

*BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION*

**COUNTY OF McCULLOCH,
TEXAS**

Brady, Texas

**For the Year Ended
September 30, 2023**

MCCULLOCH COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2023

MCCULLOCH COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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NEFFENDORF & BLOCKER, P.C.

Independent Auditor's Report

Honorable Judge and County Commissioners
County of McCulloch
Brady, Texas 76825

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of County of McCulloch, Texas, (the County), as of and for the year ended September 30, 2023, 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
General Fund	Qualified
Road and Bridge Fund	Unmodified
Debt Service Fund	Unmodified
CSLFRF American Relief Act Fund	Unmodified
Aggregate Remaining Fund Information	Qualified

Qualified Opinions on Governmental Activities, General Fund and Aggregate Remaining Fund Information

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, general fund and the aggregate remaining fund information of the County of McCulloch, Texas, as of September 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Road and Bridge Fund, Debt Service Fund and CSLFRF American Relief Act Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Road and Bridge Fund, Debt Service Fund and CSLFRF American Relief Act Fund of the County of McCulloch, Texas, as of September 30, 2023, 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.

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Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 of McCulloch, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities, General Fund and the Aggregate Remaining Fund Information

In the prior year, the County did an accounting software conversion. The allocation of beginning fund balance and cash amounts were not reconciled. As a result, significant audit adjustments were required to be made to cash and fund balance. The unreconciled difference of cash accounts in those funds resulted in a material misstatements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 of McCulloch, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County of McCulloch, Texas' 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 of McCulloch, Texas' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 through 9), budgetary comparison information (pages 41 through 43) and the schedule of changes in net pension liability and related ratios, schedule of employer contributions, and notes to the schedule of contributions (pages 44 through 49) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of McCulloch's basic financial statements. The accompanying combining and individual nonmajor 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 were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. With the exception of the financial statements and schedules listed on page 1 of this report which we have qualified, in our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2025, on our consideration of the County of McCulloch, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of McCulloch, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of McCulloch, Texas' internal control over financial reporting and compliance

Neffendorf & Blocker, P.C.
NEFFENDORF & BLOCKER, P.C.
Fredericksburg, Texas
April 21, 2025

MCCULLOCH COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of McCulloch County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial statements of the County for the year ended September 30, 2023. Please read it in conjunction with the independent auditors' report on page 1, and the County's Basic Financial Statements which begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$20,975,609 (net position). Of this amount, \$7,848,060 (unrestricted net position) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's net position increased by \$1,666,952 as a result of this year's operations.
- At September 30, 2023, the County's governmental funds reported combined ending fund balances of \$9,185,985, an increase of \$1,203,701 in comparison with the prior year, including a prior period adjustment of \$69,838.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 9 and 10). These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (on pages 13-14 & 16-17) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the County.

The notes to the financial statements (starting on page 21) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedules (General Fund, Road and Bridge Fund, and CSLFRF- American Rescue Plan Act Fund) pages 42 through 44, the Schedule of Changes in Net Pension Liability and Related Ratios, page 45, the Schedule of Employer Contributions, page 47 and the Notes to the Schedule of Contributions, page 49 are presented as required supplementary information

The combining statements (starting on page 50) for nonmajor funds contain even more information about the County's individual funds.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the County's overall financial condition and operations begins on page 10. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who pay for the costs of some programs and grants provided by the outside parties and agencies (program revenues), and revenues provided by the taxpayers or other unrestricted sources (general revenues). All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's net position and changes in them. The County's net position (the difference between assets and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider other factors as well, such as changes in the County's customers or its property tax base and the condition of the County's facilities.

In the Statement of Net Position and the Statement of Activities, the County has one kind of activity:

➤ Governmental activity - Most of the County's basic services are reported here, including public safety, roads and bridges, health and human services, culture and recreation, county courts and general administration. Property taxes, user charges, sales tax and grants finance most of these activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements on pages 13-14 & 16-17 provide detailed information about the most significant funds - not the County as a whole. Laws and contracts require the County to establish some funds, such as grants received from a government agency. The County's administration establishes many other funds to help it control and manage money for particular purposes.

➤ Governmental funds - Most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation schedules following each of the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the County's governmental activities.

