

GARZA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

GARZA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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GARZA COUNTY, TEXAS
COUNTY OFFICIALS AS OF
SEPTEMBER 30, 2024

Lee Norman	County Judge
Jeff Williams	Commissioner Precinct 1
Kim Wilks	Commissioner Precinct 2
Ted Brannon	Commissioner Precinct 3
Giles W Dalby Jr	Commissioner Precinct 4
Terri Laurence	County and District Clerk
LuAnne Terry	County Treasurer
Nancy Wallace	Tax-Assessor-Collector
Gordon Terry	Justice of the Peace Precinct 1
Angela Massey	Justice of the Peace Precinct 2
Terry Morgan	County Sheriff
Ted Weems	County Attorney

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

To the Honorable Judge and
Members of the Commissioners' Court of
Garza County, Texas

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Garza County (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Discretely Presented Component Unit	Unmodified
Major Governmental Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

In our opinion, except for the omission of the total OPEB liability, expense and disclosures as described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the County, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Discretely Presented Component Unit, Major Governmental Funds, and Aggregate Remaining Fund Information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 County 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 qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion on the Governmental Activities

The County has not recognized the total OPEB liability or expense which is required, in accordance with accounting principles generally accepted in the United States of America and under Governmental Accounting Standards Board (GASB) Statement No. 75, to be recorded in the government-wide financial statements. The effects of the departure from generally accepted accounting principles is not reasonably determinable. The County has also not disclosed the descriptive information about the other post-employment benefits required by standards.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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 GAAS 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 GAAS 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 County'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 County'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

GAAP requires that the schedule of changes in net pension asset and related ratios, schedule of employer contributions, and budgetary comparison information 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 GASB 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that GAAP 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 GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining non-major fund financial statements are fairly stated, in all material aspects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report December 20, 2024 on our consideration of the County'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 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 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 of the County's internal control over financial reporting and compliance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

December 20, 2024

BASIC FINANCIAL STATEMENTS

GARZA COUNTY, TEXAS

Exhibit A-1

STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Unit</u> <u>Garza Public</u> <u>Facility Corp.</u>
ASSETS:		
Cash and Cash Equivalents	\$ 6,229,141	\$
Investments	546,061	
Restricted Investments - Held by Trustee		7,679,645
Taxes Receivable, Net	97,418	
Accounts Receivable, Net	352,041	1,095,511
Fee Office Receivables, Net	98,149	
Due From Public Facility Corp	249,173	
Net Pension Asset	1,523,410	
Capital Assets, Net:		
Non-depreciable	66,671	739,097
Depreciable, Net	6,403,579	20,118,031
Total Assets	<u>\$ 15,565,643</u>	<u>\$ 29,632,284</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Pension Plan	\$ 235,279	\$
Deferred Loss on Refunding	102,677	
Total Deferred Outflows of Resources	<u>\$ 337,956</u>	<u>\$ 0</u>
LIABILITIES:		
Accounts Payable	\$ 249,301	\$
Accrued Interest Payable	28,717	414,118
Due to County		249,173
Accrued Compensated Absences	34,609	
Accrued Wages Payable	122,770	
Other Current Liabilities	9,423	
Noncurrent Liabilities:		
Due Within One Year	702,412	3,515,000
Due in More Than One Year	6,226,648	8,812,151
Total Liabilities	<u>\$ 7,373,880</u>	<u>\$ 12,990,442</u>
DEFERRED INFLOWS OF RESOURCES:		
Pension Plan	\$ 183,656	\$
Unavailable Revenue - Intergovernmental	68,618	
Total Deferred Inflows of Resources	<u>\$ 252,274</u>	<u>\$ 0</u>
NET POSITION:		
Net Investment in Capital Assets	\$ (458,810)	\$ 8,529,977
Restricted For:		
Debt Service	(11,530)	3,507,133
Grants	69,611	
Road and Bridge	892,403	
Capital Projects	2,699,643	
Enabling Legislation	542,529	
Elections	22,281	
Group Benefits	30,000	
Net Pension Asset	1,523,410	
Unrestricted	<u>2,967,908</u>	<u>4,604,732</u>
Total Net Position	<u>\$ 8,277,445</u>	<u>\$ 16,641,842</u>

The accompanying notes are an integral part of this statement.

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GARZA COUNTY, TEXAS

Exhibit A-2

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Departments/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fines, Fees & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
						Governmental Activities
Net (Expense) Revenue						
Governmental Activities						
County Judge	\$ 152,530	\$	\$ 34,032	\$	\$ (118,498)	\$
Emergency Management Office	77,913				(77,913)	
County Clerk	210,946	110,524			(100,422)	
Joint Elections	79,305		29,120		(50,185)	
General Administration	255,501	2,770	452,492		199,761	
District Court	196,074	76,954			(119,120)	
Justices of the Peace	270,985	59,702			(211,283)	
County Attorney	220,631	775	59,034		(160,822)	
County Treasurer	195,826	11,071			(184,755)	
County Tax Assessor/Collector	172,034	22,806			(149,228)	
Courthouse Maintenance	512,157	40,759			(471,398)	
Constables	137,947	6,304		1,545	(130,098)	
Fire Station	12,934				(12,934)	
Law Enforcement	1,181,160	2,300	1,085,503		(93,357)	
Weigh Station	4,902				(4,902)	
Probations	216,013		272,922		56,909	
Social Services	834,302	29,588	19,577		(785,137)	
Museum	68,541				(68,541)	
Extension Services	60,062				(60,062)	
Detention Facilities	3,583,707	102,748	1,115,834		(2,365,125)	
Road and Bridge	808,554	294,335	35,547		(478,672)	
Emergency Medical Services	47,905		47,327		(578)	
Other Expenditures	33,144		5,457		(27,687)	
Depreciation	568,098				(568,098)	
Bond Issuance Costs	70,081				(70,081)	
Interest on Long-Term Debt	170,779				(170,779)	
Total Governmental Activities	\$ 10,142,031	\$ 760,636	\$ 3,158,390	\$ 0	\$ (6,223,005)	\$ 0
Total Primary Government	\$ 10,142,031	\$ 760,636	\$ 3,158,390	\$ 0	\$ (6,223,005)	\$ 0
Component Unit						
Garza Public Facility Corp	\$ 1,463,177	\$ 5,992,398	\$	\$ 550,597	\$	\$ 5,079,818
Depreciation	846,417					(846,417)
Interest on Long-Term Debt	1,081,186					(1,081,186)
Total Component Units	\$ 3,390,780	\$ 5,992,398	\$ 0	\$ 550,597	\$ 0	\$ 3,152,215
			General Revenues:			
			Property Taxes	\$ 4,357,440	\$	
			Payments in Lieu of Taxes	344,335		
			Rents and Royalties	2,533,400		
			Gain on Sale of Assets	59,792		
			Other Revenue	26,377		
			Investment Earnings	259,246		287,145
			Total General Revenues	\$ 7,580,590	\$	287,145
			Change in Net Position	\$ 1,357,585	\$	3,439,360
			Net Position - Beginning	6,919,860		13,202,482
			Net Position - Ending	\$ 8,277,445	\$	16,641,842

The accompanying notes are an integral part of this statement.

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GARZA COUNTY, TEXAS

Exhibit A-3

**BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Major				Non-Major	Total Governmental Funds
	General Fund	County Jail Fund	2024 Certificates Of Obligation	Road and Bridge Fund	Other Governmental Funds (See Exhibit C-1)	
ASSETS:						
Cash and Cash Equivalents	\$ 1,014,211	\$ 130,224	\$ 2,699,643	\$ 848,142	\$ 1,536,921	\$ 6,229,141
Investments	438,519			107,542		546,061
Taxes Receivable, Net of Allowance	71,407			11,690	14,321	97,418
Accounts Receivable, Net of Allowance	95,882	201,551		17,535	37,073	352,041
Due From Public Facility Corp	249,173					249,173
Total Assets	<u>\$ 1,869,192</u>	<u>\$ 331,775</u>	<u>\$ 2,699,643</u>	<u>\$ 984,909</u>	<u>\$ 1,588,315</u>	<u>\$ 7,473,834</u>
LIABILITIES:						
Accounts Payable	\$ 106,156	\$ 29,909		\$ 64,081	\$ 49,155	\$ 249,301
Accrued Compensated Absences Payable	20,337	10,388		3,884		34,609
Accrued Wages	62,602	32,795		12,851	14,522	122,770
Other Current Liabilities	9,423					9,423
Total Liabilities	<u>\$ 198,518</u>	<u>\$ 73,092</u>	<u>\$ 0</u>	<u>\$ 80,816</u>	<u>\$ 63,677</u>	<u>\$ 416,103</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Property Taxes	\$ 71,407			\$ 11,690	\$ 14,321	\$ 97,418
Unearned Revenue - Intergovernmental					68,618	68,618
Total Deferred Inflows of Resources	<u>\$ 71,407</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,690</u>	<u>\$ 82,939</u>	<u>\$ 166,036</u>
FUND BALANCES:						
Nonspendable:						
Permanent School Fund	\$	\$	\$	\$	\$ 24,375	\$ 24,375
Restricted for:						
Debt Service					(11,530)	(11,530)
Grants					69,611	69,611
Road and Bridge				892,403		892,403
Capital Projects			2,699,643			2,699,643
Enabling Legislation					542,529	542,529
Elections					22,281	22,281
Group Benefits					30,000	30,000
Assigned for:						
EMS					11,300	11,300
Repairs and Improvements					300,089	300,089
Probation					60,006	60,006
Airport					393,038	393,038
Detention Facility		258,683				258,683
Landfill	265,111					265,111
Unassigned	1,334,156					1,334,156
Total Fund Balances	<u>\$ 1,599,267</u>	<u>\$ 258,683</u>	<u>\$ 2,699,643</u>	<u>\$ 892,403</u>	<u>\$ 1,441,699</u>	<u>\$ 6,891,695</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,869,192</u>	<u>\$ 331,775</u>	<u>\$ 2,699,643</u>	<u>\$ 984,909</u>	<u>\$ 1,588,315</u>	<u>\$ 7,473,834</u>

The accompanying notes are an integral part of this statement.

