



Bullock County Commission

Bullock County, Alabama

October 1, 2020 through September 30, 2021

Filed: January 9, 2026

ALABAMA DEPARTMENT OF
EXAMINERS of Public Accounts

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



State of Alabama
Department of
Examiners of Public Accounts

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

Rachel Laurie Riddle
Chief Examiner

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

Dear Madam:

An audit was conducted on the Bullock County Commission, Bullock County, Alabama, for the period October 1, 2020 through September 30, 2021. 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,

Bret Hudson
Examiner of Public Accounts

rb

Table of Contents

	<i>Page</i>
Summary	A
Contains items pertaining to state and local legal compliance, Commission operations and other matters.	
Schedule of State and Local Compliance and Other Findings	C
Contains detailed information about findings pertaining to state and local legal compliance and other findings.	
Independent Auditor's Report	E
Reports on whether the financial information constitutes a fair presentation of the financial position and results of financial operations in accordance with generally accepted accounting principles (GAAP).	
<u>Basic Financial Statements</u>	1
Provides the minimum combination of financial statements and notes to the financial statements that is required for the fair presentation of the Commission's financial position and results of operations in accordance with GAAP.	
Exhibit #1 Statement of Net Position	2
Exhibit #2 Statement of Activities	4
Exhibit #3 Balance Sheet – Governmental Funds	5
Exhibit #4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	6
Exhibit #5 Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	7
Exhibit #6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Exhibit #7 Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	9
Exhibit #8 State of Cash Flows – Proprietary Fund	10

Table of Contents

	<i>Page</i>
Exhibit #9 Statement of Fiduciary Net Position	11
Exhibit #10 Statement of Changes in Fiduciary Net Position	12
Notes to the Financial Statements	13
<u>Required Supplementary Information</u>	42
Provides information required by the Governmental Accounting Standards Board (GASB) to supplement the basic financial statements. This information has not been audited and no opinion is provided about the information.	
Exhibit #11 Schedule of Changes in the Employer's Net Pension Liability	43
Exhibit #12 Schedule of the Employer's Contributions – Pension	44
<u>Additional Information</u>	45
Provides basic information related to the Commission, including reports and items required by generally accepted government auditing standards.	
Exhibit #13 Commission Members and Administrative Personnel – a listing of the Commission members and administrative personnel.	46
Exhibit #14 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> – a report on internal controls related to the financial statements and on whether the Commission complied with laws and regulations which could have a direct and material effect on the Commission's financial statements.	47
Exhibit #15 Auditee Response – a response by the Commission on the results of the audit.	52



Department of
Examiners of Public Accounts

SUMMARY

**Bullock County Commission
October 1, 2020 through September 30, 2021**

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

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

An unmodified opinion was issued on the basic financial statements, which means that the Commission’s financial statements present fairly, in all material respects, its financial position and the results of its operations for the fiscal year ended September 30, 2021.

Financial statements for the fiscal year ending September 30, 2021 were not prepared by management until September 30, 2024. The Commission’s failure to prepare timely financial statements may impact the relevance of the financial information presented to users of the financial statements.

AUDIT FINDINGS

An instance of noncompliance with state and local laws and regulations and other matters was found during the audit as shown on the Schedule of State and Local Compliance and Other Finding, and it is summarized below:

- ◆ 2021-001: The Commission failed to provide documentation to support compliance with the Alabama Competitive Bid Law.

Problems were found with the Commission's internal controls over financial reporting as shown on Exhibit 14, and they are summarized below.

- ◆ 2021-002: The Commission failed to ensure that all revenues were properly recognized in the year that all eligibility requirements were met.
- ◆ 2021-003: The Commission failed to ensure that all capital asset balances were accurately reported.
- ◆ 2021-004: The Commission failed to ensure that adequate supporting documentation was retained for all disbursements. This finding was previously reported as Finding 2010-005, Finding 2019-004 and Finding 2020-006.

EXIT CONFERENCE

Commission members and administrative personnel, as reflected on Exhibit 13, were invited to discuss the results of this report at an exit conference. Individuals in attendance were Patrick D. Smith, County Administrator; and County Commissioners: John G. McGowan, Solomon Marlow, Jr. and John L. Adams. Representing the Department of Examiners of Public Accounts were Samantha Pearson, Audit Manager; and Bret Hudson, Examiner.

*Schedule of State and Local
Compliance and Other Findings*

Schedule of State and Local Compliance and Other Findings

October 1, 2020 through September 30, 2021

Ref. No.	Finding/Noncompliance
2021-001	<p><u>Finding:</u></p> <p>The <i>Code of Alabama 1975</i>, Section 41-16-50, requires all expenditures of funds of whatever nature for labor, services, work, or for the purchase of materials, equipment, supplies or other personal property involving fifteen thousand (\$15,000) or more be competitively bid. The <i>Code of Alabama 1975</i>, Section 41-16-54(e), requires all original bids together with all documents pertaining to the award of the contract to be retained in accordance with a retention period of at least seven years as established by the Local Governments Records Commission and the bids shall be open to public inspection. During the audit period, the Commission failed to retain sufficient bid documentation for the jail telephone contract. The Commission did not ensure bid documents were retained as required. As a result, we were unable to determine that the Commission awarded the jail telephone contract to the lowest responsible bidder.</p> <p><u>Recommendation:</u></p> <p>The Commission should ensure that all bid documents are retained as required by the Alabama Competitive Bid Law and the Local Governments Records Commission.</p>

Independent Auditor's Report

Independent Auditor's Report

Members of Bullock County Commission and County Administrator
Union Springs, 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 Bullock County Commission, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Bullock County Commission's basic financial statements as listed in the table of contents as Exhibits 1 through 10.

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 Bullock County Commission, as of September 30, 2021, 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 Bullock County Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

The Bullock County Commission's basic financial statements for the year ended September 30, 2021, reflect the provisions of the Governmental Accounting Standards Board's (GASB) Statement Number 84, ***Fiduciary Activities***. As described in Note 13 to the financial statements, the Bullock County Commission implemented the requirements of GASB Statement Number 84 during the fiscal year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Employer's Net Pension Liability and the Schedule of the Employer's Contributions (Exhibits 11 and 12), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated December 3, 2025, on our consideration of the Bullock 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 Bullock 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 Bullock County Commission's internal control over financial reporting and compliance.



Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

December 3, 2025

This Page Intentionally Blank

Basic Financial Statements

Statement of Net Position

September 30, 2021

Governmental Activities

Assets

Current Assets

Cash	\$ 4,089,203.15
Investments	252,205.36
Receivables (Note 4)	406,799.22
Ad Valorem Taxes Receivable	1,180,195.40
Total Current Assets	<u>5,928,403.13</u>

Noncurrent Assets

Capital Assets (Note 5):	
Nondepreciable	516,961.48
Depreciable	4,148,771.91
Loans Receivable	<u>66,252.12</u>
Total Noncurrent Assets	<u>4,731,985.51</u>
 Total Assets	 <u>10,660,388.64</u>

Deferred Outflows of Resources

Deferred Charges on Long-Term Debt	4,147.86
Employer Pension Contributions	108,085.00
Deferred Outflows Related to Pensions	24,808.01
Total Deferred Outflows of Resources	<u>137,040.87</u>

Liabilities

Current Liabilities

Accounts Payable	150,968.24
Unearned Revenue	1,051,608.93
Accrued Wages Payable	73,090.96
Accrued Interest Payable	8,918.50
Long-Term Liabilities (Note 7):	
Portion Due or Payable Within One Year:	
Warrants Payable	125,000.00
Less: Unamortized Discount	(828.22)
Notes from Direct Borrowing	87,292.74
Claims and Judgements Payable	20,000.00
Compensated Absences	<u>11,297.72</u>
Total Current Liabilities	<u>\$ 1,527,348.87</u>

