762 |
| Benefit payments, including refunds of employee contributions | (2,003,625) | (2,003,625) | |
| Transfers among employers | 216,170 | 216,170 | |
| Net Changes | 1,807,107 | 2,056,403 | (249,296) |
| Balances at September 30, 2023 | \$33,128,693 | \$22,435,340 | \$10,693,353 |

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

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

| | 1% Decrease (6.45%) | Current Discount Rate (7.45%) | 1% Increase (8.45%) |
|------------------------------------|------------------------|-------------------------------------|------------------------|
| Commission's Net Pension Liability | \$14,537,631 | \$10,693,353 | \$7,464,707 |

Notes to the Financial Statements

For the Year Ended September 30, 2024

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2024, the Commission recognized pension expense of \$1,930,480.00. At September 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$1,212,992.00 | \$176,153.00 |
| Changes of assumptions | 480,339.00 | |
| Net difference between projected and actual earnings on pension plan investments | 904,474.00 | |
| Employer contributions subsequent to the measurement date | 746,064.04 | |
| Total | \$3,343,869.04 | \$176,153.00 |

The \$746,064.04 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

| | | |
|--------------------|----|-----------|
| Year Ending: | | |
| September 30, 2025 | \$ | 838,842 |
| 2026 | \$ | 659,609 |
| 2027 | \$ | 1,007,729 |
| 2028 | \$ | (140,279) |
| 2029 | \$ | 55,752 |
| Thereafter | \$ | 0 |

Notes to the Financial Statements

For the Year Ended September 30, 2024

Note 7 – Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

Employees Covered by Benefit Terms

At September 30, 2022, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 13 |
| Active employees | 175 |
| Total | <u>188</u> |

Total OPEB Liability

The Commission's total OPEB liability of \$2,458,778.00 as of the reporting date of September 30, 2024, was measured as of September 30, 2023, and was determined by an actuarial valuation as of September 30, 2022.

Notes to the Financial Statements

For the Year Ended September 30, 2024

Actuarial Assumptions and Other Inputs

The total OPEB 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% |
| Real wage growth | 0.25% |
| Wage inflation | 2.75% |
| Salary increases, including wage inflation | 3.25% - 6.00% |
| Municipal bond index rate: | |
| Prior measurement date | 4.02% |
| Measurement date | 4.09% |
| Healthcare Cost Rates: | |
| Pre-Medicare | 7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032 |
| Medicare Medical | 5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2025 |

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the September 30, 2022 valuation were based on the actuarial experience study for the period October 1, 2015 – September 30, 2020, and were submitted to and adopted by the Board of the Employees' Retirement Systems of Alabama on September 14, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the September 30, 2022 valuation were based on a review of recent plan experience performed concurrently with the September 30, 2022 valuation.

Notes to the Financial Statements

For the Year Ended September 30, 2024

Changes in the Total OPEB Liability

| | |
|--|--------------------|
| Total OPEB Liability October 1, 2022 | \$2,437,598 |
| Changes for the year: | |
| Service Cost at the end of the year (*) | 122,011 |
| Interest on TOL and cash flows | 91,723 |
| Changes of assumptions or other inputs | 138,865 |
| Difference between expected and actual experience | (16,468) |
| Net benefit payments | (314,951) |
| Net Changes | <u>21,180</u> |
| Total OPEB Liability as of September 30, 2023 | <u>\$2,458,778</u> |
| (*) The service cost includes interest for the year. | |

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

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

| | 1% Decrease (3.09%) | Current Discount Rate (4.09%) | 1% Increase (5.09%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$2,706,792 | \$2,458,778 | \$2,237,449 |

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

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

| | 1% Decrease | Current | 1% Increase |
|----------------------|-------------|-------------|-------------|
| Total OPEB Liability | \$2,158,674 | \$2,458,778 | \$2,821,007 |

Notes to the Financial Statements

For the Year Ended September 30, 2024

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

For the year ended September 30, 2024, the Commission recognized OPEB expense of \$185,131.00. At September 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$141,268.00 | \$134,598.00 |
| Changes of Assumptions or other inputs | 179,818.00 | 359,441.00 |
| OPEB Employer Contributions | 180,803.00 | |
| Total | \$501,889.00 | \$494,039.00 |

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

| Years Ending: | |
|--------------------|------------|
| September 30, 2024 | \$(23,254) |
| 2025 | \$(10,154) |
| 2026 | \$(12,716) |
| 2027 | \$(51,768) |
| 2028 | \$(55,631) |
| Thereafter | \$(19,430) |

Note 8 – Contingent Liabilities

Under the provisions of Act Number 79-357, Acts of Alabama, a sheriff is eligible to become a supernumerary sheriff upon retirement after sixteen (16) years of service credit as a law enforcement officer, twelve (12) of which have been as a sheriff, and who has attained the age of fifty-five (55) years. The Colbert 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 on September 30, 2024, amounted to \$7,438.21.

Notes to the Financial Statements

For the Year Ended September 30, 2024

Note 9 – Payables

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

| | Vendors | Due To Other Governments | Due To External Parties | Total Payables |
|---|-------------|--------------------------|-------------------------|-----------------|
| <u>Governmental Activities:</u> | | | | |
| General Fund | \$ 9,244.06 | \$ 68,600.02 | \$ 70,665.78 | \$ 148,509.86 |
| Gasoline Tax Fund | | 6,000.00 | | 6,000.00 |
| Reappraisal Fund | 1,998.28 | | | 1,998.28 |
| Other Governmental Funds | 5,035.51 | 439.87 | | 5,475.38 |
| Total Governmental Activities | 16,277.85 | 75,039.89 | 70,665.78 | 161,983.52 |
| <u>Business-Type Activities:</u> | | | | |
| County-Wide Water Fund | | 4,904.85 | | 4,904.85 |
| Solid Waste Fund | 45,552.77 | 75,239.83 | | 120,792.60 |
| Total Business-Type Activities | 45,552.77 | 80,144.68 | | 125,697.45 |
| <u>Fiduciary Funds:</u> | | | | |
| Custodial Funds | 7,875.01 | 1,889,729.54 | 338,911.83 | 2,236,516.38 |
| Total Fiduciary Funds | \$ 7,875.01 | \$ 1,889,729.54 | \$ 338,911.83 | \$ 2,236,516.38 |

Note 10 – Long-Term Debt

The Commission issues General Obligation Warrants to provide funds for the acquisition and construction of major capital facilities.