GARZA COUNTY, TEXAS

Exhibit A-4

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Total Fund Balances - Governmental Funds Balance Sheet	\$ 6,891,695
Amounts reported for governmental activities in the statement of net position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	6,470,250
Revenues unavailable to pay for current period expenditures are deferred in the funds.	97,418
Payables for long term debt which are not due in the current period are not reported in the funds.	(6,929,060)
Payables for bond interest which are not due in the current period are not reported in the funds.	(28,717)
Deferred Outflows related to loss on bond refundings are not recorded in the funds.	102,677
To record Justice of the Peace and County/District Clerk Fines.	98,149
Net pension asset and related deferred outflows and inflows are not recognized in the governmental funds.	<u>1,575,033</u>
Net Position of Governmental Activities - Statement of Net Position	<u><u>\$ 8,277,445</u></u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Major				Non-Major	Total Governmental Funds
	General Fund	County Jail Fund	2024 Certificates Of Obligation	Road and Bridge Fund	Other Governmental Funds (See Exhibit C-2)	
Revenue:						
Property Taxes	\$ 3,275,651	\$	\$	\$ 446,886	\$ 625,337	\$ 4,347,874
Payments in Lieu of Taxes	309,535			34,800		344,335
License and Permits				239,344		239,344
Intergovernmental Revenue and Grants	948,590	136,597		35,547	2,037,656	3,158,390
Charges for Services	29,588			12,308	103,007	144,903
Fines and Fees	225,628			42,683	93,591	361,902
Investment Earnings	149,025			54,224	55,997	259,246
Rents and Royalties	1,458,693	1,074,707				2,533,400
Other Revenue					26,377	26,377
Total Revenues	\$ 6,396,710	\$ 1,211,304	\$ 0	\$ 865,792	\$ 2,941,965	\$ 11,415,771
Expenditures:						
Current:						
County Judge	\$ 152,530	\$	\$	\$	\$	\$ 152,530
Emergency Management Office	77,913					77,913
County Clerk	210,946					210,946
Joint Elections	9				79,296	79,305
General Administration	580,716				244	580,960
District Court	196,074					196,074
Justices of the Peace	270,985					270,985
County Attorney	189,597				31,034	220,631
County Treasurer	195,826					195,826
County Tax Assessor/Collector	172,034					172,034
Courthouse Maintenance	467,057				53,096	520,153
Constables	210,702				607	211,309
Fire Station	12,934					12,934
Law Enforcement	1,496,449				265,350	1,761,799
Weigh Station	4,902					4,902
Probations	20				244,462	244,482
Social Services	673,144				172,074	845,218
Museum	68,541					68,541
Extension Services	167,846					167,846
Road and Bridge				848,779		848,779
Detention Facilities		2,014,636	560,276		1,040,132	3,615,044
Emergency Medical Services					47,905	47,905
Other Expenditures	32,671				473	33,144
Debt Service:						
Principal	116,134			15,341	485,000	616,475
Bond Issuance Costs			70,081			70,081
Interest	1,943			5,038	153,375	160,356
Total Expenditures	\$ 5,298,973	\$ 2,014,636	\$ 630,357	\$ 869,158	\$ 2,573,048	\$ 11,386,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,097,737	\$ (803,332)	\$ (630,357)	\$ (3,366)	\$ 368,917	\$ 29,599
Other Financing Sources (Uses):						
Proceeds from the Sale of Assets	\$ 54,792	\$	\$	\$	\$ 5,000	\$ 59,792
Transfers In (Out)	(1,080,598)	986,980		35,000	58,618	
Debt Proceeds	603,827		3,330,000		3,469	3,937,296
Total Other Financing Sources (Uses)	\$ (421,979)	\$ 986,980	\$ 3,330,000	\$ 35,000	\$ 67,087	\$ 3,997,088
Net Change in Fund Balances	\$ 675,758	\$ 183,648	\$ 2,699,643	\$ 31,634	\$ 436,004	\$ 4,026,687
Fund Balances - Beginning	923,509	75,035		860,769	1,005,695	2,865,008
Fund Balances - Ending	<u>\$ 1,599,267</u>	<u>\$ 258,683</u>	<u>\$ 2,699,643</u>	<u>\$ 892,403</u>	<u>\$ 1,441,699</u>	<u>\$ 6,891,695</u>

The accompanying notes are an integral part of this statement.

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GARZA COUNTY, TEXAS

Exhibit A-6

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ 4,026,687
Amounts reported for governmental activities in the statement of activities (SOA) are different because:	
Capital assets are not reported as expenses in the SOA.	840,503
The depreciation of capital assets used in governmental activities is not reported in the funds.	(568,098)
Net change in pension expense to convert amounts paid in for the governmental funds to accrued pension expense for governmental activities.	365,684
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	9,566
Change in the Justice of the Peace and County/District Clerk fines receivable.	14,487
Change in accrued interest payable from beginning of period to end of period.	(11,171)
Debt proceeds and bond premiums are not recorded in the SOA because they represent additional debt payable.	(3,937,296)
Payments on long-term debt are recorded as expenditures in the funds.	616,475
Bond issuance premiums and deferred losses on refunding are not recorded or amortized in the funds.	<u>748</u>
Change in Net Position of Governmental Activities - Statement of Activities	<u>\$ 1,357,585</u>

The accompanying notes are an integral part of this statement.

GARZA COUNTY, TEXAS

Exhibit A-7

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024**

	<u>Custodial Funds</u>
ASSETS:	
Current Assets	
Cash and Cash Equivalents	\$ <u>601,311</u>
Total Current Assets	\$ <u><u>601,311</u></u>
NET POSITION:	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ <u>601,311</u>
Total Net Position	\$ <u><u>601,311</u></u>

The accompanying notes are an integral part of this statement.

GARZA COUNTY, TEXAS

Exhibit A-8

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS:	
Fee Office Collections	\$ 6,843,514
Other	676,352
Total Additions	<u>\$ 7,519,866</u>
 DEDUCTIONS:	
Distributions to State and Local Entities	\$ 6,857,792
Other	496,839
Total Deductions	<u>\$ 7,354,631</u>
 CHANGE IN NET POSITION	 \$ 165,235
 NET POSITION:	
October 1, 2023 (Beginning)	<u>436,076</u>
September 30, 2024 (Ending)	<u><u>\$ 601,311</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The authority of county governments and their specific functions and responsibilities are created by and are dependent upon laws and legal regulations of the Texas State Constitution and Vernon’s Annotated Civil Statutes (V.A.C.S.).

Garza County, Texas (the County) operates under a County Judge and Commissioners’ Court type of government as provided by state statute. The financial and reporting policies of the County conform to generally accepted accounting principles (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*.

The Commissioners’ Court has governance responsibilities over all activities related to the County. The County receives funding from local, state, and federal government sources and must comply with the concomitant requirements of these funding source entities; however, the County is not included in any other governmental “reporting entity” as defined by GASB, Statement No. 61, “The Financial Reporting Entity.” There is one component unit included within the reporting entity.

Component units are legally separate entities for which the County is considered to be financially accountable. The discretely presented component unit, although a legally separate entity, is in substance part of the County’s operations. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County.

The following table describes the County’s component unit:

<u>Component Unit</u>	<u>Description; Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Garza County Public Facility Corporation	Formed to Finance the Construction of Dalby Correctional Facility and the Acquisition of Garza Juvenile Correctional Facility	Discretely Presented	Not Available

The County’s major activities or departments include: Emergency Medical Services, County Jail, Road and Bridge, Extension Services, Museum, Social Services, Probations, Weigh-station, Law Enforcement, Fire Station, Constables, Courthouse Maintenance, County Tax Assessor/Collector, County Treasurer, County Attorney, Justices of the Peace Precincts, County Court, General Administration, County Clerk, Emergency Management Office, and County Judge.

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the County non-fiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, fines and fees, grants and other intergovernmental revenues.

The Statement of Activities presents a comparison between expenses and program revenues for each function of the County'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. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the 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.

Interfund activities between governmental funds appear as due to/due from on the governmental fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

The fund financial statements provide information about the County's funds, including fiduciary funds and discretely presented component units. Since the resources in the fiduciary funds cannot be used for the County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds (other governmental funds).

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets/deferred outflows, current liabilities/deferred inflows, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available. Available means collectible within the current period or expected to be collected within 60 days after year end and be used to pay liabilities of the current period. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Exceptions to this general rule include unmatured principal and interest on general long-term obligations which are recognized when due. This exception is in conformity with generally accepted accounting principles. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Property tax revenues and sales tax receipts are considered measurable and available when collected by the tax assessor/collector and recognized as revenue at that time. Property tax revenues are considered measurable at the time of levy and are recognized as deferred revenue and taxes receivable, net of an allowance for estimated uncollectible taxes, at that time. Property tax revenues are considered available if collected within 60 days subsequent to year end. However, the amount of taxes collected in the period 60 days subsequent to year end are considered immaterial and not recorded as current year revenue. All tax collections expected to be received subsequent to year end are, therefore, reported as deferred revenues. Licenses and permits, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded on the accrual basis in all funds.

Intergovernmental revenues are recorded on a basis applicable to the legal and contractual requirements of the individual grant programs. If funds must be expended on the specific purpose or project before any amounts will be paid to the County, revenues are recognized as the expenditures or expenses are recorded. If funds are virtually unrestricted and irrevocable, except for failure to comply with required compliance requirements, revenues are recognized when received or susceptible to accrual. Federal and State grants awarded on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other federal reimbursable-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position.