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

**Governmental
Activities**

Noncurrent Liabilities

Portion Due or Payable After One Year:	
Warrants Payable	\$ 265,000.00
Less: Unamortized Discount	(1,173.31)
Notes from Direct Borrowing	316,126.43
Compensated Absences	101,679.51
Net Pension Liability	1,257,584.00
Total Noncurrent Liabilities	<u>1,939,216.63</u>
 Total Liabilities	 <u>3,466,565.50</u>

Deferred Inflows of Resources

Unavailable Revenue - Property Taxes	1,119,394.32
Revenue Received in Advance - Motor Vehicle Taxes	60,801.08
Deferred Inflows Related to Pensions	386,876.01
Total Deferred Inflows of Resources	<u>1,567,071.41</u>

Net Position

Net Investment in Capital Assets	4,289,212.03
Restricted for:	
Industrial Development	1,059,513.90
Capital Improvements	246,791.07
Highways and Roads	851,017.33
Other Purposes	121,175.65
Unrestricted	<u>(803,917.38)</u>
 Total Net Position	 <u>\$ 5,763,792.60</u>

Statement of Activities
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expenses) Revenues and Changes in Net Position				
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Primary Government		
Primary Government									
Governmental Activities:									
General Government	\$ 2,639,982.41	\$ 368,972.14	\$ 180,794.18	\$ (2,090,216.09)	\$ (2,090,216.09)	\$ (2,090,216.09)	\$ (2,090,216.09)		
Public Safety	1,137,531.65	970.00	26,559.00	(1,110,002.65)			(1,110,002.65)		
Highways and Roads	2,774,096.45		2,932,273.09		158,176.64		158,176.64		
Welfare	145,208.58		56,488.00		(88,720.58)		(88,720.58)		
Culture and Recreation	257,589.76		49,400.08		(208,189.68)		(208,189.68)		
Education	6,581.03				(6,581.03)		(6,581.03)		
Interest on Long-Term Debt	42,237.52				(42,237.52)		(42,237.52)		
Total Governmental Activities	<u>7,003,227.40</u>	<u>369,942.14</u>	<u>3,245,514.35</u>		<u>(3,387,770.91)</u>		<u>(3,387,770.91)</u>		
Business-Type Activities:									
Sanitation	70.63					(70.63)	(70.63)		
Total Business-Type Activities	<u>70.63</u>					<u>(70.63)</u>	<u>(70.63)</u>		
Total Primary Government	<u>\$ 7,003,298.03</u>	<u>\$ 369,942.14</u>	<u>\$ 3,245,514.35</u>		<u>(3,387,770.91)</u>	<u>(70.63)</u>	<u>(3,387,841.54)</u>		
General Revenues:									
Taxes:									
Property Taxes for General Purposes				644,844.01			644,844.01		
Property Taxes for Specific Purposes				267,647.34			267,647.34		
Special Sales Tax				1,244,337.56			1,244,337.56		
Miscellaneous Taxes				46,084.69			46,084.69		
Grants and Contributions Not Restricted for Specific Programs				889,088.60			889,088.60		
Investment Earnings				45,303.37			45,303.37		
Gain on Sale of Capital Assets				17,848.14			17,848.14		
Other Income				824,408.22			824,408.22		
Total General Revenues				<u>3,979,561.93</u>			<u>3,979,561.93</u>		
Changes in Net Position					591,791.02	(70.63)	591,720.39		
Net Position - Beginning of Year, as Restated (Note 13)					<u>5,172,001.58</u>	<u>70.63</u>	<u>5,172,072.21</u>		
Net Position - End of Year					<u>\$ 5,763,792.60</u>	<u>\$</u>	<u>\$ 5,763,792.60</u>		

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

Balance Sheet

Governmental Funds
September 30, 2021

	General Fund	Gasoline Tax Fund	RRR Gasoline Tax Fund	Bullock County Development Fund	Capital Improvement Fund	Reappraisal Fund	Federal Aid Exchange Fund	Coronavirus Rescue Act Fund	Other Governmental Funds	Total Governmental Funds
Assets										
Cash	\$ 777,569.32	\$ 78,830.34	\$ 78,544.19	\$ 1,025,653.47	\$ 145,532.62	\$ 76,158.68	\$ 400,000.00	\$ 981,532.77	\$ 525,381.76	\$ 4,089,203.15
Investments	45,509.72	75,677.90	29,759.29			101,258.45				252,205.36
Receivables (Note 4)	164,408.79	65,380.67	76,787.33	56,222.35					44,000.08	406,799.22
Ad Valorem Taxes Receivable	1,039,397.08					140,798.32				1,180,195.40
Total Assets	2,026,884.91	219,888.91	185,090.81	1,081,875.82	246,791.07	216,957.00	400,000.00	981,532.77	569,381.84	5,928,403.13
Liabilities, Deferred Inflows of Resources and Fund Balances										
Liabilities										
Accounts Payable	43,289.72	14,823.79	43,354.79	41,716.22		2,607.05			5,176.67	150,968.24
Unearned Revenue						70,608.43		981,000.50		1,051,608.93
Accrued Wages Payable	50,199.88	19,947.88				2,943.20				73,090.96
Total Liabilities	93,489.60	34,771.67	43,354.79	41,716.22		76,158.68		981,000.50	5,176.67	1,275,668.13
Deferred Inflows of Resources										
Unavailable Revenue - Property Taxes	978,596.00					140,798.32				1,119,394.32
Revenue Received in Advance -										
Motor Vehicle Taxes	60,801.08									60,801.08
Total Deferred Inflows of Resources	1,039,397.08					140,798.32				1,180,195.40
Fund Balances										
Restricted for:										
Highways and Roads	74,135.88	185,117.24	141,736.02				400,000.00		473,456.88	1,274,446.02
Industrial Development				1,040,159.60						1,040,159.60
Capital Improvements					246,791.07					246,791.07
Other Purposes							532.27	90,748.29		91,280.56
Unrestricted	819,862.35									819,862.35
Total Fund Balances	893,998.23	185,117.24	141,736.02	1,040,159.60	246,791.07		400,000.00	532.27	564,205.17	3,472,539.60
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,026,884.91	\$ 219,888.91	\$ 185,090.81	\$ 1,081,875.82	\$ 246,791.07	\$ 216,957.00	\$ 400,000.00	\$ 981,532.77	\$ 569,381.84	\$ 5,928,403.13

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, 2021

Total Fund Balances - Governmental Funds (Exhibit 3)	\$ 3,472,539.60
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	4,665,733.39
Loans receivable are not available soon enough to pay for the current period's expenditures and, therefore, are not shown in the governmental funds.	66,252.12
Deferred outflows and inflows of resources related to the pension plan are applicable to future periods and, therefore, are not reported in the governmental funds.	(253,983.00)
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. These liabilities at year-end consist of:	
Deferred Charges Related to Long-Term Debt	\$ 4,147.86
Accrued Interest Payable	(8,918.50)
Current Portion of Long-Term Debt	(242,762.24)
Noncurrent Portion of Long-Term Debt	<u>(1,939,216.63)</u>
Total Long-Term Liabilities	<u>(2,186,749.51)</u>
Total Net Position Governmental Activities (Exhibit 1)	<u>\$ 5,763,792.60</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021