In April 2016, the Commission entered into a note from direct borrowing in the amount of \$2,275,774.00. The proceeds are to be used for various energy efficiency improvements. The energy contract, with Bank of America, National Association, contains a provision in the event of any default or termination that “full and unencumbered legal title to the equipment shall, at the lender’s option, pass to the lender, and the Commission shall have no further interest therein”. In addition, the Commission would be required to deliver documentation to the lender that the legal title has been transferred back to the lender and also deliver possession of the equipment to the lender.

Notes to the Financial Statements

For the Year Ended September 30, 2024

On August 27, 2019, the Commission issued State Gasoline Tax Anticipation Warrant from Direct Placement, Series 2019 in the amount of \$4,000,000.00 in order to make improvements and repairs to roads and bridges. The total amount of the Warrant was received by the Commission in six increments. As of September 30, 2022, the Commission had received the entire \$4,000,000.00.

On September 15, 2020, the County issued \$525,000.00 in General Obligation Warrant from Direct Placement for improvements to the Water System. The Commission was allowed to draw down the warrant issue as needed in order to save on interest payments. In the event of default, the lender may exercise the collection of all payments due, by acceleration or otherwise, with the Commission liable for all costs and expenses incurred by the lender.

On October 6, 2021, the Commission issued General Obligation Warrants Series 2021 in the amount of \$20,280,000.00. \$3,005,000.00 of these warrants were used to refund the General Obligation Warrants 2015 in the County-Wide Water Fund and \$17,275,000.00 were used for acquiring, constructing, and equipping a new County jail.

On August 1, 2022, the Commission issued General Obligation Warrant from Direct Placement Series 2022 in the amount of \$600,000.00. The purpose of these warrants was to finance equipment purchases for the public works department of the County for use for County purposes.

On August 31, 2023, the Commission approved the issuance of \$4,500,000.00 for a Gasoline Tax Anticipation Warrant from Direct Placement to provide for paving roads eligible under the Rebuild Alabama Project. The Commission was allowed to draw down the bond issue as needed in order to save on interest payments. As of September 30, 2023, \$56,453.42 had been drawn down and was outstanding. The remainder was drawn down in fiscal year 2024. In the event of default, the lender may exercise the collection of all payments due, by acceleration or otherwise, with the Commission liable for all costs and expenses incurred by the lender. The Commission is pledging to use Rebuild Alabama Funds to pay back starting in November 2024.

On April 1, 2022, the County issued \$525,000.00 in General Obligation Warrant from Direct Placement for improvements to the Water System. The Commission was allowed to draw down the warrant issue as needed in order to save on interest payments. The Commission did not draw any funds down during the 2022 fiscal year. As of September 30, 2023, \$86,257.33 had been drawn down and was outstanding. During the fiscal year 2024, the remaining \$438,742.67 was drawn down. In the event of default, the lender may exercise the collection of all payments due, by acceleration or otherwise, with the Commission liable for all costs and expenses incurred by the lender.

Notes to the Financial Statements

For the Year Ended September 30, 2024

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

| | Debt Outstanding 10/01/2023 | Issued/ Increased | Repaid/ Decreased | Debt Outstanding 09/30/2024 | Amounts Due Within One Year |
|---|-----------------------------------|----------------------|----------------------|-----------------------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Warrants, Series 2021 | \$16,585,000.00 | \$ | \$ (360,000.00) | \$16,225,000.00 | \$ 370,000.00 |
| General Obligation Warrant from Direct Placement, Series 2022 | 486,591.94 | | (116,578.38) | 370,013.56 | 119,913.80 |
| State Gasoline Tax Anticipation Warrant from Direct Placement, Series 2023 | 56,453.42 | 4,443,546.58 | | 4,500,000.00 | 1,105,590.15 |
| State Gasoline Tax Anticipation Warrant from Direct Placement, Series 2019 | 1,200,000.00 | | (1,200,000.00) | | |
| Sub-Total | 18,328,045.36 | 4,443,546.58 | (1,676,578.38) | 21,095,013.56 | 1,595,503.95 |
| Plus: Premium on Warrants | 943,187.05 | | (33,685.25) | 909,501.80 | 33,685.25 |
| Total Warrants Payable | 19,271,232.41 | 4,443,546.58 | (1,710,263.63) | 22,004,515.36 | 1,629,189.20 |
| Note from Direct Borrowing | 1,460,381.95 | | (148,469.67) | 1,311,912.28 | 156,318.35 |
| Estimated Liability for Compensated Absences | 561,664.09 | 55,428.26 | | 617,092.35 | 74,863.94 |
| Other Postemployment Benefit Obligation | 1,998,830.36 | 17,367.60 | | 2,016,197.96 | |
| Net Pension Liability | 8,972,972.18 | | (204,422.72) | 8,768,549.46 | |
| Total Governmental Activities Long-Term Liabilities | 32,265,080.99 | 4,516,342.44 | (2,063,156.02) | 34,718,267.41 | 1,860,371.49 |
| Business-Type Activities: | | | | | |
| General Obligation Warrant from Direct Placement, Series 2022 | 86,257.33 | 438,742.67 | (20,000.00) | 505,000.00 | 25,000.00 |
| General Obligation Warrant from Direct Placement, Series 2020 | 485,000.00 | | (20,000.00) | 465,000.00 | 20,000.00 |
| General Obligation Warrants, Series 2021 | 2,825,000.00 | | (95,000.00) | 2,730,000.00 | 95,000.00 |
| Sub-Total | 3,396,257.33 | 438,742.67 | (135,000.00) | 3,700,000.00 | 140,000.00 |
| Plus: Premium on Warrants | 222,714.34 | | (7,954.08) | 214,760.26 | 7,954.08 |
| Total Warrants Payable | 3,618,971.67 | 438,742.67 | (142,954.08) | 3,914,760.26 | 147,954.08 |
| Estimated Liability for Compensated Absences | 147,717.65 | 8,760.51 | | 156,478.16 | 20,695.60 |
| Other Postemployment Benefit Obligations | 438,767.64 | 3,812.40 | | 442,580.04 | |
| Net Pension Liability | 1,969,676.83 | | (44,873.28) | 1,924,803.55 | |
| Total Business-Type Activities Long-Term Liabilities | \$ 6,175,133.79 | \$ 451,315.58 | \$ (187,827.36) | \$ 6,438,622.01 | \$ 168,649.68 |

Payments on the warrants payable and notes from direct borrowing that pertain to the Commission's governmental activities are made by the General Fund and the Gasoline Tax Fund.