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

D. FUND ACCOUNTING

The County applies GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which the amounts in the funds may be spent. Application of the Statement requires the County to classify and report amounts in the appropriate fund balance classifications. The County's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned. From interpretation of the adopted policy, the County will spend its fund in the following order: Committed, Assigned, and Unassigned, if more than one classification of fund balance is available.

The County reports the following classifications:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Restrictions are placed on fund balances when legally enforceable legislation establishes the County's right to assess, levy, or charge fees to be used for a specific purpose – such as the County's property tax revenue for debt service requirements, which must be used to repay debt. Legal enforceability means that the County can be compelled by an external party to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Commissioners' Court. Committed amounts cannot be used for any other purposes unless the Commissioners' Court removes those constraints by taking the same type of actions (legislation, resolution, and ordinance). Committed fund balances include non-liquidated encumbrances at year end that are carried forward to the next fiscal year. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Commissioners' Court. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the County Treasurer or (b) an appointed body or official to which the Commissioners' Court has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes.

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type. Assignment with the General Fund conveys that the intended use of those amounts is for specific purposes that are narrower than the general purposes of the County itself.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. County funds do not include funds held by County offices, which are not yet remitted to the County Treasurer. County funds are amounts which have been received by the County Treasurer and which are subject to control by the Commissioners' Court. These various County funds, which are reported as Governmental Funds in the financial statements of this report, are grouped into five fund types: General Fund, Garza County Jail Fund, and Road and Bridge Fund, and aggregate remaining funds. The remaining funds held by other County offices are reported as Fiduciary Funds and are not subject to control by the Commissioner's Court.

The County maintains the following Major funds:

Major Governmental Funds:

General Fund – This fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose, provided it is expended or transferred in accordance with the legally adopted budget of the County.

Road and Bridge Fund – This special revenue fund is used to account for proceeds of specific revenue sources that are legally reserved for expenditures for public transportation for county citizens.

Garza County Jail Fund – This special revenue fund is used to account for intergovernmental revenues received for housing prisoners and the correlating expenditures to run and maintain the county jail.

2024 Certificates of Obligation – This capital projects funds is used to account for the use of bond proceeds related to the 2024 Certificates of Obligation Bonds.

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Custodial Funds:

Custodial Funds, which include funds held by County offices, also are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other government, and/or other funds. These include Agency Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Formal budgetary accounting is not required for Custodial Funds.

E. OTHER ACCOUNTING POLICIES

1. Capital assets include land, buildings, furniture and equipment and are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects when construction is completed.

Buildings, vehicles, furniture and equipment, and infrastructure of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Equipment	10-60

2. The County provides statutory workers' compensation insurance for its employees through Texas Association of Counties (TAC), a joint insurance fund, in which the County is a member. Health insurance is provided to the County's employees through a licensed insurer paid by the County.

F. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Governmental Funds:

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item, which arise under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the items, unavailable revenue – property taxes and unearned revenue – intergovernmental, are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Government-Wide Financial Statements:

In addition to assets and liabilities, the statement of net position will report a separate section for deferred outflows and inflows of resources. These separate financial statement elements represent a consumption or retention of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources until then.

II. PROPERTY TAX

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the following year. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature that affects the methods of property assessment and tax collection in the County. This Legislation, with certain exceptions, exempts intangible personal property, household goods and family-owned automobiles from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of county wide Appraisal County's and for the State Property Tax Board which commenced operation in January, 1980.

The County is permitted by the State of Texas Constitution to levy taxes up to \$0.80 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. A practical limitation on taxes levied for debt service is \$1.50 per \$100 of assessed valuation as established by the Attorney General of the State of Texas. The tax rates assessed for the year ended September 30, 2024 to finance maintenance and operations, interest and sinking – debt service fund, and road and bridge of the County was \$0.7183 per \$100 valuation.

The County's taxes on real property are a lien against such property until paid. The County may foreclose real property upon which it has a lien for unpaid taxes. Although the County makes little effort to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title on property.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

At September 30, 2024, the carrying amount of the County's deposits (cash, short-term certificates of deposit, and interest-bearing savings accounts included in cash and cash equivalents) was \$6,229,141 and the bank balance was \$6,952,120.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the County to invest in: (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

The carrying value of unrestricted investments at September 30, 2024 was \$546,061. The investments consist of:

	<u>Cost/FMV</u>	<u>Fair Value Level</u>
TexPool	\$ 180,774	NAV
TexStar	238,145	NAV
DWS - Money Market	<u>127,142</u>	1
	<u>\$ 546,061</u>	

The carrying value of the restricted investments - held by trustee (US Bank) for the component unit at September 30, 2024 was \$7,679,645. The restricted investments consist of money market accounts accounted for at Net Asset Value (NAV).

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB require or permit in the statements at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County's investments as of September 30, 2024 were measured at NAV or considered Level 1 of the fair value hierarchy and are value using a matrix pricing technique. TexPool, TexaStar, and DWS, had Weighted-Average Maturities of 31 days, 32 days (March 24, 2024), and 18 days.

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk – Deposits: This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2024 were covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus, positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The County's other securities are exposed to custodial credit risk to extent they are not invested in United States Treasury instruments.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investments were exposed to credit risk to the extent they were not invested in local government investment pools.

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

B. DISAGGREGATION OF RECEIVABLES

Receivables at September 30, 2024, were as follows:

	<u>Property Tax Receivables</u>	<u>Inmate Receivables</u>	<u>Grants/Other Receivables</u>	<u>Total Receivables</u>
Governmental Activities:				
General Fund	\$ 158,302	\$	\$ 95,882	\$ 254,184
Garza County Jail Fund		201,551		201,551
Road and Bridge Fund	23,540		17,535	41,075
Other Governmental Funds	14,321		37,073	51,394
Less: Allowance for Uncollectibles	<u>(98,745)</u>			<u>(98,745)</u>
Total - Governmental	<u>\$ 97,418</u>	<u>\$ 201,551</u>	<u>\$ 150,490</u>	<u>\$ 449,459</u>

C. CAPITAL ASSET ACTIVITY

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

	<u>Balance October 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2024</u>
Governmental Activities				
Land	\$ 66,671	\$	\$	\$ 66,671
Buildings and Equipment	13,014,364	840,503	139,036	13,715,831
Totals at Historic Cost	<u>\$ 13,081,035</u>	<u>\$ 840,503</u>	<u>\$ 139,036</u>	<u>\$ 13,782,502</u>
Less: Accumulated Depreciation				
Buildings and Equipment	\$ 6,883,190	\$ 568,098	\$ 139,036	\$ 7,312,252
Total Accumulated Depreciation	<u>\$ 6,883,190</u>	<u>\$ 568,098</u>	<u>\$ 139,036</u>	<u>\$ 7,312,252</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,197,845</u>	<u>\$ 272,405</u>	<u>\$ 0</u>	<u>\$ 6,470,250</u>

D. ACCRUED COMPENSATED ABSENCES

Accumulated unpaid leave amounts are accrued in governmental funds because they are considered a current liability based on the County's policy; therefore, they are recorded in the funds and are also reflected in the government-wide Statement of Net Position were for vacation pay in the amount of \$34,609.

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

E. LONG-TERM OBLIGATIONS

Long-term obligations include bonds, capital leases, short-term loans, and related issuance discounts. The changes in long-term obligations for the year ended September 30, 2024, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Certificate of Obligation					
Bonds, Series 2024	\$	\$ 3,330,000	\$	\$ 3,330,000	\$
Bonds, Series 2022	3,310,000		485,000	2,825,000	515,000
Leases	175,896	607,296	131,475	651,717	187,412
Unamortized Premiums	146,811		24,468	122,343	
Totals:	\$ 3,632,707	\$ 3,937,296	\$ 640,943	\$ 6,929,060	\$ 702,412

Total Debt service requirements on Long-Term Debt at September 30, 2024, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 515,000	\$ 272,529	\$ 787,529
2026	835,000	260,063	1,095,063
2027	885,000	217,574	1,102,574
2028	930,000	172,914	1,102,914
2029	960,000	126,400	1,086,400
2030-2034	2,030,000	270,852	2,300,852
Plus: Unamortized Premiums	122,343		122,343
Totals	\$ 6,277,343	\$ 1,320,332	\$ 7,597,675

The Reserve Fund is held by the Trustee with US Bank.

Certificate of Obligation Bonds:

A summary of the Certificate of Obligations Bonds is as follows:

Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding
8/27/2024	\$ 3,330,000	4.89%-5.20%	2/1/2034	\$ 3,330,000
12/14/2022	3,860,000	5.00%	2/1/2029	2,825,000

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Leases:

The assets acquired through leases are as follows:

<u>Lease Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 1,132,408
Less: Accumulated Depreciation	<u>(516,980)</u>
Totals	<u>\$ 615,428</u>

Commitments under lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2024, are as follows:

Year Ending September 30,	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 187,412	\$ 40,512	\$ 227,924
2026	169,739	29,833	199,572
2027	173,920	19,279	193,199
2028	109,798	8,227	118,025
2029	10,848	699	11,547
Totals	<u>\$ 651,717</u>	<u>\$ 98,550</u>	<u>\$ 750,267</u>

The effective interest rate on leases is 2.65%-6.50%.