	General Fund	Gasoline Tax Fund	RRR Gasoline Tax Fund	Bullock County Development Fund	Capital Improvement Fund	Reappraisal Fund	Federal Aid Exchange Fund	Coronavirus Rescue Act Fund	Other Governmental Funds	Total Governmental Funds
Revenues										
Taxes	\$ 1,583,252.48	\$ 2,828.76		\$ 711,180.17	\$ 241,734.51	\$ 157,426.68	\$ 400,000.00		\$ 50,817.95	\$ 2,502,677.28
Licenses and Permits										2,828.76
Intergovernmental	1,366,348.14	774,999.49	887,479.80						591,443.04	4,262,004.98
Charges for Services	363,620.39								1,995.00	365,615.39
Miscellaneous	257,192.49	1,222.71	45.89	43,569.76	1,216.50	20.36		532.27	1,375.73	305,175.71
Total Revenues	3,573,242.26	776,222.20	887,525.69	754,749.93	242,951.01	157,447.04	400,000.00	532.27	645,631.72	7,438,302.12
Expenditures										
Current:										
General Government	1,554,116.43			377,502.21	398,098.21	157,447.04				2,487,163.89
Public Safety	957,011.53								53,874.79	1,010,886.32
Highways and Roads	477,815.25	543,744.78	880,041.73				475,468.14		430,237.49	2,807,307.39
Welfare	128,195.52									128,195.52
Culture and Recreation	2,237.41								255,352.35	257,589.76
Education	6,581.03									6,581.03
Capital Outlay	268,080.21			31,308.00						299,388.21
Debt Service:										
Principal Retirement	239,164.47			24,971.18						264,135.65
Interest and Fiscal Charges	39,477.66			2,759.86						42,237.52
Total Expenditures	3,394,037.38	822,386.91	880,041.73	436,541.25	398,098.21	157,447.04	475,468.14		739,464.63	7,303,485.29
Excess (Deficiency) of Revenues Over Expenditures	179,204.88	(46,164.71)	7,483.96	318,208.68	(155,147.20)		(75,468.14)	532.27	(93,832.91)	134,816.83
Other Financing Sources (Uses)										
Transfers In	158,026.52	95,040.05							119,043.99	372,110.56
Sale of Capital Assets	46,085.36									46,085.36
Transfers Out	(236,084.04)	(36,026.52)			(100,000.00)					(372,110.56)
Total Other Financing Sources (Uses)	(31,972.16)	59,013.53			(100,000.00)				119,043.99	46,085.36
Net Change in Fund Balances	147,232.72	12,848.82	7,483.96	318,208.68	(255,147.20)		(75,468.14)	532.27	25,211.08	180,902.19
Fund Balances - Beginning of Year, as Restated (Note 13)	746,765.51	172,268.42	134,252.06	721,950.92	501,938.27		475,468.14		538,994.09	3,291,637.41
Fund Balances - End of Year	\$ 893,998.23	\$ 185,117.24	\$ 141,736.02	\$ 1,040,159.60	\$ 246,791.07	\$ 400,000.00	\$ 532.27	\$ 564,205.17	\$ 3,472,539.60	

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, 2021***

Net Change in Fund Balances - Total Governmental Funds (Exhibit 5) \$ 180,902.19

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

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

Capital Outlay	\$ 299,388.21
Depreciation Expense	<u>(328,624.94)</u>
	(29,236.73)

Repayments of principal on long-term debt 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. 264,135.65

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 changes in net position differs from the change in fund balance by the cost of the capital assets sold.

Sale of Capital Assets	\$ (46,085.36)
Gain on Disposition of Capital Assets	<u>17,848.14</u>
	(28,237.22)

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:

Amortization of Deferred Items	\$ (3,317.95)
Accrued Interest Payable, Current Year (Increase)/Decrease	(4,683.48)
Loans Receivable, Current Year Increase/(Decrease)	(5,658.03)
Net Change in Pension Expense	<u>217,886.59</u>
	<u>204,227.13</u>

Change in Net Position of Governmental Activities (Exhibit 2) \$ 591,791.02

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

***Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended September 30, 2021***

	Enterprise Fund Solid Waste Fund
<u>Operating Expenses</u>	
Sanitation	\$ 70.63
Total Deductions	<u>70.63</u>
Changes in Net Position	(70.63)
Net Position - Beginning of Year	<u>70.63</u>
Net Position - End of Year	<u>\$</u>

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

***Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2021***

		<u>Enterprise Fund</u>
		<u>Solid Waste</u>
		<u>Fund</u>
<u>Cash Flows from Operating Activities</u>		
Cash Payments to Suppliers		
		\$ (70.63)
Net Cash Used by Operating Activities		<u>(70.63)</u>
Net Decrease in Cash		(70.63)
Cash - Beginning of Year		<u>70.63</u>
Cash - End of Year		<u><u><u></u></u></u>
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</u>		
Operating Loss		
		<u>(70.93)</u>
Net Cash Used by Operating Activities		\$ (70.93)

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

Statement of Fiduciary Net Position
September 30, 2021

	Custodial Funds
<u>Assets</u>	
Cash	\$ 237,643.53
Total Assets	<u>237,643.53</u>
<u>Liabilities</u>	
Due to Other Agencies	4,268.44
Total Liabilities	<u>4,268.44</u>
<u>Net Position</u>	
Held for Other Governments or Agencies	<u>\$ 233,375.09</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, 2021

	Custodial Funds
Additions	
Contributions from:	
State and Local Governments	\$ 60,869.80
Taxes	3,383,774.03
Other	3,105.11
Interest	27.99
Total Additions	<u>3,447,776.93</u>
Deductions	
Administrative Expenses	50,660.00
Other Governmental Entities	3,383,774.03
Total Deductions	<u>3,434,434.03</u>
Changes in Net Position	13,342.90
Net Position - Beginning of Year, as Restated (Note 13)	<u>220,032.19</u>
Net Position - End of Year	<u>\$ 233,375.09</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, 2021

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Bullock 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 Bullock County Commission is a general purpose local government governed by separately elected commissioners. Generally accepted accounting principles (GAAP) require that the financial statements present the Commission (the primary government) and its component units. Component units are legally separate entities for which a primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Based on the application of the above criteria, the following entity is a component unit that has been included in the accompanying financial statements as a blended component unit.

Blended component units are legally separate entities that exist solely to provide services (usually financing) exclusively to the County. The Bullock County Development Authority is a blended component unit of the Bullock County Commission and is maintained in the Bullock County Development Fund. This fund is used to account for the expenditures related to the development authority’s effort to recruit and retain businesses located in Bullock County and is primarily funded by the Industrial Sales Tax Fund.

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.

Notes to the Financial Statements

For the Year Ended September 30, 2021

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

Fund Financial Statements

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

The Commission reports the following major governmental funds:

- ◆ **General Fund** – The General Fund is the primary operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund. The Commission primarily received revenues from collections of property taxes and revenues collected by the State of Alabama and shared with the Commission. The fund is also used to report the expenditures for building and maintaining public buildings, roads and bridges.
- ◆ **Gasoline Tax Fund** – This fund is used to account for the expenditures of the 7-cent gasoline tax revenue. The expenditures are for the activities of the public works/highway department as related to maintenance, development, and resurfacing of roads, bridges, and rights-of-way.
- ◆ **RRR Gasoline Tax Fund** – This fund is used to account for the expenditures of the 5-cent and 4-cent gasoline tax revenues as well as the 2-cent inspection fee revenues. The expenditures are used for resurfacing, restoration, and rehabilitation of existing paved roads and bridges.
- ◆ **Bullock County Development Fund** – This fund is used to account for the expenditures of the industrial sales tax revenue. The expenditures are used for recruitment of new businesses and to help maintain existing businesses located in Bullock County.