The compensated absences liability attributable to the governmental activities will be liquidated by several of the Commission's governmental funds. In the past, approximately 80% has been paid by the General Fund, 20% by the Gasoline Tax Fund.

Notes to the Financial Statements

For the Year Ended September 30, 2024

The warrants payable that pertains to the Commission's business-type activities are paid for by the County-Wide Water Fund.

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

| Fiscal Year Ending: | Governmental Activities | | | | Total Principal and Interest Requirements to Maturity |
|---------------------|-------------------------|----------------|-----------------------------|--------------|---|
| | Warrants Payable | | Notes from Direct Borrowing | | |
| | Principal | Interest | Principal | Interest | |
| September 30, 2025 | \$ 1,595,503.95 | \$ 612,110.51 | \$ 156,318.35 | \$ 30,332.77 | \$ 2,394,265.58 |
| 2026 | 1,600,667.01 | 610,847.45 | 162,427.95 | 26,620.75 | 2,400,563.16 |
| 2027 | 1,657,807.95 | 553,306.51 | 168,810.73 | 34,603.63 | 2,414,528.82 |
| 2028 | 1,586,034.65 | 493,699.24 | 177,473.50 | 38,434.53 | 2,295,641.92 |
| 2029 | 435,000.00 | 435,662.50 | 646,881.75 | 21,872.33 | 1,539,416.58 |
| 2030-2034 | 2,450,000.00 | 1,903,312.50 | | | 4,353,312.50 |
| 2035-2039 | 2,905,000.00 | 1,432,262.50 | | | 4,337,262.50 |
| 2040-2044 | 3,365,000.00 | 979,412.50 | | | 4,344,412.50 |
| 2045-2049 | 3,825,000.00 | 523,543.76 | | | 4,348,543.76 |
| 2050-2054 | 1,675,000.00 | 66,281.26 | | | 1,741,281.26 |
| Total | \$21,095,013.56 | \$7,610,438.73 | \$1,311,912.28 | \$151,864.01 | \$30,169,228.58 |

| Fiscal Year Ending | Business-Type Activities | | Total Principal and Interest Requirements to Maturity |
|--------------------|--------------------------|----------------|---|
| | Warrants Payable | | |
| | Principal | Interest | |
| September 30, 2025 | \$ 140,000.00 | \$ 110,620.00 | \$ 250,620.00 |
| 2026 | 140,000.00 | 106,780.00 | 246,780.00 |
| 2027 | 150,000.00 | 101,935.00 | 251,935.00 |
| 2028 | 160,000.00 | 96,835.00 | 256,835.00 |
| 2029 | 160,000.00 | 91,335.00 | 251,335.00 |
| 2030-2034 | 865,000.00 | 371,975.00 | 1,236,975.00 |
| 2035-2039 | 1,015,000.00 | 222,645.00 | 1,237,645.00 |
| 2040-2044 | 1,070,000.00 | 75,360.00 | 1,145,360.00 |
| Total | \$3,700,000.00 | \$1,177,485.00 | \$4,877,485.00 |

Notes to the Financial Statements

For the Year Ended September 30, 2024

Pledged Revenues

The Commission issued the Series 2019 State Gasoline Tax Anticipation Warrant in August 2019 for the purpose of improving roads and bridges in the county. The Commission pledged to repay the warrants from the proceeds for the revenues received for ten cent gasoline tax. Proceeds from the ten cent gasoline tax in the amount of \$1,314,346.30 were received by the Commission during the fiscal year ended September 30, 2024. Funds in the amount of \$1,237,800.00 were used to pay principal and interest on the warrants during the fiscal year ended September 30, 2024. The 2019 warrants matured in fiscal year 2024.

The Commission issued the Series 2021 General Obligation Warrants in October 2021 for the proprietary fund. The Commission pledged to repay the warrants from the proceeds for the revenues received for the SSUT (Simplified Sellers Use Tax) Revenue. Future revenues of \$3,699,200.00 are pledged to repay the principal and interest on the warrants as of September 30, 2024. Proceeds from the SSUT tax in the amount of \$1,773,212.47 were received by the Commission during the fiscal year ended September 30, 2024. Funds in the amount of \$187,350.00 were used to pay principal and interest on the warrants during the fiscal year ended September 30, 2024. The 2021 warrants will mature in fiscal year 2044.

The Commission issued the Series 2021 General Obligation Warrants in October 2021 for the governmental funds. The Commission pledged to repay the warrants from the proceeds for the revenues received for the SSUT (Simplified Sellers Use Tax) Revenue. Future revenues of \$23,464,425.02 are pledged to repay the principal and interest on the warrants as of September 30, 2024. Proceeds from the SSUT tax in the amount of \$1,773,212.47 were received by the Commission during the fiscal year ended September 30, 2024. Funds in the amount of \$865,562.50 were used to pay principal and interest on the warrants during the fiscal year ended September 30, 2024. The 2021 warrants will mature in fiscal year 2051.

The Commission issued the Series 2023 State Gasoline Tax Anticipation Warrant in August 2023 for the purpose of improving roads and bridges in the county. The Commission pledged to repay the warrants from the proceeds for the revenues received for ten cent gasoline tax. Proceeds from the ten cent gasoline tax in the amount of \$1,314,346.30 were received by the Commission during the fiscal year ended September 30, 2024. Future revenues of \$4,849,885.59 are pledged to repay the principal and interest on the warrants as of September 30, 2024. Funds in the amount of \$16,257.71 were used to pay interest on the warrants during the fiscal year ended September 30, 2024. The 2023 warrants will mature in fiscal year 2028.