F. INTERFUND ACTIVITY

The nature and amount of Interfund Transactions are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Reason for Transfer</u>
General	\$	\$ 1,080,598	County Jail Operations and Operating Transfers
County Jail	986,980		Local Portion of Jail Operating Costs and Bond Payments
Road and Bridge	35,000		Operating Transfers
Non-Major Funds	<u>58,618</u>		Operating Transfers
	<u>\$ 1,080,598</u>	<u>\$ 1,080,598</u>	

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

G. RETIREMENT PENSION PLAN

Plan Description:

The County provides retirement, disability and death benefits for all of its full time employees through a non-traditional defined benefit pension plan in TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nearly 870 non-traditional defined benefit pension plans. TCDRS in the aggregate issues an Annual Comprehensive Financial Report on a calendar basis. The Annual Comprehensive Financial Report is available upon written request from the Board of Trustees at Barton Oaks Plaza IV, Suite 500, 901 Mopac St., Austin, Texas 78746.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS. Members can retire at ages 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after ten years of service.

Members are vested after ten years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the Texas state statutes governing TCDRS so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the Texas state statutes governing TCDRS.

Pension Plan Fiduciary Net Position:

Detailed information about the TCDRS fiduciary net position is available in a separately-issued ACFR that includes financial statements and required supplementary information mentioned in the above section.

The information provided by TCDRS shows the following information regarding the Pension Plan fiduciary net position for the County as of December 31, 2023.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 13,587,555
Less: Plan Fiduciary Net Position	(15,110,965)
Net Pension Liability (Asset)	<u>\$ (1,523,410)</u>
 Net Position as Percentage of Total Pension Liability	 111.21%

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Benefits Provided:

TCDRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries). The normal service retirement is at age 60 with eight years of credited service, when the sum of the member's age and years of credited service equals 75 or more years, or after 30 years of service regardless of age. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan description above.

Contributions:

The plan is funded by monthly contributions from employee deposits and from employer contributions based on the covered payroll of employee members. Under the variable rate plan provisions, the contribution rate of the employer is actuarially determined annually. The required contribution was determined as part of the December 31, 2023 actuarial valuation using the entry age actuarial cost method.

The actuarial assumptions at December 31, 2023 included (a) 7.50% investment rate of return (net of administrative expenses), and (b) a projected salary increase of 4.60%. Both (a) and (b) included an inflation component of 2.50%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The employer contribution rate was 5.71% for 2023 and 6.10% for 2024. The deposit rate payable by employee members is the rate of 7.00% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the Texas state statutes governing TCDRS.

	Contribution Rates	
	2023	2024
Member	7.00%	7.00%
Employer	5.71%	6.10%
FY 2024 Member Contributions		\$ 222,544
FY 2024 Employer Contributions		190,993

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Actuarial Assumptions:

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Smoothing Period	Five Years
Recognition Method	Non-Asymptotic
Corridor	None
Remaining Amortization Period	0.00 Years
Discount Rate	7.60%
Long-Term Expected Investment Rate of Return*	7.50%
Salary Increases*	4.70%
Payroll Growth Rate	3.00%

**Includes Inflation of 2.50%*

The actuarial methods and assumptions are primarily based on a study of the County's workforce and estimate of benefits it will pay its employees. The economic and demographic assumptions have been established based on the 2021 experience study for TCDRS, details of which can be found in the 2021 Investigation and Experience Report on the TCDRS website.

Discount Rate:

The discount rate used to measure the total pension liability was 7.60%. The previous year's discount rate was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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. The long-term rate of return on pension plan investments is 7.50%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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.

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of December 31, 2023 are summarized below:

<u>Asset Class</u>	<u>Target Allocation**</u>	<u>Long-term Expected Portfolio Real Rate of Return*</u>
U.S. Equities	11.50%	4.75%
Global Equities	2.50%	4.75%
International Equities - Developed	5.00%	4.75%
International Equities - Emerging	6.00%	4.75%
Investment-Grade Bonds	3.00%	2.35%
Strategic Credit	9.00%	3.35%
Direct Lending	16.00%	7.25%
Distressed Debt	4.00%	6.90%
REIT Equities	2.00%	4.10%
Master Limited Partnerships	2.00%	5.20%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.75%
Hedge Funds	6.00%	3.25%
Cash Equivalents	2.00%	0.60%
Total	<u>100.00%</u>	

* - Geometric real rates of return in addition to assumed inflation of 2.20%, per Cliffwater's 2024 capital market assumptions

** - Target asset allocation adopted at the March 2024 TCDRS Board Meeting

Discount Rate Sensitivity Analysis:

The following schedule shows the impact of the Net Pension Asset if the discount rate used was one percent less than and one percent greater than the discount rate that was used (7.60%) in measuring the 2023 Net Pension Liability.

	1% Decrease in <u>Discount Rate (6.60%)</u>	<u>Discount Rate (7.60%)</u>	1% Increase in <u>Discount Rate (8.60%)</u>
Total Pension Liability	\$ 15,153,650	\$ 13,587,555	\$ 12,260,702
Fiduciary Net Position	(15,110,965)	(15,110,965)	(15,110,965)
Net Pension Liability/(Asset)	<u>\$ 42,685</u>	<u>\$ (1,523,410)</u>	<u>\$ (2,850,263)</u>

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2023, the County reported an asset of \$1,523,410 for its proportionate share of the TCDRS net pension liability.

The net pension asset was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period January 1, 2023 through December 31, 2023.

For the plan year ended December 31, 2023 there were changes in assumptions and plan provisions. The plan reflected new annuity purchase rates which was a change to plan provisions and adopted new mortality tables which were changes in assumptions.

There were new investment return and inflation assumptions that affected measurement of the total pension liability during the measurement period.

At December 31, 2023, the County reported its proportionate share of the TCDRS deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 41,234	\$ 183,656
Net Difference Between Projected and Actual Earnings	46,067	
Contributions Paid to TCDRS Subsequent to the Measurement Date	<u>147,978</u>	
Total	<u>\$ 235,279</u>	<u>\$ 183,656</u>

The net amounts of the employer's balances of deferred outflows related to pensions will be recognized in pension expense as follows:

	<u>Pension Expense Amount</u>
	<u>Amortization of Deferred Resources</u>
2024	\$ (29,493)
2025	(125,284)
2026	303,722
2027	(97,322)
2028	0
Thereafter	0

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Pension Expenses

Pension expense for the plan for the year ended December 31, 2023 was \$184,193 and was calculated as follows:

	<u>Pension Expense</u>
Service Cost	\$ 358,249
Interest on Total Pension Liability	1,007,838
Administrative Expenses	7,890
Member Contributions	(221,740)
Expected Investment Return Net of Investment Expenses	(1,048,282)
Amortization of Deferred (Inflows) Outflows	(302,753)
Other	<u>14,605</u>
Total Pension Expense as of December 31, 2023	<u>\$ (184,193)</u>

Employees Covered by Benefit Terms:

At the December 31, 2023 valuation and measurement, the plan reported the following regarding employees covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	39
Inactive Employees Entitled to but not Yet Receiving Benefits	63
Active Employees	<u>70</u>
Total Plan Employees	<u><u>172</u></u>

H. DISCRETELY PRESENTED COMPONENT UNIT

Garza County Public Facility Corporation leased Dalby Correctional Facility (the Facility) to Management and Training Corporation (MTC) in exchange for rental payments based on inmate man-days. The Facility Corporation is a legally separate non-profit public corporation. The Corporation constructed the Facility through the issuance of lease revenue bonds (the Bonds). The County has no obligation relating to the payments under the Bonds. The Bonds are solely payable from the revenue generated from the Facilities. The Facility's operational contract with the Federal Bureau of Prisons was not renewed effective June 2022. This contract was materially the only source of revenue for the Facility since inception.

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Capital Assets:

	Balance October 1, 2023	Additions	Retirements	Balance September 30, 2024
Component Unit				
Land	\$ 188,500	\$	\$	\$ 188,500
Construction Work in Progress		550,597		550,597
Correctional Facilities	<u>38,542,406</u>			<u>38,542,406</u>
Totals at Historic Cost	<u>\$ 38,730,906</u>	<u>\$ 550,597</u>	<u>\$ 0</u>	<u>\$ 39,281,503</u>
Less: Accumulated Depreciation				
Correctional Facilities	\$ 17,577,958	\$ 846,417	\$	\$ 18,424,375
Total Accumulated Depreciation	<u>\$ 17,577,958</u>	<u>\$ 846,417</u>	<u>\$ 0</u>	<u>\$ 18,424,375</u>
Component Unit Capital Assets, Net	<u>\$ 21,152,948</u>	<u>\$ (295,820)</u>	<u>\$ 0</u>	<u>\$ 20,857,128</u>

Long-Term Debt:

Series	Original Issue	Interest Rates	Maturity Date	Outstanding	Type of Debt
2012	\$ 4,165,000	7.75%	2/15/2029	\$ 2,310,000	Taxable Revenue Bonds
2012	35,890,000	6.75%-7.20%	10/1/2025	10,330,000	Taxable Revenue Refunding Bonds
2012	<u>(1,929,675)</u>			<u>(312,849)</u>	Unamortized Discounts
	<u>\$ 38,125,325</u>			<u>\$ 12,327,151</u>	

Debt Service Requirements:

Year Ending September 30,	Component Unit		
	Principal	Interest	Total
2025	\$ 3,515,000.00	\$ 795,530.00	\$ 4,310,530
2026	7,355,000.00	402,725.00	7,757,725
2027	300,000.00	125,500.00	425,500
2028	325,000.00	101,331.00	426,331
2029	350,000.00	75,174.00	425,174
2030	795,000.00	30,806.00	825,806
Less: Reserve Fund		(3,109,567)	(3,109,567)
Less: Unamortized Discounts	<u>(312,849)</u>		<u>(312,849)</u>
Totals	<u>\$ 12,327,151</u>	<u>\$ (1,578,501)</u>	<u>\$ 10,748,650</u>

GARZA COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Concentrations – Public Facility Corporation

As of September 30, 2024, Management and Training Corporation (MTC) was not able to contract with other counties to fill their required beds to comply with the cost of effectiveness to continue operations. It was their contractual agreement to produce contracts to house prisoners and pay Garza County Public Facility Corporation for the facility use.