Notes to the Financial Statements

For the Year Ended September 30, 2021

- ◆ **Capital Improvement Fund** – This fund is used to account for the expenditures of the County's share of the distribution from the Alabama Trust Fund. The expenditures are used for construction, renovation, and furnishing or equipping public buildings, purchasing lands for public buildings, expenditures for public water and wastewater treatment and drainage facilities, up to 50% on roads and bridges, payment of the county debt for items set out above, operation and maintenance of county health department, and operation and maintenance of county department of Human Resources.
- ◆ **Reappraisal Fund** – This fund is used to account for the expenditures of property taxes related to the county's reappraisal program.
- ◆ **Federal Aid Exchange Fund** – This fund is used to account for the county's portion of the \$400,000 allocated by the Alabama Department of Transportation as prescribed by the ***Code of Alabama 1975***, Section 40-17-371, to be used first as matching funds for any balance in a county's federal allocation not authorized by September 30, 2019. All remaining and future allocations shall be expended for road and bridge projects on county roads classified as minor collectors or higher and/or for bridge structures on the National Bridge Inspection Inventory.
- ◆ **Coronavirus Rescue Act Fund** – The Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. The funding objectives are 1) Support urgent COVID-19 response efforts to continue decreasing the virus's spread and bring the pandemic under control; 2) Replace lost public sector revenue to strengthen support for vital public services and help retain jobs; 3) Support immediate economic stabilization for households and businesses; and 4) Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic.

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 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.

Notes to the Financial Statements

For the Year Ended September 30, 2021

The Commission reports the following Proprietary Fund:

- ◆ **Solid Waste Fund** – This fund is used to account for the cost of providing solid waste service for commercial accounts and providing solid waste service to county residents. In fiscal year 2019, the Commission ceased operating solid waste services. The capital assets remaining in the Fund were sold during fiscal year 2020, and the fund was closed in fiscal year 2021.

The Commission reports the following fiduciary fund type:

Fiduciary Fund Type

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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 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, 2021

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

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 fund are charges to customers for sales and services. Operating expenses for the enterprise fund 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 position available to finance the program. It is the Commission's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

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

1. Deposits and Investments

Cash 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 consisting of certificates of deposit are reported at cost.

Notes to the Financial Statements

For the Year Ended September 30, 2021

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 at the first regular meeting of the Commission in February of each year. Property is assessed for taxation as of October 1 of the preceding year based on the millage rates established by the County Commission. Property taxes are due and payable the following October 1 and are delinquent after December 31. Amounts receivable, net of estimated refunds and estimated uncollectible amounts, are recorded for the property taxes levied in the current year. However, since the amounts are not available to fund current year operations, the revenue is deferred and recognized in the subsequent fiscal year when the taxes are both due and collectible and available to fund operations.

Receivables due from other governments include amounts due from grantors for grants issued for specific programs and capital projects and revenues due from the State of Alabama.

3. 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 governmental activities column 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.

Notes to the Financial Statements

For the Year Ended September 30, 2021

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	\$ 50,000.00	7 – 40 years
Equipment and Furniture	\$ 5,000.00	5 – 15 years
Motor Vehicles	\$ 5,000.00	5 – 10 years
Heavy/Construction Equipment	\$ 5,000.00	10 years
Roads	\$250,000.00	20 years
Bridges	\$ 50,000.00	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.

4. 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.

5. Long-Term Obligations

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

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.

6. Compensated Absences

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

Annual Leave

Regular full-time employees earn annual leave.

Annual leave time accruals shall be based upon a twenty-six (26) pay periods per year basis. An employee holding a regular position shall earn annual leave time in accordance with his or her longevity of service as follows:

Length of Service	Amount Earned
0 to 1 year	.92 hours per pay period
Over 1 year to 5 years	1.85 hours per pay period
Over 5 years to 10 years	2.77 hours per pay period
Over 10 years	3.69 hours per pay period

Annual leave time earned but not used during the calendar year may be carried over up to a maximum of 160 hours. For calculation purposes, the annual leave time year will run from the first full pay period in January through the end of the pay period which includes December 31. After this time, any unused balance in excess of 160 hours shall be forfeited.

Notes to the Financial Statements

For the Year Ended September 30, 2021

Sick Leave

Sick leave time accruals shall be based upon a twenty-six (26) pay periods per year basis and earned at the rate of 3.69 hours per pay period. Sick leave may accumulate up to a maximum of 480 hours.

No employee will be paid for any unused sick leave upon separation from County service. Upon retirement, an employee may elect to convert accumulated sick leave to retirement credit in accordance with the provisions of the state retirement system.

At September 30, 2021, no liability for unpaid sick leave is accrued in the financial statements since employees do not receive termination payments for sick leave balances.

Compensatory Leave

Compensatory leave is provided to permanent full-time employees in accordance with the Fair Labor Standards Act. Employees will be paid overtime pay or given compensatory leave for those hours worked in excess of the established regular hours for the work week/work period. The use of compensatory leave shall be determined by the Department Head.

Compensatory time off is computed at one and one-half hours for each hour of work that meets overtime requirements of the Fair Labor Standards Act. Employees may earn and accumulate a maximum of 240 hours (480 hours for law enforcement). Any hours above this amount must be paid as overtime pay. Compensatory time will be allowed to be used at the employee's convenience as long as it does not cause a hardship on his work duty.

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

7. 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.

8. 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.
- ◆ **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 that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Commission.

Notes to the Financial Statements

For the Year Ended September 30, 2021

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

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

E. Pensions

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

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 (GAAP) for the General Fund, Gasoline Tax Fund, and the Reappraisal Fund, with the exception of salaries and benefits, which are budgeted only to the extent expected to be paid rather than on the modified accrual basis of accounting. Also, for the General Fund and Reappraisal Fund, ad valorem taxes and sales taxes are budgeted only to the extent expected to be received rather than on the modified accrual basis of accounting. All other governmental funds budget on the modified accrual basis, except the capital projects funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

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.

Note 4 – Receivables

On September 30, 2021, receivables for the Commission's individual major funds were as follows:

	General Fund	Gasoline Tax Fund	RRR Gasoline Tax Fund	Bullock County Development Fund	Other Governmental Funds	Total Governmental Funds
Governmental Funds						
Receivables:						
Accounts Receivable	\$ 60,786.08	\$ 65,380.67	\$ 76,787.33	\$ 56,222.35	\$ 44,000.08	\$ 44,000.08
Taxes Receivable						117,008.43
Due from Other Governments	103,622.71					245,790.71
Total Receivables	\$164,408.79	\$65,380.67	\$76,787.33	\$56,222.35	\$44,000.08	\$406,799.22

Notes to the Financial Statements

For the Year Ended September 30, 2021

Governmental funds report unearned revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At September 30, 2021, the various components of unearned revenue reported in the governmental funds were as follows:

Unexpended Reappraisal Funds	\$ 70,608.43
Unexpended Coronavirus Rescue Act Funds	981,000.50
Total	\$1,051,608.93

Note 5 – Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	Balance 10/01/2020	Additions	Retirements	Balance 09/30/2021
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 516,961.48	\$	\$	\$ 516,961.48
Total Capital Assets, Not Being Depreciated	516,961.48			516,961.48
Capital Assets Being Depreciated:				
Infrastructure	4,315,224.88			4,315,224.88
Buildings and Improvements	2,728,333.00			2,728,333.00
Vehicles and Equipment	3,072,225.49	299,388.21	(72,319.36)	3,299,294.34
Total Capital Assets Being Depreciated	10,115,783.37	299,388.21	(72,319.36)	10,311,544.22
Less Accumulated Depreciation for:				
Infrastructure	(1,587,534.86)	(107,880.62)		(1,695,415.48)
Buildings and Improvements	(2,540,204.65)	(28,204.55)		(2,568,409.20)
Vehicles and Equipment	(1,781,798.00)	(192,539.77)	44,082.14	(1,930,255.63)
Total Accumulated Depreciation	(5,909,537.51)	(328,624.94)	44,082.16	(6,194,080.31)
Total Capital Assets Being Depreciated, Net	4,206,245.86	(29,236.73)	(28,237.22)	4,148,771.91
Governmental Activities Capital Assets, Net	\$ 4,723,207.34	\$ (29,236.73)	\$ (28,237.22)	\$ 4,665,733.39

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

	Depreciation Expense
Governmental Activities:	
General Government	\$ 48,465.13
Public Safety	99,547.25
Highways and Roads	163,599.49
Welfare	17,013.07
Total Depreciation Expense – Governmental Activities	\$328,624.94

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 6 – Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Description

The Employees' Retirement System of Alabama (ERS), an agent multiple-employer plan (the "Plan"), was established October 1, 1945, under the provisions of Act Number 515, Acts of Alabama 1945, for the purpose of providing retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 13 trustees. Effective October 1, 2021, Act Number 2021-390, Acts of Alabama, will create two additional representatives and change the composition of representatives within the ERS Board of Control. 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 ERS Board of Control consists of 13 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) Six 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 county, city, or a public agency each of whom is an active beneficiary of ERS.
 - b. Two vested active state employees.
 - c. Two vested active employees of an employer participating in ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6.