Net position of the County's governmental activities increased from \$19,378,495 to \$20,975,609. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$7,848,060 at September 30, 2023. This increase in governmental net position was the result of several factors. First, the County's revenues exceeded the expenditures by \$1,273,539. Second, the County paid principal on long-term debt in the amount of \$906,580. Third, the County acquired capital assets in the amount of \$383,512. Fourth, the County recorded depreciation in the amounts of \$952,090. Fifth, a net increase of \$26,067 due to the required entries of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Table I
McCulloch County, Texas

NET POSITION
in thousands

	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 11,106	\$ 10,284
Capital Assets	19,816	20,396
Net Pension Asset	359	1,395
Total Assets	\$ 31,281	\$ 32,075
Deferred Outflow of Resources		
Deferred Outflow Related to Pension	\$ 404	\$ 315
Total Deferred Outflows of Resources	\$ 404	\$ 315
Long-Term Liabilities	\$ 9,208	\$ 10,130
Other Liabilities	1,487	1,947
Total Liabilities	\$ 10,695	\$ 12,077
Deferred Inflows of Resources		
Deferred Inflow Related to Pension	\$ 14	\$ 934
Net Position:		
Net Investment in		
Capital Assets	\$ 10,608	\$ 10,267
Restricted	2,520	2,146
Unrestricted	7,848	6,966
Total Net Position	\$ 20,976	\$ 19,379

Table II
McCulloch County, Texas

CHANGES IN NET POSITION
in thousands

	Governmental Activities	
	2023	2022
Revenues:		
Charges for Services	\$ 924	\$ 970
Property Taxes	6,304	5,829
Sales Tax & Other Taxes	617	586
Investment Earnings	519	130
Miscellaneous	362	392
Grants & Contributions - Operating	376	345
Grants & Contributions - Capital	294	95
Total Revenue	\$ <u>9,396</u>	\$ <u>8,347</u>
Expenses:		
General Administration	\$ 2,131	\$ 1,634
Judicial	797	763
Elections	12	-
Public Safety	2,303	2,092
Road and Bridge	676	1,104
Non-departmental	1,408	1,112
Veteran's Service Office	6.00	-
Ag Extension	118	114
Debt Service - Interest on long-term debt	279	288
Total Expenses	\$ <u>7,730</u>	\$ <u>7,107</u>
Increase (Decrease) in Net Position	\$ 1,666	\$ 1,240
Net Position, Beginning	19,379	18,139
Prior Period Adjustment	(69)	-
Net Position, Ending	\$ <u><u>20,976</u></u>	\$ <u><u>19,379</u></u>

The cost of all governmental activities this year was \$7,729,644. However, as shown in the Statement of Activities on page 10, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$6,304,182 because the other costs were paid by sales tax (\$617,237), operating and capital grants (\$669,935), user charges (\$924,187) and other miscellaneous (\$881,055).

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on pages 13 and 14) reported a combined fund balance of \$9,185,985, which is more than last year's total of \$7,982,284. Included in this year's total change in fund balance is an increase of \$829,912 in the County's General Fund. The primary reason for the General Fund's increase is due to revenues exceeded expenditures.

The Commissioners' Court adopted the General, Road and Bridge, and Coronavirus State and Local Fiscal Recovery fund budgets. The County amended the original budget; actual revenues were more than budgeted amounts in the General, Road and Bridge and Coronavirus State and Local Fiscal Recovery Funds. Actual expenditures were less than the budgeted amounts in the General, Road and Bridge and Coronavirus State and Local Fiscal Recovery Funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of September 30, 2023, the County had \$19,815,562 invested in a broad range of capital assets, including land, buildings, vehicles and equipment and other improvements.

CAPITAL ASSETS

in thousands

	Governmental Activities	
	2023	2022
Land	\$ 201	\$ 201
Infrastructure	1,929	1,929
Buildings & Improvements	21,277	21,209
Furniture and Equipment	3,304	3,176
Vehicles	792	675
Construction in Progress	-	57
Right-to-Use Leased Assets	63	63
Total Capital Assets	\$ 27,566	\$ 27,310
Less: Accumulated Depreciation	7,714	6,895
Less: Accumulated Amortization	36	18
Capital Assets, Net	\$ 19,816	\$ 20,397

More detailed information about the County's capital assets is presented in Note 3.E. to the financial statements.