I. LITIGATION, COMMITMENTS, AND SUBSEQUENT EVENTS

There is no pending litigation against the County at September 30, 2024 that would have a material effect on the financial statements.

J. TAX ABATEMENTS

The County has entered into various agreements allowed for under Texas State Law for the abatement of property taxes related to wind farm operations with the County's jurisdiction. The abatements are scheduled to expire through 2028. In fiscal year 2024, the County abatement limitation was \$79,851,282. The County recorded revenue from payments in lieu of taxes in the amount of \$334,335.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN NET PENSION
ASSET AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
TOTAL PENSION LIABILITY:										
Service Cost	\$ 351,992	\$ 406,526	\$ 389,677	\$ 359,647	\$ 341,986	\$ 343,821	\$ 351,012	\$ 365,767	\$ 357,379	\$ 358,249
Interest Cost	645,370	688,233	730,289	777,834	826,485	830,775	885,011	928,224	953,399	1,007,838
Effect of Plan Changes		(54,034)								
Effect of Economic/Demographic losses	(48,918)	(104,235)	(173,992)	(54,003)	(630,764)	(34,717)	(34,125)	(300,968)	82,468	(275,484)
Effect of Assumption Changes or Inputs		104,863		57,305			645,258	(34,651)		
Benefit Payments/Refunds of Contributions	(472,120)	(469,682)	(509,018)	(546,906)	(497,117)	(475,622)	(479,425)	(672,564)	(562,889)	(797,044)
Net Change in Total Pension Liability	\$ 476,324	\$ 571,671	\$ 436,956	\$ 593,877	\$ 40,590	\$ 664,257	\$ 1,367,731	\$ 285,808	\$ 830,357	\$ 293,559
Total Pension Liability, Beginning	8,026,425	8,502,749	9,074,420	9,511,376	10,105,253	10,145,843	10,810,100	12,177,831	12,463,639	13,293,996
Total Pension Liability, Ending	\$ 8,502,749	\$ 9,074,420	\$ 9,511,376	\$ 10,105,253	\$ 10,145,843	\$ 10,810,100	\$ 12,177,831	\$ 12,463,639	\$ 13,293,996	\$ 13,587,555
FIDUCIARY NET POSITION:										
Employer Contributions	\$ 255,203	\$ 239,873	\$ 229,129	\$ 207,072	\$ 209,442	\$ 214,204	\$ 180,883	\$ 150,449	\$ 214,839	\$ 171,373
Member Contributions	210,167	209,942	209,659	203,869	206,202	209,126	210,180	206,904	207,430	221,740
Investment Income, Net of Expenses	543,248	644	631,428	1,320,510	(191,634)	1,634,877	1,190,811	2,735,862	(868,943)	1,534,892
Benefit Payments/Refunds of Contributions	(472,120)	(469,682)	(509,018)	(546,906)	(497,117)	(475,622)	(479,425)	(672,564)	(562,889)	(797,044)
Administrative Expenses	(6,355)	(6,123)	(6,859)	(6,808)	(7,996)	(8,785)	(9,235)	(8,130)	(8,206)	(7,890)
Other	(44,387)	62,804	(25,622)	(1,886)	(1,400)	(186)	(1,472)	(5,455)	(7,240)	(14,604)
Net Change in Fiduciary Net Position	\$ 485,756	\$ 37,458	\$ 528,717	\$ 1,175,851	\$ (282,503)	\$ 1,573,614	\$ 1,091,742	\$ 2,407,066	\$ (1,025,009)	\$ 1,108,467
Fiduciary Net Position, Beginning	8,009,806	8,495,562	8,533,020	9,061,737	10,237,588	9,955,085	11,528,699	12,620,441	15,027,507	14,002,498
Fiduciary Net Position, Ending	\$ 8,495,562	\$ 8,533,020	\$ 9,061,737	\$ 10,237,588	\$ 9,955,085	\$ 11,528,699	\$ 12,620,441	\$ 15,027,507	\$ 14,002,498	\$ 15,110,965
NET PENSION LIABILITY (ASSET):	\$ 7,187	\$ 541,400	\$ 449,639	\$ (132,335)	\$ 190,758	\$ (718,599)	\$ (442,610)	\$ (2,563,868)	\$ (708,502)	\$ (1,523,410)
Fiduciary Net Position as a % of Total Pension Liability (Asset)	99.92%	94.03%	95.27%	101.31%	98.12%	106.65%	103.63%	120.57%	105.33%	111.21%
County's Covered Employee Payroll	\$ 3,002,392	\$ 2,987,265	\$ 2,995,132	\$ 2,912,408	\$ 2,945,736	\$ 2,987,509	\$ 3,002,573	\$ 2,955,773	\$ 2,963,285	\$ 3,167,719
Net Pension Liability (Asset) as a % of Covered Employee Payroll	0.24%	18.12%	15.01%	-4.54%	6.48%	-24.05%	-14.74%	-86.74%	-23.91%	-48.09%

GARZA COUNTY, TEXAS

Exhibit B-2

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll (1)</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 243,726	\$ 243,726	\$ 0	\$ 2,989,641	8.15%
2016	234,062	234,062	0	3,019,275	7.75%
2017	211,072	211,072	0	2,908,807	7.26%
2018	208,328	208,328	0	2,930,074	7.11%
2019	211,536	211,536	0	2,957,049	7.15%
2020	198,696	198,696	0	3,139,985	6.33%
2021	168,652	168,652	0	2,967,696	5.68%
2022	208,539	208,539	0	2,914,221	7.16%
2023	193,887	193,887	0	3,144,831	6.17%
2024	190,993	190,993	0	3,179,194	6.01%

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GARZA COUNTY, TEXAS

Exhibit B-3

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Revenue:	(Unaudited)		Actual Amounts	Variance with Final Budget Positive or (Negative)
	Budgeted Amounts			
	Original	Final		
Property Taxes	\$ 3,184,408	\$ 3,184,408	\$ 3,275,651	\$ 91,243
Payments in Lieu of Taxes	181,079	181,079	309,535	128,456
License and Permits	650	650		(650)
Intergovernmental Revenue and Grants	879,011	879,011	948,590	69,579
Charges for Services	15,340	15,340	29,588	14,248
Fines and Fees	197,791	197,791	225,628	27,837
Investment Earnings	84,500	84,500	149,025	64,525
Rents and Royalties	1,309,060	1,309,060	1,458,693	149,633
Other Revenue	170	170		(170)
Total Revenues	\$ 5,852,009	\$ 5,852,009	\$ 6,396,710	\$ 544,701
Expenditures:				
Current:				
County Judge	\$ 157,706	\$ 157,706	\$ 152,530	\$ 5,176
Emergency Management Office	103,121	103,121	77,913	25,208
County Clerk	206,765	206,765	210,946	(4,181)
Joint Elections			9	(9)
General Administration	563,882	563,882	580,716	(16,834)
District Court	186,333	186,333	196,074	(9,741)
Justices of the Peace	285,634	285,634	270,985	14,649
County Attorney	159,932	159,932	189,597	(29,665)
County Treasurer	200,621	200,621	195,826	4,795
County Tax Assessor/Collector	185,141	185,141	172,034	13,107
Courthouse Maintenance	354,677	354,677	467,057	(112,380)
Constables	278,555	278,555	210,702	67,853
Fire Station	24,000	24,000	12,934	11,066
Law Enforcement	1,211,271	1,211,271	1,496,449	(285,178)
Weighstation	4,600	4,600	4,902	(302)
Probations			20	(20)
Social Services	749,331	749,331	673,144	76,187
Museum	67,350	67,350	68,541	(1,191)
Extension Services	78,391	78,391	167,846	(89,455)
Other Expenditures	34,300	34,300	32,671	1,629
Debt Service:				
Principal			116,134	(116,134)
Interest			1,943	(1,943)
Total Expenditures	\$ 4,851,610	\$ 4,851,610	\$ 5,298,973	\$ (447,363)
Excess of Revenues				
Over Expenditures	\$ 1,000,399	\$ 1,000,399	\$ 1,097,737	\$ 97,338
Other Financing Uses:				
Proceeds from the Sale of Assets	\$	\$	\$ 54,792	\$ 54,792
Transfers In/Out	(1,000,399)	(1,000,399)	(1,080,598)	(80,199)
Debt Proceeds			603,827	603,827
Total Other Financing Uses	\$ (1,000,399)	\$ (1,000,399)	\$ (421,979)	\$ 578,420
Net Changes in Fund Balance	\$ 0	\$ 0	\$ 675,758	\$ 675,758
Fund Balances - Beginning	923,509	923,509	923,509	
Fund Balances - Ending	\$ 923,509	\$ 923,509	\$ 1,599,267	

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GARZA COUNTY, TEXAS

Exhibit B-4

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COUNTY JAIL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	(Unaudited)		Actual Amounts	Variance with Final Budget Positive or (Negative)
	Budgeted Amounts			
	Original	Final		
Revenue:				
Intergovernmental Revenue and Grants	\$ 107,000	\$ 107,000	\$ 136,597	\$ 29,597
Rents and Royalties	994,000	994,000	1,074,707	80,707
Total Revenues	<u>\$ 1,101,000</u>	<u>\$ 1,101,000</u>	<u>\$ 1,211,304</u>	<u>\$ 110,304</u>
Expenditures:				
Current:				
County Jail	\$ 2,087,981	\$ 2,087,981	\$ 2,014,636	\$ 73,345
Total Expenditures	<u>\$ 2,087,981</u>	<u>\$ 2,087,981</u>	<u>\$ 2,014,636</u>	<u>\$ 73,345</u>
Deficiency of Revenues Under Expenditures	<u>\$ (986,981)</u>	<u>\$ (986,981)</u>	<u>\$ (803,332)</u>	<u>\$ 183,649</u>
Other Financing Sources:				
Transfers In	\$ 986,981	\$ 986,981	\$ 986,980	\$ (1)
Total Other Financing Sources	<u>\$ 986,981</u>	<u>\$ 986,981</u>	<u>\$ 986,980</u>	<u>\$ (1)</u>
Net Changes in Fund Balance	\$ 0	\$ 0	\$ 183,648	<u>\$ 183,648</u>
Fund Balances - Beginning	<u>75,035</u>	<u>75,035</u>	<u>75,035</u>	
Fund Balances - Ending	<u>\$ 75,035</u>	<u>\$ 75,035</u>	<u>\$ 258,683</u>	