Notes to the Financial Statements

For the Year Ended September 30, 2021

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 guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. State Police are allowed 2.375% for each year of state police service in computing the formula method.

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

Act Number 2019-132, Acts of Alabama, allowed employers who participate in the ERS pursuant to the ***Code of Alabama 1975***, Section 36-27-6, to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 employers adopting Act Number 2019-132, Acts of Alabama, will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 590 employers adopted Act Number 2019-132, Acts of Alabama.

Notes to the Financial Statements

For the Year Ended September 30, 2021

The ERS membership includes approximately 853 local participating employers. The ERS membership includes approximately 101,245 participants. As of September 30, 2020, membership consisted of:

Retirees and beneficiaries currently receiving benefits	28,672
Terminated employees entitled to but not yet receiving benefits	1,974
Terminated employees not entitled to a benefit	14,133
Active Members	56,369
Post-DROP participants who are still in active service	97
Total	101,245

Contributions

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

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

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

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, 2021, the Commission's active employee contribution rate was 8.00% of covered employee payroll, and the Commission's average contribution rate to fund the normal and accrued liability costs was 6.51% of pensionable payroll.

The Commission's contractually required contribution rate for the year ended September 30, 2021 was 7.79% of pensionable pay for Tier 1 employees, and 4.76% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2018, 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 \$108,085.00 for the year ended September 30, 2021.

B. Net Pension Liability

The Commission's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2019, rolled forward to September 30, 2020, using standard roll-forward techniques as shown in the following table:

	Total Pension Liability Roll-Forward		
	Expected	Expected	Actual
(a) Total Pension Liability as of September 30, 2019	\$6,643,263	\$6,580,458	\$6,580,458
(b) Discount rate	7.70%	7.70%	7.70%
(c) Entry Age Normal Cost for the period October 1, 2019 – September 30, 2020	145,750	145,750	145,750
(d) Transfers Among Employers		(134,414)	(134,414)
(e) Actual Benefit Payments and Refunds for the period October 1, 2019 - September 30, 2020	(467,924)	(467,924)	(467,924)
(f) Total Pension Liability as of September 30, 2020 [(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5 * (b))]	\$6,814,605	\$6,612,551	\$6,612,551
(g) Difference between Expected and Actual		\$ (202,054)	
(h) Less Liability Transferred for Immediate Recognition		(134,414)	
(i) Experience (Gain)/Loss = (g) – (h)		\$ (67,640)	

Notes to the Financial Statements

For the Year Ended September 30, 2021

Actuarial Assumptions

The total pension liability as of September 30, 2020, was determined based on the annual actuarial funding valuation report prepared as of September 30, 2019. The key actuarial assumptions are summarized below:

Inflation	2.75%
Salary Increases	3.25-5.00%
Investment Rate of Return (*)	7.70%
(*) Net of pension plan investment expense	

Mortality rates for ERS were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females ages 78 and older. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

The actuarial assumptions used in the actuarial valuation as of September 30, 2018, were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2015. The Board of Control accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

Notes to the Financial Statements

For the Year Ended September 30, 2021

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	17.00%	4.40%
U. S. Large Stocks	32.00%	8.00%
U. S. Mid Stock	9.00%	10.00%
U. S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	10.10%
Real Estate	10.00%	7.50%
Cash Equivalents	3.00%	1.50%
Total	<u>100.00%</u>	

(*) Includes assumed rate of inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was the long-term rate of return of 7.70%. 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, 2021

C. Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at September 30, 2019	\$6,643,263	\$5,447,663	\$1,195,600
Changes for the Year:			
Service Cost	145,750		145,750
Interest	493,516		493,516
Difference between expected and actual experience	(67,640)		(67,640)
Contributions – Employer		124,619	(124,619)
Contributions – Employee		84,950	(84,950)
Net Investment Income		300,073	(300,073)
Benefit Payments, including Refunds of Employee Contributions	(467,924)	(467,924)	
Transfers Among Employers	(134,414)	(134,414)	
Net Changes	(30,712)	(92,696)	61,984
Balances at September 30, 2020	\$6,612,551	\$5,354,967	\$1,257,584

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 7.70%, 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 (6.70%) or 1-percentage point higher (8.70%) than the current rate:

	1% Decrease (6.70%)	Current Rate (7.70%)	1% Increase (8.70%)
Commission's Net Pension Liability	\$1,938,101	\$1,257,584	\$676,543

Notes to the Financial Statements

For the Year Ended September 30, 2021

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Annual Comprehensive Report for the fiscal year ended September 30, 2020. The supporting actuarial information is included in the GASB Statement Number 68 Report for the ERS prepared as of September 30, 2020. The auditor's report dated April 30, 2021, on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

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

For the year ended September 30, 2021, the Commission recognized pension income of \$(8,295.00). At September 30, 2021, 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	\$ 386,876.01	
Changes of assumptions	24,808.01	
Employer contributions subsequent to the measurement date	108,085.00	
Total	\$132,893.01	\$386,876.01

The \$108,085.00 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

Year Ending	
September 30, 2022	\$(146,941)
2023	\$ (56,717)
2024	\$ 10,525
2025	\$ 2,517
2026	\$ 0
Thereafter	\$ 0

Notes to the Financial Statements
For the Year Ended September 30, 2021

Note 7 – Long-Term Debt

On March 1, 2009, the Commission issued Tax Anticipation Warrants, Series 2009, in the amount of \$1,565,000.00 to pay for resurfacing and repair of existing County roadways. The warrants are to be repaid with revenues from the seven-cent per gallon gasoline tax.

Beginning March of 2011, the Commission entered into an agreement with the Bullock County Board of Education to pay \$20,000.00 annual installments over a 13-year period for a total of \$260,000.00. This was due to the casual sales and use tax levied by the Commission not being properly disbursed.

In fiscal year 2010, the Bullock County Development Authority issued a note from direct borrowing to the South Central Alabama Development Council for incentives in the amount of \$100,000.00 with an interest rate of 4.5%.

On February 21, 2017 the Commission issued a note from direct borrowing in the amount of \$25,168.00 with an interest rate of 4.5% to purchase two sheriff vehicles. This was paid in full during fiscal year 2021.

On September 21, 2018, the Commission issued a note from direct borrowing in the amount of \$99,028.00 with an interest rate of 4.5% to purchase a John Deere 670D motor grader for the road department. The note is collateralized by the motor grader. This was paid in full during fiscal year 2021.

On November 12, 2019, the Commission approved a loan from CB&T for \$124,500.00 with an interest rate of 4.00% to purchase a Caterpillar motor grader from the Alabama Department of Transportation.

On April 16, 2020, the Commission issued a note from direct borrowing in the amount of \$298,574.00 with an interest rate of 4.00% to purchase two Mack trucks for the road department. The note is collateralized by the two Mack trucks.