DEBT

At September 30, 2023, the County had the following outstanding debt:

OUTSTANDING DEBT

in thousands

	Governmental Activities	
	2023	2022
Notes Payable	\$ 37	\$ 67
Finance Purchases Payable	693	927
Compensated Absences	42	92
Bonds Payable	8,452	9,090
Leases Payable	26	45
Total Outstanding Debt	\$ 9,250	\$ 10,221

At year-end, the County had \$8,451,616 in bonds outstanding, \$36,631 in notes payable, \$692,829 in finance purchases payable and \$26,584 in leases payable. During the year, the County paid \$906,580 in principal on the outstanding long-term debt.

More detailed information about the County's long-term liabilities is presented in Note 3.F. through Note 3.J. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2024 budget and tax rates. The major factors are the economy, population growth, and assessed property valuation. These indicators were taken into account when adopting the General Fund and Road and Bridge Fund budgets for 2024. Amounts available for appropriation in the General Fund budget are \$6,203,375 and expenditures are estimated to be \$6,203,375. If these estimates are realized, the County's budgetary General fund balance is expected to remain the same by the end of fiscal year 2024. Amount available in the Road and Bridge Fund budget are \$457,377 and expenditures are estimated to be \$457,377. If these estimates are realized, the County's budgetary Road and Bridge fund balance is to remain the same by the end of fiscal year 2024.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Treasurer's office, at McCulloch County, Texas, Brady, Texas.

BASIC FINANCIAL STATEMENTS

MCCULLOCH COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

EXHIBIT A-1

	Primary Government
	Governmental Activities
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 10,046,414
Investments - Current	400,000
Accounts Receivable, Net	610,219
Due from Fiduciary Funds	48,654
Prepaid Items	254
Capital Assets:	
Land Purchase and Improvements	200,615
Infrastructure, Net	983,298
Buildings, Net	16,798,910
Furniture and Equipment, Net	1,469,454
Vehicles, Net	336,610
Right-to-Use Lease Assets	26,675
Net Pension Asset	358,883
Total Assets	<hr/> 31,279,986 <hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	404,754
Total Deferred Outflows of Resources	<hr/> 404,754 <hr/>
LIABILITIES	
Accounts Payable	422,609
Wages and Salaries Payable	61,796
Compensated Absences Payable	42,071
Accrued Interest Payable	30,906
Unearned Revenues	930,085
Noncurrent Liabilities:	
Due Within One Year	998,389
Due in More Than One Year:	
Bonds Payable - Noncurrent	7,598,646
Loans Payable - Noncurrent	21,427
Financing Leases Payable - Noncurrent	372,232
Unamortized Premiums (Discounts) on Bonds	203,970
Right-to-Use Lease Liabilities - Noncurrent	12,996
Total Liabilities	<hr/> 10,695,127 <hr/>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	14,004
Total Deferred Inflows of Resources	<hr/> 14,004 <hr/>
NET POSITION	
Net Investment in Capital Assets and Lease Assets	10,607,902
Restricted:	
Restricted for Special Revenue	2,408,915
Restricted for Debt Service	110,732
Unrestricted	7,848,060
Total Net Position	<hr/> \$ 20,975,609 <hr/>

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

		Program Revenues	
		Charges for Services	Operating Grants and Contributions
	Expenses		
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
General Government	\$ 2,130,940	\$ 288,494	\$ 155,600
Judicial	797,337	95,929	10,000
Elections	11,572	-	-
Sheriff	903,475	131,628	16,271
Jail	1,399,952	-	-
Road and Bridge	675,675	408,136	3,914
Non-Departmental	1,407,657	-	189,860
Veteran's Service Office	5,562	-	-
Community Development- Extension	118,175	-	-
Interest on Debt	279,299	-	-
TOTAL PRIMARY GOVERNMENT	\$ 7,729,644	\$ 924,187	\$ 375,645

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

General Sales and Use Taxes

Other Taxes

Grants and Contributions

Miscellaneous Revenue

Investment Earnings

Total General Revenues

Change in Net Position

Net Position - Beginning

Prior Period Adjustment

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

		Net (Expense) Revenue and Changes in Net Position	
Capital Grants and Contributions		Primary Government Governmental	
\$	-	\$	(1,686,846)
	-		(691,408)
	-		(11,572)
	244,295		(511,281)
	-		(1,399,952)
	49,995		(213,630)
	-		(1,217,797)
	-		(5,562)
	-		(118,175)
	-		(279,299)
\$	294,290		(6,135,522)

5,395,588
908,594
617,237
6,152
401
355,198
519,304
7,802,474
1,666,952
19,378,495
(69,838)
\$ 20,975,609