Notes to the Financial Statements

For the Year Ended September 30, 2024

Deferred Charges on Refunding, Discounts and Premiums

The Commission has premiums in connection with the issuance of its General Obligation Warrants, Series 2021. The premiums are being amortized using the straight-line method over the life of the bonds.

| | Premiums | |
|------------------------------|----------------------------|-----------------------------|
| | Governmental Activities | Business-Type Activities |
| Total Premiums | \$1,010,557.55 | \$238,622.50 |
| Amount Amortized Prior Years | (67,370.50) | (15,908.16) |
| Balance Premiums | 943,187.05 | 222,714.34 |
| Current Year Amortization | (33,685.25) | (7,954.08) |
| Balance Premiums | 909,501.80 | 214,760.26 |
| Current Portion | 33,685.25 | 7,954.08 |
| Long-Term Portion | \$ 875,816.55 | \$206,806.18 |

Note 11 – 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 at 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.

Notes to the Financial Statements

For the Year Ended September 30, 2024

The Commission purchases commercial insurance for its other risks of loss, including property and casualty insurance. The Commission purchases full coverage insurance on all county vehicles, except for the highway department, the water department, and passenger vehicles that are 5 years old, with a \$1,000.00 to \$2,000.00 deductible. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

Note 12 – Interfund Transactions

Interfund Transfers

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

| | Transfers Out | | | | | Totals |
|--------------------------|----------------|-------------------|------------------|-----------------------------|--------------------------|----------------|
| | General Fund | Gasoline Tax Fund | Reappraisal Fund | ARPA Revenue Reduction Fund | Other Governmental Funds | |
| Transfers In: | | | | | | |
| General Fund | \$ | \$245,185.00 | \$100,000.00 | \$ 2,195.00 | \$ | \$ 347,380.00 |
| Gasoline Tax Fund | 821,281.17 | | | 1,729,330.86 | 455,632.82 | 3,006,244.85 |
| Reappraisal Fund | 100,000.00 | | | | | 100,000.00 |
| Other Governmental Funds | 2,011,346.50 | 130,383.00 | | 408,320.80 | 1,283,416.94 | 3,833,467.24 |
| Total Governmental Funds | 2,932,627.67 | 375,568.00 | 100,000.00 | 2,139,846.66 | 1,739,049.76 | 7,287,092.09 |
| County-Wide Water Fund | | | | | 25,577.50 | 25,577.50 |
| Total Proprietary Funds | | | | | 25,577.50 | 25,577.50 |
| Totals | \$2,932,627.67 | \$375,568.00 | \$100,000.00 | \$2,139,846.66 | \$1,764,627.26 | \$7,312,669.59 |

The Commission typically used transfers to fund capital projects and fund debt service payments.

Notes to the Financial Statements

For the Year Ended September 30, 2024

Note 13 – Related Organizations

A majority of the members of the Board of Helen Keller Hospital and Colbert County E911 are appointed by the Colbert 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 agencies and the agencies are not considered part of the Commission's financial reporting entity. The agencies are considered related organizations of the County Commission.

Note 14 – Subsequent Events

On November 7, 2024, the Commission entered into a loan for Sheriff's vehicles in the amount of \$300,000.00 with an interest rate of 5.650%.

On October 26, 2025, the Commission approved a bid for the Colbert Justice Center to Limestone Building Group for \$35,097,270.00.

On October 23, 2025, the Commission issued General Obligation Warrants, Series 2025, in the amount of \$15,995,000.00 for the purpose of construction of the Colbert Justice Center.

Note 15 – Construction and Other Significant Commitments

As of September 30, 2024, the Commission was obligated under the following significant construction contracts:

| | Original Contract | Remaining Amount |
|---|-----------------------|-----------------------|
| Coast Guard Building Renovations | \$ 737,850.00 | \$ 737,850.00 |
| EMA/E911 Building Renovations | 1,500,500.00 | 789,030.84 |
| Rose Trail Campground Upgrades/Expansion | 751,600.00 | 158,159.46 |
| Alloys Park Campground Upgrades/Expansion | 681,768.00 | 86,069.74 |
| Asphalt Rock/Rose Trail Water Tank | 1,298,000.00 | 1,298,000.00 |
| Lagrange Senior Center | 275,000.00 | 97,737.94 |
| Total | <u>\$5,244,718.00</u> | <u>\$3,166,847.98</u> |