Notes to the Financial Statements

For the Year Ended September 30, 2021

The following is a summary of long-term obligations for the Commission for the year ended September 30, 2021:

	Debt Outstanding 10/01/2020	Issued/ Increased	Repaid/ Decreased	Debt Outstanding 09/30/2021	Amounts Due Within One Year
Governmental Activities:					
Warrants Payable:					
Tax Anticipation Warrants, Series 2009	\$ 510,000.00	\$	\$(120,000.00)	\$ 390,000.00	\$125,000.00
Less: Unamortized Discount	(2,829.75)		828.22	(2,001.53)	(828.22)
Total Warrants Payable	507,170.25		(119,171.78)	387,998.47	124,171.78
Other Liabilities:					
Notes from Direct Borrowing	527,554.82		(124,135.65)	403,419.17	87,292.74
Claims and Judgements Payable	40,000.00		(20,000.00)	20,000.00	20,000.00
Net Pension Liability	1,195,600.10	61,983.90		1,257,584.00	
Compensated Absences	112,977.23			112,977.23	11,297.72
Total Other Liabilities	1,876,132.15	61,983.90	(144,135.65)	1,793,980.40	118,590.46
Total Governmental Activities					
Long-Term Liabilities	\$2,383,302.40	\$61,983.90	\$(263,307.43)	\$2,181,978.87	\$242,762.24

The compensated absences liability attributable to the governmental activities will be liquidated by several of the Commission's governmental funds. In the past, approximately 45% has been paid by the General Fund, 48% by the Gasoline Tax Fund, 4% by the Reappraisal Fund, and 3% by the Bullock County Development Authority.

The Gasoline Tax Fund paid for the debt service of the Tax Anticipation Warrants, Series 2009 and 88% of the debt service for the notes from direct borrowing while the Bullock County Development Authority and the General Fund paid for 9% and 3%, respectively.

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		Claims and Judgments Payable	
	Principal	Interest	Principal	Interest	Principal	
September 30, 2022	\$125,000.00	\$14,082.50	\$ 87,292.74	\$16,546.79	\$20,000.00	\$262,922.03
2023	130,000.00	8,600.00	90,673.67	13,165.86		242,439.53
2024	135,000.00	2,902.50	94,339.92	9,509.61		241,752.03
2025			98,240.45	2,547.93		100,788.38
2026			7,076.03	1,723.76		8,799.79
2027-2031			25,796.36	3,532.70		29,329.06
Total	\$390,000.00	\$25,585.00	\$403,419.17	\$47,026.65	\$20,000.00	\$886,030.82

Notes to the Financial Statements

For the Year Ended September 30, 2021

Pledged Revenues

The Commission issued Tax Anticipation Warrants, Series 2009 for the purpose of repairing and repaving existing roads. The Commission pledged to repay the warrants from the County's portion of the proceeds of the seven-cent gasoline tax levied by the State of Alabama. Future revenues of \$415,585.00 are pledged to repay the principal and interest on the warrants as of September 30, 2020. Proceeds of the seven-cent gasoline tax in the amount of \$774,999.49 were received by the Commission during the fiscal year ended September 30, 2021, of which \$139,245.00 was used to pay principal and interest on the warrants. The Series 2009 Tax Anticipation Warrants will mature in fiscal year 2024.

Note 8 – 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 Commission 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 for each job class based on the current NCCI Alabama loss costs and a loss cost modifier to meet the required premiums of the Fund. Member premiums are then calculated on a rate per \$100 of estimated remuneration for each job class, which is adjusted by an experience modifier for the individual county. The Commission may qualify for additional discounts based on losses and premium size. Pool participants are eligible to receive refunds of unused premiums and the related investment earnings.

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

Notes to the Financial Statements

For the Year Ended September 30, 2021

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 9 – Interfund Transactions

Interfund Transfers

The amounts of interfund transfers during the fiscal year ended September 30, 2021, were as follows:

	Transfers Out			
	General Fund	Gasoline Tax Fund	Capital Improvement Funds	Totals
Transfers In:				
General Fund	\$ 22,000.00	\$36,026.52	\$100,000.00	\$158,026.52
Gasoline Tax Fund	95,040.05			95,040.05
Capital Improvement Fund	119,043.99			119,043.99
Totals	\$236,084.04	\$36,026.52	\$100,000.00	\$372,110.56

The Commission typically used transfers to fund ongoing operating subsidies.

Note 10 – Related Parties

One of the members of the Commission is a part owner of the Union Springs Herald, a newspaper company, from which the Commission pays for advertisements relating to the business of the Bullock County Commission. The Union Springs Herald is the sole newspaper established in Bullock County. Additionally, the Commissioner abstains from any voting done during a Commission meeting that pertains to the business relationship between the Bullock County Commission and the Union Springs Herald.

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 11 – Related Organizations

The following organizations were considered related organizations because a majority of the respective members of boards are appointed by the Bullock County Commission. The Commission, however, is not financially accountable, because it does not impose its will and have a financial benefit or burden relationship, for the organizations and the organizations are not considered part of the Commission's financial reporting entity. The organizations are considered related organizations of the County Commission.

- ◆ Bullock County E-911 Emergency Communications District
- ◆ Bullock County Hospital Board
- ◆ Bullock County Tourism Council
- ◆ Bullock County Board of Adjustments
- ◆ Airport Authority of Bullock County
- ◆ Mount Andrew Water Authority
- ◆ South Bullock Water Authority

Note 12 – Tax Abatements

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

For fiscal year ended September 30, 2021, the Bullock County Commission granted an 84% property tax abatement to a food processing company for increasing the size of its facilities and increasing employment. The abatement amounted to \$6,627.44.

Notes to the Financial Statements

For the Year Ended September 30, 2021

Note 13 – Restatements

During the fiscal year ended September 30, 2021, the Commission adopted new accounting guidance by implementing the provisions of GASB Statement Number 84, ***Fiduciary Activities***, which established criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by reclassifying funds previously reported as agency funds to custodial funds, which have beginning net position. Also, some clearing funds previously reported as agency funds were reclassified to the General Fund and some funds no longer meeting the criteria to be reported as fiduciary funds were reclassified as special revenue funds. Beginning fund balances and net position have been restated to reflect these changes.

Restatements were also made to correct various errors from the prior period.

Governmental Activities	
Net Position, September 30, 2020, as Previously Reported	\$ 5,487,343.21
Restatement Due to Implementation of GASB 84	26,125.63
Restatement to Correct Prior Year Errors	(341,467.26)
Net Position, September 30, 2020, as Restated	<u><u>\$5,172,001.58</u></u>

	General Fund	Gasoline Tax Fund	RRR Gasoline Tax Fund
Fund Balance, September 30, 2020, as Previously Reported	\$821,910.18	\$172,268.42	\$134,252.06
Restatement to Correct Prior Year Errors	(75,144.67)		
Restatement Due to Implementation of GASB 84			
Fund Balance, September 30, 2020, as Restated	<u><u>\$746,765.51</u></u>	<u><u>\$172,268.42</u></u>	<u><u>\$134,252.06</u></u>

	Private-Purpose Trust Funds	Custodial Fund
Fund Balance, September 30, 2020, as Previously Reported	\$ 246,156.13	\$
Restatement Due to Implementation of GASB 84		
Restatement to Correct Prior Year Errors	(246,156.13)	220,032.19
Fund Balance, September 30, 2020, as Restated	<u><u>\$</u></u>	<u><u>\$220,032.19</u></u>

Notes to the Financial Statements
For the Year Ended September 30, 2021

Bullock County Development Fund	Capital Improvement Fund	Federal Aid Exchange Fund	Other Governmental Funds	Total Governmental Funds
\$721,950.92	\$501,938.27	\$475,768.14	\$512,868.46 26,125.63	\$3,340,656.45 (75,144.67) 26,125.63
\$721,950.92	\$501,938.27	\$475,768.14	\$538,994.09	\$3,291,637.41