MCCULLOCH COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Road & Bridge Fund	Debt Service Fund
ASSETS			
Cash and Cash Equivalents	\$ 6,385,024	\$ 994,931	\$ 107,585
Investments - Current	400,000	-	-
Taxes Receivable	132,518	13,168	21,181
Allowance for Uncollectible Taxes (credit)	(19,878)	(1,975)	(3,177)
Accounts Receivable, Net	77,151	18,328	3,147
Due from Other Funds	46,208	51,767	-
Prepaid Items	254	-	-
Total Assets	<u>\$ 7,021,277</u>	<u>\$ 1,076,219</u>	<u>\$ 128,736</u>
LIABILITIES			
Accounts Payable	\$ 139,689	\$ 53,570	\$ -
Wages and Salaries Payable	52,533	9,211	-
Due to Other Funds	50,076	-	-
Unearned Revenues	-	-	-
Total Liabilities	<u>242,298</u>	<u>62,781</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	112,641	11,193	18,004
Total Deferred Inflows of Resources	<u>112,641</u>	<u>11,193</u>	<u>18,004</u>
FUND BALANCES			
Federal or State Funds Grant Restriction	-	-	-
Restricted for Road & Bridge	-	1,002,245	-
Retirement of Long-Term Debt	-	-	110,732
Other Restricted Fund Balance	-	-	-
Unassigned Fund Balance	6,666,338	-	-
Total Fund Balances	<u>6,666,338</u>	<u>1,002,245</u>	<u>110,732</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 7,021,277</u>	<u>\$ 1,076,219</u>	<u>\$ 128,736</u>

The notes to the financial statements are an integral part of this statement.

CSLFRF American Relief Act Fd	Other Funds	Total Governmental Funds
\$ 1,261,131	\$ 1,297,743	\$ 10,046,414
-	-	400,000
-	659	167,526
-	(99)	(25,129)
-	6,529	105,155
-	26,372	124,347
-	-	254
<u>\$ 1,261,131</u>	<u>\$ 1,331,204</u>	<u>\$ 10,818,567</u>
\$ 213,875	\$ 15,475	\$ 422,609
-	52	61,796
-	25,617	75,693
930,085	-	930,085
<u>1,143,960</u>	<u>41,144</u>	<u>1,490,183</u>
-	561	142,399
-	561	142,399
117,171	-	117,171
-	231,158	1,233,403
-	-	110,732
-	1,058,341	1,058,341
-	-	6,666,338
<u>117,171</u>	<u>1,289,499</u>	<u>9,185,985</u>
<u>\$ 1,261,131</u>	<u>\$ 1,331,204</u>	<u>\$ 10,818,567</u>

MCCULLOCH COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total Fund Balances - Governmental Funds	\$ 9,185,985
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	10,140,302
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays and debt principal payments is to increase net position.	1,290,092
The County reported their net pension liability in the Government Wide Statement of Net Position in accordance with GASB Statement No. 68. The items reported as a result of this implementation included a net pension asset of \$358,883, a deferred outflow of resources of \$404,754 and a deferred inflow of resources of \$14,004. The net effect of these was to increase net position by \$749,633.	749,633
The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. Please note this includes the amortization on the right-to-use leased assets.	(952,090)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	561,687
Net Position of Governmental Activities	\$ 20,975,609

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Road & Bridge Fund	Debt Service Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 4,856,383	\$ 484,514	\$ 907,012
General Sales and Use Taxes	617,237	-	-
Other Taxes	6,152	-	-
Licenses and Permits	4,680	403,456	-
Intergovernmental Revenue and Grants	29,611	3,914	-
Charges for Services	169,139	-	-
Fines	159,186	34,436	-
Investment Earnings	349,788	51,911	8,890
Contributions & Donations from Private Sources	401	-	-
Other Revenue	225,881	46,806	-
Total Revenues	<u>6,418,458</u>	<u>1,025,037</u>	<u>915,902</u>
EXPENDITURES:			
Current:			
General Government	1,550,366	-	-
Judicial	628,302	-	-
Elections	-	-	-
Public Safety:			
Sheriff	764,434	-	-
Jail	1,425,956	-	-
Public Works:			
Road and Bridge	-	584,825	-
Culture and Recreation:			
Non-Departmental	1,028,560	-	-
Veteran's Service Office	5,562	-	-
Conservation and Development:			
Community Development- Extension	98,907	-	-
Debt Service:			
Principal on Debt	77,849	205,731	623,000
Interest on Debt	4,375	37,729	256,212
Total Expenditures	<u>5,584,311</u>	<u>828,285</u>	<u>879,212</u>
Excess of Revenues Over Expenditures	<u>834,147</u>	<u>196,752</u>	<u>36,690</u>
OTHER FINANCING SOURCES (USES):			
Sale of Real and Personal Property	-	20,025	-
Transfers In	350	48,336	-
Transfers Out	(4,585)	(48,686)	-
Total Other Financing Sources (Uses)	<u>(4,235)</u>	<u>19,675</u>	<u>-</u>
Net Change in Fund Balances	829,912	216,427	36,690
Fund Balance - October 1 (Beginning)	5,836,426	858,487	70,936
Prior Period Adjustment	-	(72,669)	3,106
Fund Balance - September 30 (Ending)	<u>\$ 6,666,338</u>	<u>\$ 1,002,245</u>	<u>\$ 110,732</u>