GARZA COUNTY, TEXAS

Exhibit B-5

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD & BRIDGE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	(Unaudited) Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenue:				
Taxes:				
Property Taxes	\$ 521,293	\$ 521,293	\$ 446,886	\$ (74,407)
Payments in Lieu of Taxes	17,400	17,400	34,800	17,400
License and Permits	234,100	234,100	239,344	5,244
Intergovernmental Revenue and Grants	62,838	62,838	35,547	(27,291)
Charges for Services	4,450	4,450	12,308	7,858
Fines and Fees	60,000	60,000	42,683	(17,317)
Investment Earnings	36,575	36,575	54,224	17,649
Total Revenues	<u>\$ 936,656</u>	<u>\$ 936,656</u>	<u>\$ 865,792</u>	<u>\$ (70,864)</u>
Expenditures:				
Current:				
Road and Bridge	\$ 948,577	\$ 948,577	\$ 848,779	\$ 99,798
Debt Service:				
Principal	28,079	28,079	15,341	12,738
Interest			5,038	(5,038)
Total Expenditures	<u>\$ 976,656</u>	<u>\$ 976,656</u>	<u>\$ 869,158</u>	<u>\$ 107,498</u>
Deficiency of Revenues Under Expenditures	<u>\$ (40,000)</u>	<u>\$ (40,000)</u>	<u>\$ (3,366)</u>	<u>\$ 36,634</u>
Other Financing Sources:				
Transfers In	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 35,000</u>	<u>\$ (5,000)</u>
Total Other Financing Sources	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 35,000</u>	<u>\$ (5,000)</u>
Net Changes in Fund Balance	\$ 0	\$ 0	\$ 31,634	<u>\$ 31,634</u>
Fund Balances - Beginning	<u>860,769</u>	<u>860,769</u>	<u>860,769</u>	
Fund Balances - Ending	<u>\$ 860,769</u>	<u>\$ 860,769</u>	<u>\$ 892,403</u>	

GARZA COUNTY, TEXAS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

A. PENSION PLAN

CHANGES OF BENEFIT TERMS

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

CHANGES OF ASSUMPTIONS

There were new investment return and inflation assumptions that affected measurement of the total pension liability during the measurement period.

B. BUDGETARY DATA

The County follows these procedures in establishing budgetary data reflected in these financial statements:

1. The County Judge, as budget officer, prepares a budget to cover all proposed expenditures and the means of financing them for the succeeding year and delivers the proposed budget to Commissioners' Court.
2. Commissioners' Court holds budget sessions with each department head.
3. Commissioners' Court holds budget hearings for the public at which all interested persons' comments concerning the budget are heard.
4. Commissioners' Court formally adopts the budget in the open court meeting.
5. The adopted budget becomes the authorization for all legal expenditures for the County for the fiscal year. Appropriations lapse at the end of the fiscal year.
6. The formally adopted budget may legally be amended by Commissioners' in accordance with article 689A-11 or 689A-20 of Vernon's Annotated Civil Statutes.

An appropriate resolution (the appropriated budget) to control the level of expenditures must be legally enacted on or before September 1. The County maintains its legal level of budgetary control at the department level. Amendments to the 2023-2024 budget were approved by the Commissioners' Court as provided by law.

COMBINING STATEMENTS

GARZA COUNTY, TEXAS

Exhibit C-1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Debt Service Garza County Debt Service Fund	Special Revenue Funds			Other Governmental Funds (See Exhibit C-3)	Total Non-Major Governmental Funds (See Exhibit A-3)
		Detention Facilities - Renovation	Capital Credits	Juvenile Probation		
ASSETS:						
Cash and Cash Equivalents	\$ (13,917)	\$ 130,648	\$ 31,319	\$ 74,667	\$ 1,314,204	\$ 1,536,921
Taxes Receivable, Net of Allowance	14,321					14,321
Accounts Receivable, Net of Allowance	2,387	6,097	129	370	28,090	37,073
Total Assets	<u>\$ 2,791</u>	<u>\$ 136,745</u>	<u>\$ 31,448</u>	<u>\$ 75,037</u>	<u>\$ 1,342,294</u>	<u>\$ 1,588,315</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts Payable	\$	\$	\$	\$ 12,302	\$ 36,853	\$ 49,155
Accrued Wages		2,763		2,729	9,030	14,522
Total Liabilities	<u>\$ 0</u>	<u>\$ 2,763</u>	<u>\$ 0</u>	<u>\$ 15,031</u>	<u>\$ 45,883</u>	<u>\$ 63,677</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Property Taxes	\$ 14,321	\$	\$	\$	\$	\$ 14,321
Unavailable Revenue - Intergovernmental					68,618	68,618
Total Deferred Inflows of Resources	<u>\$ 14,321</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,618</u>	<u>\$ 82,939</u>
FUND BALANCES:						
Permanently Restricted for:						
County Schools	\$	\$	\$	\$	\$ 24,375	\$ 24,375
Restricted for:						
Debt Service	(11,530)					(11,530)
Grants					69,611	69,611
Enabling Legislation			31,448		511,081	542,529
Elections					22,281	22,281
Group Benefits					30,000	30,000
Assigned for:						
EMS					11,300	11,300
Repairs and Improvements					300,089	300,089
Probation				60,006		60,006
Airport		133,982			259,056	393,038
Total Fund Balances	<u>\$ (11,530)</u>	<u>\$ 133,982</u>	<u>\$ 31,448</u>	<u>\$ 60,006</u>	<u>\$ 1,227,793</u>	<u>\$ 1,441,699</u>
Total Liabilities and Fund Balances	<u>\$ 2,791</u>	<u>\$ 136,745</u>	<u>\$ 31,448</u>	<u>\$ 75,037</u>	<u>\$ 1,342,294</u>	<u>\$ 1,588,315</u>

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GARZA COUNTY, TEXAS

Exhibit C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Debt Service</u>	<u>Special Revenue Funds</u>			<u>Other</u>	<u>Total</u>
	<u>Garza</u>	<u>Detention</u>	<u>Capital</u>	<u>Juvenile</u>	<u>Governmental</u>	<u>Non-Major</u>
	<u>County Debt</u>	<u>Facilities -</u>	<u>Credits</u>	<u>Probation</u>	<u>Funds</u>	<u>Governmental</u>
	<u>Service Fund</u>	<u>Renovation</u>			<u>(See Exhibit C-4)</u>	<u>Funds</u>
						<u>(See Exhibit A-5)</u>
Revenue:						
Property Taxes	\$ 625,337	\$	\$	\$	\$	\$ 625,337
Intergovernmental Revenue and Grants				100,427	1,937,229	2,037,656
Charges for Services		102,748	259			103,007
Fines and Fees					93,591	93,591
Investment Earnings	877	2,840	1,661	5,830	44,789	55,997
Other Revenue				1,447	24,930	26,377
Total Revenues	<u>\$ 626,214</u>	<u>\$ 105,588</u>	<u>\$ 1,920</u>	<u>\$ 107,704</u>	<u>\$ 2,100,539</u>	<u>\$ 2,941,965</u>
Expenditures:						
Current:						
Joint Election	\$	\$	\$	\$	\$ 79,296	\$ 79,296
General Administration					244	244
County Attorney					31,034	31,034
Courthouse Maintenance					53,096	53,096
Law Enforcement					265,350	265,350
Constables					607	607
Probations				244,462		244,462
Social Services					172,074	172,074
Detention Facilities		68,184			971,948	1,040,132
Emergency Medical Services					47,905	47,905
Other Expenditures					473	473
Debt Service:						
Principal	485,000					485,000
Interest	153,375					153,375
Total Expenditures	<u>\$ 638,375</u>	<u>\$ 68,184</u>	<u>\$ 0</u>	<u>\$ 244,462</u>	<u>\$ 1,622,027</u>	<u>\$ 2,573,048</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>\$ (12,161)</u>	<u>\$ 37,404</u>	<u>\$ 1,920</u>	<u>\$ (136,758)</u>	<u>\$ 478,512</u>	<u>\$ 368,917</u>
Other Financing Sources:						
Sale of Real and Personal Property	\$	\$	\$	\$ 5,000	\$	\$ 5,000
Debt Proceeds				3,469		3,469
Transfers In				100,000	(41,382)	58,618
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 108,469</u>	<u>\$ (41,382)</u>	<u>\$ 67,087</u>
Net Change in Fund Balances	\$ (12,161)	\$ 37,404	\$ 1,920	\$ (28,289)	\$ 437,130	\$ 436,004
Fund Balances - Beginning	<u>631</u>	<u>96,578</u>	<u>29,528</u>	<u>88,295</u>	<u>790,663</u>	<u>1,005,695</u>
Fund Balances - Ending	<u>\$ (11,530)</u>	<u>\$ 133,982</u>	<u>\$ 31,448</u>	<u>\$ 60,006</u>	<u>\$ 1,227,793</u>	<u>\$ 1,441,699</u>