This Page Intentionally Blank

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability
For the Year Ended September 30, 2021

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 145,750	\$ 143,136	\$ 129,914	\$ 130,090	\$ 138,736	\$ 145,082	\$ 135,643
Interest	493,516	492,925	506,714	513,519	510,293	497,600	482,803
Differences between expected and actual experience	(67,640)	(164,595)	(383,941)	(265,642)	(124,852)	(49,850)	
Changes of assumptions			30,831		201,853		
Benefit payments, including refunds of employee contributions	(467,924)	(450,007)	(422,734)	(480,665)	(402,128)	(466,202)	(400,767)
Transfers among employers	(134,414)	(4,822)	16,229	(14,077)	(37,240)		
Net change in total pension liability	(30,712)	16,637	(122,987)	(116,775)	286,662	126,630	217,679
Total pension liability - beginning	6,643,263	6,626,626	6,749,613	6,866,388	6,579,726	6,453,096	6,235,417
Total pension liability - ending (a)	\$ 6,612,551	\$ 6,643,263	\$ 6,626,626	\$ 6,749,613	\$ 6,866,388	\$ 6,579,726	\$ 6,453,096
Plan Fiduciary Net Position							
Contributions - employer	\$ 124,619	\$ 161,934	\$ 153,798	\$ 153,944	\$ 170,600	\$ 181,493	\$ 176,430
Contributions - member	84,950	94,583	87,656	90,868	82,972	85,289	126,035
Net investment income	300,073	138,867	473,485	604,270	456,340	54,795	510,756
Benefit payments, including refunds of employee contributions	(467,924)	(450,007)	(422,734)	(480,665)	(402,128)	(466,202)	(400,767)
Transfers among employers	(134,414)	(4,822)	16,229	(14,077)	(37,240)		
Net change in plan fiduciary net position	(92,696)	(59,445)	308,434	354,340	270,544	(144,625)	412,454
Plan net position - beginning	5,447,663	5,507,108	5,198,674	4,844,334	4,573,790	4,718,415	4,305,961
Plan net position - ending (b)	\$ 5,354,967	\$ 5,447,663	\$ 5,507,108	\$ 5,198,674	\$ 4,844,334	\$ 4,573,790	\$ 4,718,415
Commission's net pension liability (asset) - ending (a) - (b)	\$ 1,257,584	\$ 1,195,600	\$ 1,119,518	\$ 1,550,939	\$ 2,022,054	\$ 2,005,936	\$ 1,734,681
Plan fiduciary net position as a percentage of the total pension liability	80.98%	82.00%	83.11%	77.02%	70.55%	69.51%	73.12%
Covered payroll (*)	\$ 1,564,724	\$ 1,712,402	\$ 1,776,538	\$ 1,575,631	\$ 1,558,282	\$ 1,597,542	\$ 1,626,231
Net pension liability (asset) as a percentage of covered payroll	80.37%	69.82%	63.02%	98.43%	129.76%	125.56%	106.67%

(*) Employer's covered payroll during the measurement period is the total covered payroll.

For fiscal year 2021, the measurement period is October 1, 2019 through September 30, 2020.

GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll beginning with fiscal year 2017.

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

Schedule of the Employer's Contributions - Pension
For the Year Ended September 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (*)	\$ 108,085	\$ 124,619	\$ 161,934	\$ 153,798	\$ 153,944	\$ 170,600	\$ 181,493	\$ 176,430
Contributions in relation to the actuarially determined contribution (*)	\$ 108,085	\$ 124,619	\$ 161,934	\$ 153,798	\$ 153,944	\$ 170,600	\$ 181,493	\$ 176,430
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$
Covered payroll (**)	\$ 1,660,829	\$ 1,564,724	\$ 1,712,402	\$ 1,776,538	\$ 1,575,631	\$ 1,558,282	\$ 1,597,542	\$ 1,626,231
Contributions as a percentage of covered payroll	6.51%	7.96%	9.46%	8.66%	9.77%	10.95%	11.36%	10.85%

(*) The amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or 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 2021 is the total covered payroll for the 12 month period of the underlying financial statement.

Notes to Schedule

Valuation date:

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 2021 were based on the September 30, 2018 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	28.1 years
Asset valuation method	Five year smoothed market
Inflation	2.75%
Salary increases	3.25 - 5.00%, including inflation
Investment rate of return	7.70%, net of pension plan investment expense, including inflation

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

This Page Intentionally Blank

Additional Information

Commission Members and Administrative Personnel
October 1, 2020 through September 30, 2021

<u>Commission Members</u>		<u>Term Expires</u>
Hon. Alonza B. Ellis, Jr.	Chairman	November 2030
Hon. Don C. Larkins	Member	November 2028
Hon. John L. Adams	Member	November 2026
Hon. John G. McGowan	Member	November 2026
Hon. Henry Barnett, Jr.	Member	November 2020
Hon. Solomon Marlow, Jr.	Member	November 2026
<u>Administrative Personnel</u>		
Patrick D. Smith	County Administrator	Indefinite

***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 Bullock County Commission and the County Administrator
Union Springs, 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 Bullock County Commission (the “Commission”), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Bullock County Commission’s basic financial statements, and have issued our report thereon dated December 3, 2025.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described below as Finding 2021-002 to be a material weakness.

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

Finding 2021-002

The Governmental Accounting Standards Board's ***Codification of Governmental Accounting and Financial Reporting Standards***, Section N50, establishes accounting and financial reporting standards for government-mandated nonexchange transactions. For these types of nonexchange transactions, revenues should be recognized in the period when all applicable eligibility requirements have been met. The Commission received Coronavirus State and Local Fiscal Recovery Funds during fiscal year 2021 and recognized the revenue when received. Revenue should have been recognized only for the amounts in which all eligibility requirements were met. The Commission did not ensure government-mandated nonexchange revenues were recognized only if all eligibility requirements had been met. This error resulted in the overstatement of revenues and the understatement of unearned revenues by \$981,000.50 on both the fund level financial statements and government-wide financial statements. This error was corrected when brought to the Commission's attention. This finding was previously reported as Finding 2020-001.

Recommendation

The Commission should ensure government-mandated nonexchange revenue is recognized only when all eligibility requirements have been met.

Views of Responsible Officials of the Auditee

The Commission agreed with the finding.

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. We consider the deficiencies described below as Finding 2021-003 and Finding 2021-004 to be significant deficiencies.

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

Finding 2021-003

The Governmental Accounting Standards Board's ***Codification of Governmental Accounting and Financial Reporting Standards***, Section 1400, requires capital assets to be properly valued, depreciated and reported in the government-wide financial statements. To comply with this standard, adequate records should be maintained to support the balances for capital assets and periodic inventories of capital assets should be taken to substantiate the records. A complete and accurate periodic inventory of capital assets was not taken and reconciled to the accounting records. The listing of capital asset deletions and additions kept by the Commission was incomplete and these changes were not always accurately reflected in the capital asset records. The Commission did not ensure capital assets balances were properly reported. Consequently, errors could occur in the capital asset records and not be detected or corrected in a timely manner.

Recommendation

A complete and accurate periodic inventory of capital assets should be taken and reconciled to the accounting records, and the Commission should maintain accurate listings of additions and deletions of capital assets that reconcile to the amounts reported as capital assets on the Commission's accounting records.

Views of Responsible Officials of the Auditee

The Commission agreed with the finding.