Required Supplementary Information

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

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$ 722,457 | \$ 619,462 | \$ 494,850 | \$ 482,830 | \$ 509,747 | \$ 474,513 | \$ 462,093 | \$ 464,174 | \$ 471,050 | \$ 465,903 |
| Interest | 2,258,823 | 2,220,311 | 2,096,346 | 1,987,554 | 1,922,794 | 1,855,452 | 1,888,312 | 1,851,097 | 1,789,734 | 1,728,170 |
| Changes in benefit terms | | 18,678 | 357,351 | | | | | | | |
| Difference between expected and actual experience | 613,282 | (274,017) | 843,124 | 808,724 | 388,702 | 203,261 | (1,262,173) | 61,356 | 133,532 | |
| Changes of assumptions | | | 1,030,132 | | | 125,915 | | 626,641 | | |
| Benefit payments, including refunds of employee contributions | (2,003,625) | (2,159,459) | (2,038,540) | (1,950,198) | (1,784,112) | (1,513,642) | (1,712,242) | (1,795,004) | (1,459,559) | (1,389,476) |
| Transfers among employers | 216,170 | 14,044 | (145,237) | 128,144 | (113,051) | 19,774 | 100,703 | (23,034) | | |
| Net change in total pension liability | 1,807,107 | 439,019 | 2,638,026 | 1,457,054 | 924,080 | 1,165,273 | (523,307) | 1,185,230 | 934,757 | 804,597 |
| Total pension liability - beginning | 31,321,586 | 30,882,567 | 28,244,541 | 26,787,487 | 25,863,407 | 24,698,134 | 25,221,441 | 24,036,211 | 23,101,454 | 22,296,857 |
| Total pension liability - ending (a) | \$ 33,128,693 | \$ 31,321,586 | \$ 30,882,567 | \$ 28,244,541 | \$ 26,787,487 | \$ 25,863,407 | \$ 24,698,134 | \$ 25,221,441 | \$ 24,036,211 | \$ 23,101,454 |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 639,306 | \$ 654,673 | \$ 373,507 | \$ 385,991 | \$ 370,753 | \$ 464,998 | \$ 510,923 | \$ 553,756 | \$ 559,187 | \$ 555,379 |
| Contributions - employee | 594,790 | 585,165 | 467,446 | 524,457 | 461,342 | 460,219 | 316,360 | 307,238 | 303,087 | 303,841 |
| Net investment income | 2,609,762 | (3,054,837) | 4,544,788 | 1,167,198 | 536,113 | 1,837,741 | 2,330,729 | 1,762,949 | 211,788 | 1,968,944 |
| Benefit payments, including refunds of employee contributions | (2,003,625) | (2,159,459) | (2,038,540) | (1,950,198) | (1,784,112) | (1,513,642) | (1,712,242) | (1,795,004) | (1,459,559) | (1,389,476) |
| Other (Transfers among employers) | 216,170 | 14,044 | (145,237) | 128,144 | (113,051) | 19,774 | 100,703 | (23,034) | 48,962 | 24,385 |
| Net change in plan fiduciary net position | 2,056,403 | (3,960,414) | 3,201,964 | 255,592 | (528,955) | 1,269,090 | 1,546,473 | 805,905 | (336,535) | 1,463,073 |
| Plan fiduciary net position - beginning | 20,378,937 | 24,339,351 | 21,137,387 | 20,881,795 | 21,410,750 | 20,141,660 | 18,595,187 | 17,789,282 | 18,125,817 | 16,662,744 |
| Plan fiduciary net position - ending (b) | \$ 22,435,340 | \$ 20,378,937 | \$ 24,339,351 | \$ 21,137,387 | \$ 20,881,795 | \$ 21,410,750 | \$ 20,141,660 | \$ 18,595,187 | \$ 17,789,282 | \$ 18,125,817 |
| Commission's net pension liability - ending (a) - (b) | \$ 10,693,353 | \$ 10,942,649 | \$ 6,543,216 | \$ 7,107,154 | \$ 5,905,692 | \$ 4,452,657 | \$ 4,556,474 | \$ 6,626,254 | \$ 6,246,929 | \$ 4,975,637 |
| Plan fiduciary net position as a percentage of the total pension liability | 67.72% | 65.06% | 78.81% | 74.84% | 77.95% | 82.78% | 81.55% | 73.73% | 74.01% | 78.46% |
| Covered payroll (*) | \$ 7,511,689 | \$ 7,615,176 | \$ 6,581,658 | \$ 7,451,020 | \$ 6,346,424 | \$ 6,269,365 | \$ 5,888,669 | \$ 5,780,520 | \$ 5,747,723 | \$ 5,825,498 |
| Commission's net pension liability as a percentage of covered payroll | 142.36% | 143.70% | 99.42% | 95.38% | 93.06% | 71.02% | 77.38% | 114.63% | 108.69% | 85.41% |

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

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

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution (*) | \$ 746,064 | \$ 639,306 | \$ 654,673 | \$ 373,507 | \$ 385,991 | \$ 370,753 | \$ 464,998 | \$ 510,923 | \$ 553,756 | \$ 559,187 |
| Contributions in relation to the actuarially determined contribution (*) | \$ 746,064 | \$ 639,306 | \$ 654,673 | \$ 373,507 | \$ 385,991 | \$ 370,753 | \$ 464,998 | \$ 510,923 | \$ 553,756 | \$ 559,187 |
| Contribution deficiency (excess) | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Covered payroll (**) | \$ 8,592,219 | \$ 7,511,689 | \$ 7,615,176 | \$ 6,581,658 | \$ 7,451,020 | \$ 6,346,424 | \$ 6,269,365 | \$ 5,888,669 | \$ 5,780,520 | \$ 5,747,723 |
| Contributions as a percentage of covered payroll | 8.68% | 8.51% | 8.60% | 5.67% | 5.18% | 5.84% | 7.42% | 8.68% | 9.58% | 9.73% |

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

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

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age |
| Amortization method | Level percent closed |
| Remaining amortization period | 26 years |
| Asset valuation method | Five year smoothed market |
| Inflation | 2.50% |
| Salary increases | 3.25-6.00% including inflation |
| Investment rate of return | 7.45% net of pension plan investment expense, including inflation |

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, 2024

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | | | | |
| Service cost | \$ 122,011 | \$ 124,645 | \$ 122,418 | \$ 116,759 | \$ 88,103 | \$ 94,120 | \$ 103,536 |
| Interest | 91,723 | 63,461 | 65,655 | 76,721 | 64,814 | 59,084 | 49,148 |
| Change in benefit terms | | | | | 921,354 | | |
| Difference between expected and actual experience | 138,865 | (112,329) | 2,099 | (34,589) | 53,480 | (151,888) | 4,003 |
| Changes of assumptions | (16,468) | (340,789) | (131,224) | 124,688 | 348,847 | (8,026) | (108,374) |
| Benefit payments (*) | (314,951) | (209,648) | (233,753) | (160,465) | (125,188) | (70,908) | (70,638) |
| Net change in total OPEB liability | 21,180 | (474,660) | (174,805) | 123,114 | 1,351,410 | (77,618) | (22,325) |
| Total OPEB liability - beginning | 2,437,598 | 2,912,258 | 3,087,063 | 2,963,949 | 1,612,539 | 1,690,157 | 1,712,482 |
| Total OPEB liability - ending | <u>\$ 2,458,778</u> | <u>\$ 2,437,598</u> | <u>\$ 2,912,258</u> | <u>\$ 3,087,063</u> | <u>\$ 2,963,949</u> | <u>\$ 1,612,539</u> | <u>\$ 1,690,157</u> |
| Covered-employee payroll (**) | \$ 7,360,739 | \$ 7,360,739 | \$ 6,204,568 | \$ 6,204,568 | \$ 5,912,499 | \$ 6,321,568 | \$ 5,760,667 |
| Total OPEB liability as a percentage of covered-employee payroll | 33.40% | 33.12% | 46.94% | 49.75% | 50.13% | 25.51% | 29.34% |

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

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

Notes to Schedule:

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

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

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

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

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution (*) | \$ 180,803 | \$ 214,598 | \$ 208,049 | \$ 233,514 | \$ 160,465 | \$ 125,188 | \$ 70,908 | \$ 70,638 |
| Contributions in relation to the actuarially determined contribution | \$ 180,803 | \$ 214,598 | \$ 208,049 | \$ 233,514 | \$ 160,465 | \$ 125,188 | \$ 70,908 | \$ 70,638 |
| Contribution deficiency (excess) | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Covered-employee payroll | \$ 7,360,739 | \$ 7,360,739 | \$ 7,360,739 | \$ 6,204,568 | \$ 6,204,568 | \$ 5,912,499 | \$ 6,321,568 | \$ 5,760,667 |
| Contributions as a percentage of covered-employee payroll | 2.46% | 2.92% | 2.83% | 3.76% | 2.59% | 2.12% | 1.12% | 1.23% |

(*) There are no actuarially determined contributions. Amounts reported are premiums paid.