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GARZA COUNTY, TEXAS

Exhibit C-3

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds						Other Governmental Funds (See Exhibit C-5)	Total Non-Major Governmental Funds (See Exhibit C-1)
	LEOSE Sheriff	LEOSE Constable	State Restricted Court Fees	Miscellaneous Income	American Rescue Plan Act	Commercial and Residential Permits		
ASSETS:								
Cash and Cash Equivalents	\$ 5,092	\$ 1,545	\$ 189,556	\$ 297,155	\$ 30,741	\$ 9,056	\$ 781,059	\$ 1,314,204
Accounts Receivables, Net of Allowance			3,003	2,934	134		22,019	28,090
Total Assets	<u>\$ 5,092</u>	<u>\$ 1,545</u>	<u>\$ 192,559</u>	<u>\$ 300,089</u>	<u>\$ 30,875</u>	<u>\$ 9,056</u>	<u>\$ 803,078</u>	<u>\$ 1,342,294</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts Payable	\$	\$	\$	\$	\$	\$	\$ 36,853	\$ 36,853
Accrued Wages							9,030	9,030
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 45,883</u>	<u>\$ 45,883</u>
DEFERRED INFLOWS OF RESOURCES:								
Unearned Revenue - Intergovernmental	\$	\$	\$	\$	\$	\$	\$ 68,618	\$ 68,618
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,618</u>	<u>\$ 68,618</u>
FUND BALANCES:								
Permanently Restricted for:								
County Schools	\$	\$	\$	\$	\$	\$	\$ 24,375	\$ 24,375
Restricted for:								
Grants	5,092	1,545			30,875		32,099	69,611
Enabling Legislation			192,559				318,522	511,081
Elections							22,281	22,281
Group Benefits							30,000	30,000
Assigned for:								
EMS							11,300	11,300
Repairs and Improvements				300,089				300,089
Airport						9,056	250,000	259,056
Total Fund Balances	<u>\$ 5,092</u>	<u>\$ 1,545</u>	<u>\$ 192,559</u>	<u>\$ 300,089</u>	<u>\$ 30,875</u>	<u>\$ 9,056</u>	<u>\$ 688,577</u>	<u>\$ 1,227,793</u>
Total Liabilities and Fund Balances	<u>\$ 5,092</u>	<u>\$ 1,545</u>	<u>\$ 192,559</u>	<u>\$ 300,089</u>	<u>\$ 30,875</u>	<u>\$ 9,056</u>	<u>\$ 803,078</u>	<u>\$ 1,342,294</u>

GARZA COUNTY, TEXAS

Exhibit C-4

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds						Other Governmental Funds (See Exhibit C-6)	Total Non-Major Governmental Funds (See Exhibit C-2)
	LEOSE Sheriff	LEOSE Constable	State Restricted Court Fees	Miscellaneous Income	American Rescue Plan Act	Commercial and Residential Permits		
Revenue:								
Intergovernmental Revenue and Grants	\$ 5,092	\$ 1,545	\$	\$	\$ 418,678	\$	\$ 1,511,914	\$ 1,937,229
Fines and Fees			52,832				40,759	93,591
Investment Earnings				13,919			30,870	44,789
Other Revenue				23,936			994	24,930
Total Revenues	<u>\$ 5,092</u>	<u>\$ 1,545</u>	<u>\$ 52,832</u>	<u>\$ 37,855</u>	<u>\$ 418,678</u>	<u>\$ 0</u>	<u>\$ 1,584,537</u>	<u>\$ 2,100,539</u>
Expenditures:								
Current:								
Joint Election	\$	\$	\$	\$	\$	\$	\$ 79,296	\$ 79,296
General Administration							244	244
County Attorney							31,034	31,034
Courthouse Maintenance							53,096	53,096
Law Enforcement	2,082						263,268	265,350
Constables		607						607
Social Services							172,074	172,074
Detention Facilities							971,948	971,948
Emergency Medical Services							47,905	47,905
Other Expenditures							473	473
Total Expenditures	<u>\$ 2,082</u>	<u>\$ 607</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,619,338</u>	<u>\$ 1,622,027</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,010</u>	<u>\$ 938</u>	<u>\$ 52,832</u>	<u>\$ 37,855</u>	<u>\$ 418,678</u>	<u>\$ 0</u>	<u>\$ (34,801)</u>	<u>\$ 478,512</u>
Other Financing Sources (Uses):								
Transfers In/(Out)	\$	\$	\$	\$ 37,056	\$ (409,910)	\$	\$ 331,472	\$ (41,382)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37,056</u>	<u>\$ (409,910)</u>	<u>\$ 0</u>	<u>\$ 331,472</u>	<u>\$ (41,382)</u>
Net Change in Fund Balances	\$ 3,010	\$ 938	\$ 52,832	\$ 74,911	\$ 8,768	\$ 0	\$ 296,671	\$ 437,130
Fund Balances - Beginning	<u>2,082</u>	<u>607</u>	<u>139,727</u>	<u>225,178</u>	<u>22,107</u>	<u>9,056</u>	<u>391,906</u>	<u>790,663</u>
Fund Balances - Ending	<u>\$ 5,092</u>	<u>\$ 1,545</u>	<u>\$ 192,559</u>	<u>\$ 300,089</u>	<u>\$ 30,875</u>	<u>\$ 9,056</u>	<u>\$ 688,577</u>	<u>\$ 1,227,793</u>

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GARZA COUNTY, TEXAS

Exhibit C-5

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds						Other Governmental Funds (See Exhibit C-7)	Total Non-Major Governmental Funds (See Exhibit C-3)
	Crime Victims Assistance	Courthouse Security	Records Archive	Justice Court Technology	County EMS	HAVA		
ASSETS:								
Cash and Cash Equivalents	\$ 12,619	\$ 50,361	\$ 171,766	\$ 55,566	\$ 13,306	\$ 7,234	\$ 470,207	\$ 781,059
Accounts Receivables, Net of Allowance	298	929	2,941	714	55	30	17,052	22,019
Total Assets	<u>\$ 12,917</u>	<u>\$ 51,290</u>	<u>\$ 174,707</u>	<u>\$ 56,280</u>	<u>\$ 13,361</u>	<u>\$ 7,264</u>	<u>\$ 487,259</u>	<u>\$ 803,078</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts Payable	\$	\$	\$	\$	\$	\$	\$ 36,853	\$ 36,853
Accrued Wages					2,061		6,969	9,030
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,061</u>	<u>\$ 0</u>	<u>\$ 43,822</u>	<u>\$ 45,883</u>
DEFERRED INFLOWS OF RESOURCES:								
Unearned Revenue - Intergovernmental	\$	\$	\$	\$	\$	\$	\$ 68,618	\$ 68,618
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,618</u>	<u>\$ 68,618</u>
FUND BALANCES:								
Permanently Restricted for:								
County Schools	\$	\$	\$	\$	\$	\$	\$ 24,375	\$ 24,375
Restricted for:								
Grants	12,917					7,264	11,918	32,099
Enabling Legislation		51,290	174,707	56,280			36,245	318,522
Elections							22,281	22,281
Group Benefits							30,000	30,000
Assigned for:								
EMS					11,300			11,300
Airport							250,000	250,000
Total Fund Balances	<u>\$ 12,917</u>	<u>\$ 51,290</u>	<u>\$ 174,707</u>	<u>\$ 56,280</u>	<u>\$ 11,300</u>	<u>\$ 7,264</u>	<u>\$ 374,819</u>	<u>\$ 688,577</u>
Total Liabilities and Fund Balances	<u>\$ 12,917</u>	<u>\$ 51,290</u>	<u>\$ 174,707</u>	<u>\$ 56,280</u>	<u>\$ 13,361</u>	<u>\$ 7,264</u>	<u>\$ 487,259</u>	<u>\$ 803,078</u>

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GARZA COUNTY, TEXAS

Exhibit C-6

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Special Revenue Funds						Other Governmental Funds (See Exhibit C-8)	Total Non-Major Governmental Funds (See Exhibit C-4)
	Crime Victims Assistance	Courthouse Security	Records Archive	Justice Court Technology	County EMS	HAVA		
Revenue:								
Intergovernmental Revenue and Grants	\$ 2,353	\$	\$	\$	\$ 47,327	\$	\$ 1,462,234	\$ 1,511,914
Fines and Fees		7,964	28,282	4,434		79		40,759
Investment Earnings	610	2,481	9,738	2,854	1,412	383	13,392	30,870
Other Revenue							994	994
Total Revenues	\$ 2,963	\$ 10,445	\$ 38,020	\$ 7,288	\$ 48,739	\$ 462	\$ 1,476,620	\$ 1,584,537
Expenditures:								
Current:								
Joint Election	\$	\$	\$	\$	\$	\$	\$ 79,296	\$ 79,296
General Administration							244	244
County Attorney							31,034	31,034
Courthouse Maintenance			53,096					53,096
Law Enforcement							263,268	263,268
Social Services							172,074	172,074
Detention Facilities							971,948	971,948
Emergency Medical Services					47,905			47,905
Other Expenditures							473	473
Total Expenditures	\$ 0	\$ 0	\$ 53,096	\$ 0	\$ 47,905	\$ 0	\$ 1,518,337	\$ 1,619,338
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,963	\$ 10,445	\$ (15,076)	\$ 7,288	\$ 834	\$ 462	\$ (41,717)	\$ (34,801)
Other Financing Sources (Uses):								
Transfers In/(Out)	\$	\$	\$	\$	\$	\$	\$ 331,472	\$ 331,472
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 331,472	\$ 331,472
Net Change in Fund Balances	\$ 2,963	\$ 10,445	\$ (15,076)	\$ 7,288	\$ 834	\$ 462	\$ 289,755	\$ 296,671
Fund Balances - Beginning	9,954	40,845	189,783	48,992	10,466	6,802	85,064	391,906
Fund Balances - Ending	\$ 12,917	\$ 51,290	\$ 174,707	\$ 56,280	\$ 11,300	\$ 7,264	\$ 374,819	\$ 688,577