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

Finding 2021-004

The ***Code of Alabama 1975***, Sections 11-3-11(a)(3) and (4), give the Commission the authority to examine, settle and allow all accounts and claims chargeable against the county and to examine and audit the accounts of all officers having the care, management, collection, or disbursement of money belonging to the county or appropriated for its use and benefit. Therefore, to fulfill this responsibility, it is incumbent upon the management of the Commission to establish, implement and maintain policies and procedures to require appropriate documentation to support the expenditure of county funds for all purposes. Adequate documentation and approval of expenditures is necessary to provide a basis for amounts recorded in the financial records and to demonstrate compliance with legal requirements and internal controls. The Commission failed to ensure all expenditure documentation, including invoices supported by a purchase order and appropriate approval prior to purchase, was maintained. As a result, public money could be spent for unlawful or unapproved purchases. This finding was previously reported as Findings 2010-005, 2019-004 and 2020-006.

Recommendation

The Commission should ensure expenditures contain proper supporting documentation to demonstrate the approval and the lawful purpose of the disbursement to fulfill its responsibilities under the ***Code of Alabama 1975***, Sections 11-3-11(a)(3) and (4).

Views of Responsible Officials of the Auditee

The Commission agreed with the finding.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bullock 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***. However, we noted a certain additional matter that we have reported to management of the Bullock County Commission in the Schedule of State and Local Compliance and Other Findings.

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

Bullock County Commission's Response to Findings

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

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

December 3, 2025

This Page Intentionally Blank

Auditee Response



BULLOCK COUNTY COMMISSION

ALONZA B. ELLIS, JR., CHAIRMAN
POST OFFICE BOX 472 • UNION SPRINGS, AL 36089

PHONE: 334-738-3883
FAX: 334-738-3839

COMMISSIONERS

DISTRICT 1 - DON C. LARKINS

DISTRICT 2 - JOHN L. ADAMS

DISTRICT 3 - JOHNNIE G. McGOWAN

DISTRICT 4 - SOLOMON MARLOW, JR.

ADMINISTRATOR
PATRICK D. SMITH
ATTORNEY
JOHN W. WATERS, JR.
ENGINEER
JASON E. DeSHAZO
EMA DIRECTOR
RAY SCOTT

Auditee Response *For the Year Ended September 30, 2021*

As required by the governmental auditing standards, the Bullock County Commission has prepared and hereby submits the following Auditee Response for the findings which are included in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the year ended September 30, 2021.

Finding

Ref.

No. Corrective Action Plan Details

2021-002 Finding:

The Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section N50, establishes accounting and financial reporting standards for government-mandated nonexchange transactions. For these types of nonexchange transactions, revenues should be recognized in the period when all applicable eligibility requirements have been met. The Commission received Coronavirus State and Local Fiscal Recovery Funds during fiscal year 2021 and recognized the revenue when received. Revenue should have been recognized only for the amounts in which all eligibility requirements were met. The Commission did not ensure government-mandated nonexchange revenues were recognized only if all eligibility requirements had been met. This error resulted in the overstatement of revenues and the understatement of unearned revenues by \$981,000.50 on both the fund level financial statements and government-wide financial statements. This error was corrected when brought to the Commission's attention. This finding was previously reported as Finding 2020-001.

Recommendation:

The Commission should ensure government-mandated nonexchange revenue is recognized only when all eligibility requirements have been met.

Response/Views: The Bullock County Commission agrees with the finding presented that government-mandated nonexchange revenue is recognized only when all eligibility requirements are met.

Corrective Action Planned: The Bullock County Commission will review all revenue requirements to avoid any overstatement or understatement of revenues.

Anticipated Completion Date: The anticipated date of corrective action will be FY 2024.

Contact Person(s): Patrick D. Smith, CCA

2021-003 Finding:

The Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 1400, requires capital assets to be properly valued, depreciated and reported in the government-wide financial statements. To comply with this standard, adequate records should be maintained to support the balances for capital assets and periodic inventories of capital assets should be taken to substantiate the records. A complete and accurate periodic inventory of capital assets was not taken and reconciled to the accounting records. The listing of capital asset deletions and additions kept by the Commission was incomplete and these changes were not always accurately reflected in the capital asset records. The Commission did not ensure capital assets balances were properly reported. Consequently, errors could occur in the capital asset records and not be detected or corrected in a timely manner.

Recommendation:

A complete and accurate periodic inventory of capital assets should be taken and reconciled to the accounting records, and the Commission should maintain accurate listings of additions and deletions of capital assets that reconcile to the amounts reported as capital assets on the Commission's accounting records.

Response/Views: The Bullock County Commission agrees with this finding that a complete and accurate periodic inventory of capital assets should be taken and reconciled to the accounting records.

Corrective Action Planned: The Bullock County Commission will keep an active, detailed schedule and record of capital assets as they are disposed of and acquired.

Anticipated Completion Date: The anticipated date of corrective action will be FY 2024.

Contact Person(s): Patrick D. Smith, CCA

2021-004 Finding:

The **Code of Alabama 1975**, Sections 11-3-11(a)(3) and (4), give the Commission the authority to examine, settle and allow all accounts and claims chargeable against the county and to examine and audit the accounts of all officers having the care, management, collection, or disbursement of money belonging to the county or appropriated for its use and benefit. Therefore, to fulfill this responsibility, it is incumbent upon the management of the Commission to establish, implement and maintain policies and procedures to require appropriate documentation to support the expenditure of county funds for all purposes. Adequate documentation and approval of expenditures is necessary to provide a basis for amounts recorded in the financial records and to demonstrate compliance with legal requirements and internal controls. The Commission failed to ensure all expenditure documentation, including invoices supported by a purchase order and appropriate approval prior to purchase, was maintained. As a result, public money could be spent for unlawful or unapproved purchases. This finding was previously reported as Findings 2010-005, 2019-004 and 2020-006.

Recommendation:

The Commission should ensure expenditures contain proper supporting documentation to demonstrate the approval and the lawful purpose of the disbursement to fulfill its responsibilities under the **Code of Alabama 1975**, Sections 11-3-11(a)(3) and (4).

Response/Views: The Bullock County Commission agrees with this finding that all expenditures should have required documentation.

Corrective Action Planned: The Bullock County Commission will make sure that all expenditures have adequate and proper supporting documentation.

Reason for the Recurrence: The Bullock County Commission recurrence was caused by an oversight during the expenditures review process.

Anticipated Completion Date: The anticipated date of corrective action will be FY 2024.

Contact Person(s): Patrick D. Smith, CCA

Other matters came to our attention while performing our audit that are not included in the Schedule of Findings and Questioned Costs. These matters will be addressed in the Schedule of State and Local Compliance and Other findings and are included as findings below.

Finding

Ref.

No. Corrective Action Plan Details

2021-001 Finding:

The **Code of Alabama 1975**, Section 41-16-50, requires all expenditures of funds of whatever nature for labor, services, work, or for the purchase of materials,

equipment, supplies or other personal property involving fifteen thousand (\$15,000) or more be competitively bid. The *Code of Alabama 1975*, Section 41-16-54(e), requires all original bids together with all documents pertaining to the award of the contract to be retained in accordance with a retention period of at least seven years established by the Local Governments Records Commission and shall be open to public inspection. During the audit period, the Commission failed to retain sufficient bid documentation for the jail telephone contract. The Commission did not ensure bid documents were retained as required. As a result, we were unable to determine that the Commission awarded the jail telephone contract to the lowest responsible bidder.

Recommendation:

The Commission should ensure that all bid documents are retained as required by the Alabama Competitive Bid Law and the Local Governments Records Commission.

Response/Views: The Bullock County Commission agrees with this finding that all bid documents are retained as required by the Alabama Competitive Bid Law and the Local Government Records Commission.

Corrective Action Planned: The Bullock County Commission will make sure that all bid documentation is sufficient and is retained by the commission to ascertain whether any contracts were awarded to the lowest responsible bidder.

Anticipated Completion Date: The anticipated date of corrective action will be FY 2023.

Contact Person(s): Patrick D. Smith, CCA

Alonza B. Ellis



Chairman, Bullock County Commission