Notes to Schedule:

Valuation Date: September 30, 2022

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

Methods and assumptions used to determine contribution rates:

| | |
|--|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level dollar |
| Asset valuation method | Market Value |
| Inflation | 2.50% annually |
| Healthcare cost trend rate | |
| Pre-Medicare Medical and Prescription Drug | 7.00% initially, decreasing to an ultimate rate of 4.50% by 2032 |
| Medicare Medical and Prescription Drug | 5.125% initially, decreasing to an ultimate rate of 4.50% by 2025 |
| Salary increases | 3.25%-6.00%, including wage inflation |
| Discount Rate | 4.09% per annum, compounded annually |
| Retirement age | 25 years of service at any age or attainment of age 60 and 10 years of service; employees hired on and after January 1, 2013 are not eligible to retire until age 62 with 10 years of service. |
| Mortality: | |
| Deaths before retirement | Pub-2010 Employee base rates are projected from 2010 using generational improvements with the adjusted Scale MP-2020. Rates are set back 1 year for all males and females. |
| Deaths after retirement | Pub-2010 Healthy Annuitant base rates are projected from 2010 using generational improvements with the adjusted Scale MP-2020. Rates are set forward 2 years for non-FLC males and females and set forward 1 year for FLC males. Rates are adjusted by 90% for males prior to age 65, 96% for males on and after age 65, and 96% for females of all ages. |
| Death after retirement (beneficiary) | Pub-2010 contingent Survivors base rates are projected from 2010 using generational improvements with the adjusted Scale MP-2020. Rates are set forward 2 years for all males and females. |
| Deaths after retirement (disabled) | Pub-2010 Disabled base rates are projected from 2010 using generational improvements with the adjusted Scale MP-2020. Rates are set forward 7 years for all males and set forward 3 years for non-FLC females. |

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

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

| | Budgeted Amounts | | Actual Amounts | | Budget to GAAP | Actual Amounts |
|---|------------------|-----------------|------------------|-----|-----------------|------------------|
| | Original | Final | Budgetary Basis | | Differences | GAAP Basis |
| <u>Revenues</u> | | | | | | |
| Taxes | \$ 6,856,486.95 | \$ 6,856,486.95 | \$ 6,829,442.94 | (1) | \$ 1,903,702.46 | \$ 8,733,145.40 |
| Licenses and Permits | 185,200.00 | 185,200.00 | 189,570.48 | (1) | 20,526.52 | 210,097.00 |
| Intergovernmental | 3,243,878.00 | 3,243,878.00 | 3,934,438.49 | | | 3,934,438.49 |
| Charges for Services | 1,849,800.00 | 1,849,800.00 | 2,398,489.91 | | | 2,398,489.91 |
| Miscellaneous | 1,688,127.00 | 1,688,127.00 | 886,768.62 | (1) | 2,892.72 | 889,661.34 |
| Total Revenues | 13,823,491.95 | 13,823,491.95 | 14,238,710.44 | | 1,927,121.70 | 16,165,832.14 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| General Government | 5,740,420.45 | 5,740,420.45 | 4,628,377.94 | (2) | 25,405.00 | 4,653,782.94 |
| Public Safety | 7,561,490.07 | 7,561,490.07 | 6,339,348.68 | (2) | 80,000.00 | 6,419,348.68 |
| Health | 217,466.00 | 217,466.00 | 287,019.27 | | | 287,019.27 |
| Welfare | 311,228.00 | 311,228.00 | 283,138.73 | (2) | 25,000.00 | 308,138.73 |
| Culture and Recreation | 247,726.00 | 247,726.00 | 281,249.71 | | | 281,249.71 |
| Education | 401,505.00 | 401,505.00 | 436,133.39 | (2) | 28,500.00 | 464,633.39 |
| Capital Outlay | 387,000.00 | 387,000.00 | 463,296.72 | (2) | 99,500.00 | 562,796.72 |
| Total Expenditures | 14,866,835.52 | 14,866,835.52 | 12,718,564.44 | | 258,405.00 | 12,976,969.44 |
| Excess (Deficiency) of Revenues Over Expenditures | (1,043,343.57) | (1,043,343.57) | 1,520,146.00 | | 1,668,716.70 | 3,188,862.70 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers In | 1,459,659.00 | 1,459,659.00 | 1,428,039.00 | (3) | (1,080,659.00) | 347,380.00 |
| Proceeds from Sale of Assets | 30,000.00 | 30,000.00 | 32,700.00 | | | 32,700.00 |
| Transfers Out | (375,000.00) | (375,000.00) | (2,832,721.79) | (3) | (99,905.88) | (2,932,627.67) |
| Total Other Financing Sources (Uses) | 1,114,659.00 | 1,114,659.00 | (1,371,982.79) | | (1,180,564.88) | (2,552,547.67) |
| Net Changes in Fund Balances | 71,315.43 | 71,315.43 | 148,163.21 | | 488,151.82 | 636,315.03 |
| Fund Balances - Beginning of Year | | | 10,328,153.04 | (4) | 860,790.82 | 11,188,943.86 |
| Fund Balances - End of Year | \$ 71,315.43 | \$ 71,315.43 | \$ 10,476,316.25 | | \$ 1,348,942.64 | \$ 11,825,258.89 |

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

Explanation of Differences between Actual Amounts on Budgetary Basis and Actual Amounts GAAP Basis:

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

| | |
|--|-----------------------|
| (1) Revenues | |
| Public Roads, Buildings and Bridges Fund | \$ 1,927,121.70 |
| (2) Expenditures | |
| Public Roads, Buildings and Bridges Fund | (258,405.00) |
| (3) Other Financing Sources/(Uses), Net | |
| Public Roads, Buildings and Bridges Fund | <u>(1,180,564.88)</u> |
| Net Increase in Fund Balance - Budget to GAAP | <u>\$ 488,151.82</u> |
| (4) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the Commission's budget. This amount differs from the fund balance reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because of the effect of transactions such as those described above. | |