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GARZA COUNTY, TEXAS

Exhibit C-7

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds						Other Governmental Funds (See Exhibit C-9)	Total Non-Major Governmental Funds (See Exhibit C-5)
	Joint Elections Administration	Voter Registration	Group Life Benefits	Title IV-E Juvenile	County Estray	Unclaimed Inmate Funds		
ASSETS:								
Cash and Cash Equivalents	\$ 44,154	\$ 83	\$ 30,000	\$ 9,526	\$ 1,684	\$ 4,256	\$ 380,504	\$ 470,207
Accounts Receivables, Net of Allowance				39	7	17	16,989	17,052
Total Assets	<u>\$ 44,154</u>	<u>\$ 83</u>	<u>\$ 30,000</u>	<u>\$ 9,565</u>	<u>\$ 1,691</u>	<u>\$ 4,273</u>	<u>\$ 397,493</u>	<u>\$ 487,259</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts Payable	\$ 20,895	\$	\$	\$	\$	\$	\$ 15,958	\$ 36,853
Accrued Wages	1,061						5,908	6,969
Total Liabilities	<u>\$ 21,956</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,866</u>	<u>\$ 43,822</u>
DEFERRED INFLOWS OF RESOURCES:								
Unearned Revenue - Intergovernmental	\$	\$	\$	\$	\$	\$	\$ 68,618	\$ 68,618
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,618</u>	<u>\$ 68,618</u>
FUND BALANCES:								
Permanently Restricted for:								
County Schools	\$	\$	\$	\$	\$	\$	\$ 24,375	\$ 24,375
Restricted for:								
Grants				9,565			2,353	11,918
Enabling Legislation					1,691	4,273	30,281	36,245
Elections	22,198	83						22,281
Group Benefits			30,000					30,000
Assigned for:								
Airports							250,000	250,000
Total Fund Balances	<u>\$ 22,198</u>	<u>\$ 83</u>	<u>\$ 30,000</u>	<u>\$ 9,565</u>	<u>\$ 1,691</u>	<u>\$ 4,273</u>	<u>\$ 307,009</u>	<u>\$ 374,819</u>
Total Liabilities and Fund Balances	<u>\$ 44,154</u>	<u>\$ 83</u>	<u>\$ 30,000</u>	<u>\$ 9,565</u>	<u>\$ 1,691</u>	<u>\$ 4,273</u>	<u>\$ 397,493</u>	<u>\$ 487,259</u>

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GARZA COUNTY, TEXAS

Exhibit C-8

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Special Revenue Funds						Other Governmental Funds (See Exhibit C-10)	Total Non-Major Governmental Funds (See Exhibit C-6)
	Joint Elections Administration	Voter Registration	Group Life Benefits	Title IV-E Juvenile	County Estray	Unclaimed Inmate Funds		
Revenue:								
Intergovernmental Revenue and Grants	\$ 29,120	\$	\$	\$	\$	\$	\$ 1,433,114	\$ 1,462,234
Investment Earnings				470	124	219	12,579	13,392
Other Revenue						994		994
Total Revenues	<u>\$ 29,120</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 470</u>	<u>\$ 124</u>	<u>\$ 1,213</u>	<u>\$ 1,445,693</u>	<u>\$ 1,476,620</u>
Expenditures:								
Current:								
Joint Election	\$ 79,296	\$	\$	\$	\$	\$	\$	\$ 79,296
General Administration							244	244
County Attorney							31,034	31,034
Law Enforcement							263,268	263,268
Social Services							172,074	172,074
Detention Facilities							971,948	971,948
Other Expenditures						473		473
Total Expenditures	<u>\$ 79,296</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 473</u>	<u>\$ 1,438,568</u>	<u>\$ 1,518,337</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (50,176)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 470</u>	<u>\$ 124</u>	<u>\$ 740</u>	<u>\$ 7,125</u>	<u>\$ (41,717)</u>
Other Financing Sources (Uses):								
Transfers In/(Out)	\$ 51,272	\$	\$ 30,000	\$	\$	\$	\$ 250,200	\$ 331,472
Total Other Financing Sources (Uses)	<u>\$ 51,272</u>	<u>\$ 0</u>	<u>\$ 30,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 250,200</u>	<u>\$ 331,472</u>
Net Change in Fund Balances	\$ 1,096	\$ 0	\$ 30,000	\$ 470	\$ 124	\$ 740	\$ 257,325	\$ 289,755
Fund Balances - Beginning	<u>21,102</u>	<u>83</u>	<u></u>	<u>9,095</u>	<u>1,567</u>	<u>3,533</u>	<u>49,684</u>	<u>85,064</u>
Fund Balances - Ending	<u>\$ 22,198</u>	<u>\$ 83</u>	<u>\$ 30,000</u>	<u>\$ 9,565</u>	<u>\$ 1,691</u>	<u>\$ 4,273</u>	<u>\$ 307,009</u>	<u>\$ 374,819</u>

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GARZA COUNTY, TEXAS

Exhibit C-9

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds					Permanent Fund	Total Non-Major Governmental Funds (See Exhibit C-7)
	Airport Grant	Senate Bill 22 Grant	Juvenile Detention Center Grant	National School Lunch Program	Available School	Permanent School	
ASSETS:							
Cash and Cash Equivalents	\$ 250,000	\$ 68,011	\$ 8,236	\$ 28,076	\$ 328	\$ 25,853	\$ 380,504
Accounts Receivables, Net of Allowance		607	25	16,245		112	16,989
Interfund Balances					1,590	(1,590)	
Total Assets	<u>\$ 250,000</u>	<u>\$ 68,618</u>	<u>\$ 8,261</u>	<u>\$ 44,321</u>	<u>\$ 1,918</u>	<u>\$ 24,375</u>	<u>\$ 397,493</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts Payable				\$ 15,958			\$ 15,958
Accrued Wages		5,908					5,908
Total Liabilities	<u>\$ 0</u>	<u>\$ 5,908</u>	<u>\$ 0</u>	<u>\$ 15,958</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,866</u>
DEFERRED INFLOWS OF RESOURCES:							
Unearned Revenue - Intergovernmental		\$ 68,618					\$ 68,618
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 68,618</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,618</u>
FUND BALANCES:							
Permanently Restricted for:							
County Schools						\$ 24,375	\$ 24,375
Restricted for:							
Grants		(5,908)	8,261				2,353
Enabling Legislation				28,363	1,918		30,281
Assigned for:							
Airport	250,000						250,000
Total Fund Balances	<u>\$ 250,000</u>	<u>\$ (5,908)</u>	<u>\$ 8,261</u>	<u>\$ 28,363</u>	<u>\$ 1,918</u>	<u>\$ 24,375</u>	<u>\$ 307,009</u>
Total Liabilities and Fund Balances	<u>\$ 250,000</u>	<u>\$ 68,618</u>	<u>\$ 8,261</u>	<u>\$ 44,321</u>	<u>\$ 1,918</u>	<u>\$ 24,375</u>	<u>\$ 397,493</u>

GARZA COUNTY, TEXAS

Exhibit C-10

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds					Permanent Fund	Total Non-Major Governmental Funds (See Exhibit C-8)
	Airport Grant	Senate Bill 22 Grant	Juvenile Detention Center Grant	National School Lunch Program	Available School	Permanent School	
Revenue:							
Intergovernmental Revenue and Grants	\$	\$ 281,382	\$ 979,237	\$ 172,495	\$	\$	\$ 1,433,114
Investment Earnings		6,912	872	1,279	15	3,501	12,579
Total Revenues	\$ 0	\$ 288,294	\$ 980,109	\$ 173,774	\$ 15	\$ 3,501	\$ 1,445,693
Expenditures:							
Current:							
General Administration	\$	\$	\$	\$	\$ 244	\$	\$ 244
County Attorney		31,034					31,034
Law Enforcement		263,268					263,268
Social Services				172,074			172,074
Detention Facilities			971,948				971,948
Total Expenditures	\$ 0	\$ 294,302	\$ 971,948	\$ 172,074	\$ 244	\$ 0	\$ 1,438,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 0	\$ (6,008)	\$ 8,161	\$ 1,700	\$ (229)	\$ 3,501	\$ 7,125
Other Financing Sources (Uses):							
Transfers In/(Out)	\$ 250,000	\$ 100	\$ 100	\$	\$ 250	\$ (250)	\$ 250,200
Total Other Financing Sources (Uses)	\$ 250,000	\$ 100	\$ 100	\$ 0	\$ 250	\$ (250)	\$ 250,200
Net Change in Fund Balances	\$ 250,000	\$ (5,908)	\$ 8,261	\$ 1,700	\$ 21	\$ 3,251	\$ 257,325
Fund Balances - Beginning				26,663	1,897	21,124	49,684
Fund Balances - Ending	\$ 250,000	\$ (5,908)	\$ 8,261	\$ 28,363	\$ 1,918	\$ 24,375	\$ 307,009

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

C E R T I F I E D P U B L I C A C C O U N T A N T S

P H O N E : (8 0 6) 7 4 7 - 3 8 0 6

F A X : (8 0 6) 7 4 7 - 3 8 1 5

8 2 1 5 N A S H V I L L E A V E N U E

L U B B O C K , T E X A S 7 9 4 2 3 - 1 9 5 4

**INDEPENDENT AUDITOR'S 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**

To the Honorable Judge and
Members of the Commissioners' Court of
Garza County, Texas

We have audited, in accordance with the 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, the financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Garza County, Texas, (the County) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Garza County, Texas' basic financial statements, and have issued our report thereon dated December 20, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

December 20, 2024