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

| | Budgeted Amounts | | Actual Amounts | | Budget to GAAP | Actual Amounts |
|---|------------------|----------------|-----------------|-----|----------------|-----------------|
| | Original | Final | Budgetary Basis | | Differences | GAAP Basis |
| Revenues | | | | | | |
| Licenses and Permits | \$ | \$ | \$ | (1) | \$ 3,768.10 | \$ 3,768.10 |
| Intergovernmental | 1,974,950.00 | 1,974,950.00 | 1,497,107.52 | (1) | 207,789.85 | 1,704,897.37 |
| Charges for Services | 1,126,729.00 | 1,126,729.00 | 1,445,972.17 | | | 1,445,972.17 |
| Miscellaneous | 23,750.00 | 23,750.00 | 66,147.98 | (1) | 3,143.01 | 69,290.99 |
| Total Revenues | 3,125,429.00 | 3,125,429.00 | 3,009,227.67 | | 214,700.96 | 3,223,928.63 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Highways and Roads | 9,532,850.00 | 9,532,850.00 | 9,360,963.15 | | | 9,360,963.15 |
| Capital Outlay | 516,000.00 | 516,000.00 | 890,466.88 | | | 890,466.88 |
| Principal | 116,579.00 | 116,579.00 | | | | |
| Interest | 18,803.00 | 18,803.00 | | | | |
| Total Expenditures | 10,184,232.00 | 10,184,232.00 | 10,251,430.03 | | | 10,251,430.03 |
| Excess (Deficiency) of Revenues Over Expenditures | (7,058,803.00) | (7,058,803.00) | (7,242,202.36) | | 214,700.96 | (7,027,501.40) |
| Other Financing Sources (Uses) | | | | | | |
| Transfers In | 2,533,803.00 | 2,533,803.00 | 3,189,620.85 | (2) | (183,376.00) | 3,006,244.85 |
| Proceeds from Sale of Assets | 400,000.00 | 400,000.00 | 658,983.00 | | | 658,983.00 |
| Proceeds from Issuance of Debt | 4,500,000.00 | 4,500,000.00 | 4,443,546.58 | | | 4,443,546.58 |
| Transfers Out | (375,000.00) | (375,000.00) | (548,317.32) | (2) | 172,749.32 | (375,568.00) |
| Total Other Financing Sources (Uses) | 7,058,803.00 | 7,058,803.00 | 7,743,833.11 | | (10,626.68) | 7,733,206.43 |
| Net Changes in Fund Balances | | | 501,630.75 | | 204,074.28 | 705,705.03 |
| Fund Balances - Beginning of Year | | | 588,118.65 | (3) | 455,619.22 | 1,043,737.87 |
| Fund Balances - End of Year | \$ | \$ | \$ 1,089,749.40 | | \$ 659,693.50 | \$ 1,749,442.90 |

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

Explanation of Differences between Actual Amounts on Budgetary Basis and Actual Amounts GAAP Basis:

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

| | |
|--|----------------------|
| (1) Revenues | |
| Public Highway and Traffic Fund | \$ 214,700.96 |
| (2) Other Financing Sources/(Uses), Net | |
| Public Highway and Traffic Fund | <u>(10,626.68)</u> |
| Net Increase in Fund Balance - Budget to GAAP | <u>\$ 204,074.28</u> |
| (3) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the Commission's budget. This amount differs from the fund balance reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because of the effect of transactions such as those described above. | |

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

| | Budgeted Amounts | | Actual Amounts | Budget to GAAP | Actual Amounts |
|---|-------------------------|----------------|------------------------|-----------------------|-----------------------|
| | Original | Final | Budgetary Basis | Differences | GAAP Basis |
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ | \$ | \$ 4,292,403.85 | \$ | \$ 4,292,403.85 |
| Total Revenues | | | 4,292,403.85 | | 4,292,403.85 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | 94,496.00 | 94,496.00 | 87,302.96 | | 87,302.96 |
| Public Safety | | | 150.00 | | 150.00 |
| Capital Outlay | 6,288,926.17 | 6,288,926.17 | 2,065,104.23 | | 2,065,104.23 |
| Total Expenditures | 6,383,422.17 | 6,383,422.17 | 2,152,557.19 | | 2,152,557.19 |
| Excess (Deficiency) of Revenues Over Expenditures | (6,383,422.17) | (6,383,422.17) | 2,139,846.66 | | 2,139,846.66 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | (1,500,000.00) | (1,500,000.00) | (2,139,846.66) | | (2,139,846.66) |
| Total Other Financing Sources (Uses) | (1,500,000.00) | (1,500,000.00) | (2,139,846.66) | | (2,139,846.66) |
| Net Changes in Fund Balances | (7,883,422.17) | (7,883,422.17) | | | |
| Fund Balances - Beginning of Year | 7,883,422.17 | 7,883,422.17 | | | |
| Fund Balances - End of Year | \$ | \$ | \$ | \$ | \$ |

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

| | Budgeted Amounts | | Actual Amounts | Budget to GAAP | Actual Amounts |
|---|------------------|-----------------|-----------------|----------------|-----------------|
| | Original | Final | Budgetary Basis | Differences | GAAP Basis |
| <u>Revenues</u> | | | | | |
| Taxes | \$ 1,398,710.00 | \$ 1,398,710.00 | \$ 1,273,859.11 | \$ | \$ 1,273,859.11 |
| Miscellaneous | | | 63,169.11 | | 63,169.11 |
| Total Revenues | 1,398,710.00 | 1,398,710.00 | 1,337,028.22 | | 1,337,028.22 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | 1,398,710.00 | 1,398,710.00 | 1,337,028.22 | | 1,337,028.22 |
| Total Expenditures | 1,398,710.00 | 1,398,710.00 | 1,337,028.22 | | 1,337,028.22 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | | | 100,000.00 | | 100,000.00 |
| Transfers Out | | | (100,000.00) | | (100,000.00) |
| Total Other Financing Sources (Uses) | | | | | |
| Net Changes in Fund Balances | | | | | |
| Fund Balances - Beginning of Year | | | | | |
| Fund Balances - End of Year | \$ | \$ | \$ | \$ | \$ |

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Supplementary Information

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

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal Assistance Listing Number | Pass-Through Grantor's Number | Total Federal Expenditures |
|---|--|--|---|
| <u>U. S. Department of Housing and Urban Development</u> | | | |
| <u>Passed Through Alabama Department of Economic and Community Affairs</u> | | | |
| Community Development Block Grants/State's Programs and Non-Entitlement Grants in Hawaii | 14.228 | CV-NC-20-022 | \$ 179,766.70 |
| Total U. S. Department of Housing and Urban Development | | | <u>179,766.70</u> |
| <u>U. S. Department of the Interior</u> | | | |
| <u>Direct Program</u> | | | |
| Payments in Lieu of Taxes | 15.226 | N.A. | 8,791.00 |
| <u>Passed Through Alabama Department of Economic and Community Affairs</u> | | | |
| Outdoor Recreation Acquisition, Development and Planning | 15.916 | 22-LW-1069 | <u>250,000.00</u> |
| Total U. S. Department of the Interior | | | <u>258,791.00</u> |
| <u>U. S. Department of Justice</u> | | | |
| <u>Direct Program</u> | | | |
| Congressionally Recommended Awards | 16.753 | 15PBJA-24-CG-00157-BRND | <u>249,319.52</u> |
| Total U. S. Department of Justice | | | <u>249,319.52</u> |
| <u>U. S. Department of Health and Human Services</u> | | | |
| <u>Passed Through Northwest Alabama Council of Local Governments</u> | | | |
| Special Programs for the Aging - Title III, Part C, Nutrition Services | 93.045 | N.A. | 7,800.00 |
| <u>Passed Through Alabama Department of Public Health</u> | | | |
| Public Health Emergency Preparedness | 93.069 | N.A. | <u>11,000.00</u> |
| Total U. S. Department of Health and Human Services | | | <u>18,800.00</u> |
| <u>U. S. Department of Transportation</u> | | | |
| <u>Passed Through Franklin County Commission</u> | | | |
| State and Community Highway Safety | 20.600 | 24-FP-PT-028 | 40,782.49 |
| <u>Passed Through Alabama Department of Economic and Community Affairs</u> | | | |
| Recreational Trails Program | 20.219 | 22-RT-55-01 | <u>233,818.38</u> |
| Total U. S. Department of Transportation | | | <u>274,600.87</u> |
| <u>U. S. Department of Treasury</u> | | | |
| <u>Direct Program</u> | | | |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | N.A. | 4,292,403.85 |
| COVID-19 - Local Assistance and Tribal Consistency Fund (LATCF) | 21.032 | N.A. | <u>66,982.94</u> |
| Total U. S. Department of Treasury | | | <u>4,359,386.79</u> |
| Sub-Total Forward | | | \$ 5,340,664.88 |

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

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal Assistance Listing Number | Pass-Through Grantor's Number | Total Federal Expenditures |
|---|--|--|---|
| Sub-Total Brought Forward | | | \$ 5,340,664.88 |
| <u>Corporation for National and Community Service</u> | | | |
| <u>Direct Program</u> | | | |
| AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP) | 94.002 | N.A. | 115,538.17 |
| Total Corporation for National and Community Service | | | <u>115,538.17</u> |
| <u>U. S Department of Homeland Security</u> | | | |
| <u>Passed Through Alabama Law Enforcement Agency</u> | | | |
| Homeland Security Grant Program | 97.067 | 23FIL | 79,492.60 |
| Homeland Security Grant Program | 97.067 | 2023-3LOC-ST5-186 | <u>16,599.00</u> |
| Sub-Total Homeland Security Grant | | | 96,091.60 |
| <u>Passed Through Alabama Emergency Management Agency</u> | | | |
| Hazard Mitigation Grant | 97.039 | FEMA-4554-HMPG-AL | 152,482.50 |
| Hazard Mitigation Grant | 97.039 | FEMA-4426-HMPG-AL | <u>86,175.00</u> |
| Sub-Total Hazard Mitigation Grant | | | 238,657.50 |
| Emergency Management Performance Grants | 97.042 | 24EMF | <u>49,590.00</u> |
| Total U. S. Department of Homeland Security | | | <u>384,339.10</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 5,840,542.15</u> |

N.A. = Not Applicable or Not Available

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

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

Note 1 – Basis of Presentation

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

Note 2 – Summary of Significant Accounting Policies

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

Note 3 – Indirect Cost Rate

The Colbert County Commission did not elect to use the 10-percent de minimis indirect cost rate as allowed in the *Uniform Guidance*.

Additional Information

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

| Commission Members | | Term Expires |
|--|----------------------|---------------------|
| Hon. Darol Bendall | Member | 2028 |
| Hon. W. Tyrus Mansell (1) | Member | 2028 |
| Hon. Jimmy Gardiner (2) | Member | 2028 |
| Hon. Tori Bailey | Member | 2028 |
| Hon. Tommy Barnes | Member | 2028 |
| Hon. David C. Isom | Member | 2028 |
| <u>Administrative Personnel</u> | | |
| Roger Creekmore | County Administrator | Indefinite |
| (1) Chairman from June 21, 2023 through February 22, 2024. | | |
| (2) Chairman from February 23, 2024 through November 18, 2024. | | |

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 Colbert County Commission and County Administrator
Tuscumbia, Alabama

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States (***Government Auditing Standards***), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Colbert County Commission, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Colbert County Commission's basic financial statements, and have issued our report thereon dated November 6, 2025.

Report on Internal Control over Financial Reporting

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

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

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

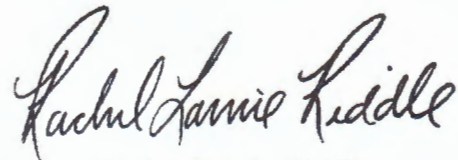
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Report on Compliance and Other Matters

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

Purpose of this Report

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



Rachel Laurie Riddle
Chief Examiner

Department of Examiners of Public Accounts

Montgomery, Alabama

November 6, 2025

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

Independent Auditor's Report

Members of the Colbert Commission and County Administrator
Tuscumbia, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control Over Compliance


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

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

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

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

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



Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

November 6, 2025

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2024

Section I – Summary of Examiner's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

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

Unmodified

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

_____ Yes X No

Identification of major federal programs:

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

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

\$750,000.00

Auditee qualified as low-risk auditee?

_____ Yes X No

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

Section II – Financial Statement Findings (GAGAS)

No matters were reportable.

Section III – Federal Awards Findings and Questioned Costs

No matters were reportable.