The notes to the financial statements are an integral part of this statement.

CSLFRF American Relief Act Fd	Other Funds	Total Governmental Funds
\$ -	\$ 43,913	\$ 6,291,822
-	-	617,237
-	-	6,152
-	-	408,136
620,713	15,697	669,935
-	144,006	313,145
-	8,883	202,505
73,806	34,909	519,304
-	-	401
-	34,201	306,888
694,519	281,609	9,335,525
155,600	98,214	1,804,180
-	58,360	686,662
-	9,871	9,871
244,295	18,812	1,027,541
-	1,824	1,427,780
49,995	-	634,820
170,823	10,909	1,210,292
-	-	5,562
-	-	98,907
-	-	906,580
-	-	298,316
620,713	197,990	8,110,511
73,806	83,619	1,225,014
28,500	-	48,525
-	4,585	53,271
-	-	(53,271)
28,500	4,585	48,525
102,306	88,204	1,273,539
14,865	1,201,570	7,982,284
-	(275)	(69,838)
\$ 117,171	\$ 1,289,499	\$ 9,185,985

MCCULLOCH COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Total Net Change in Fund Balances - Governmental Funds	\$ 1,273,539
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2023 capital outlays and debt principal payments is to increase the change in net position.	1,290,092
The entries required by GASB Statement No. 68 did require that some expenses on Exhibit B-1 be adjusted. The net effect of these entries on Exhibit B-1 was a decrease in net position.	(26,067)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(952,090)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase the change in net position.	81,478
Change in Net Position of Governmental Activities	\$ 1,666,952

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 765,373
Accounts Receivable, Net	87,153
Due from Fiduciary Funds	6,834
Total Assets	<u>859,360</u>
LIABILITIES	
Accounts Payable	92,167
Due to Other Funds	55,488
Total Liabilities	<u>147,655</u>
NET POSITION	
Restricted for Other Purposes	<u>711,705</u>
Total Net Position	<u><u>\$ 711,705</u></u>

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds
ADDITIONS:	
Intergovernmental Revenue and Grants	\$ 73,369
Charges for Services	58,845
Investment Earnings	502
Contributions & Donations from Private Sources	1,462
Other Revenue	3,399,051
Total Additions	<u>3,533,229</u>
DEDUCTIONS:	
Personnel Services - Salaries and Wages	54,153
Personnel Services - Employee Benefits	514
Social Security	4,079
Group Medical Insurance	4,267
Retirement	3,710
Other Operating Costs	3,321,764
Total Deductions	<u>3,388,487</u>
Net Change in Fiduciary Net Position	144,742
Total Net Position - October 1 (Beginning)	542,506
Prior Period Adjustment	<u>24,457</u>
Total Net Position - September 30 (Ending)	<u><u>\$ 711,705</u></u>

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of McCulloch County, Texas (the County) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) applicable to state and local governments. The *Governmental Accounting Standards Board* (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

1.A. FINANCIAL REPORTING ENTITY

The County is an independent unit and is managed by a governing body of elected officials. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by statutes of the State of Texas; general administration, tax and recording (e.g. tax collection), judicial (courts, juries, etc.), legal (County Attorney, etc.), public safety (sheriff, jail, etc.) and transportation. The accompanying financial statements present the County's primary government.

In evaluating how to define the government, for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based on the foregoing criteria, there were no component units identified that would require inclusion in this report.

1.B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct 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 recipient of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria.

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditure/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund, the primary operating fund of the County, is always classified as a major fund. It is the basic fund of the County and covers all activities for which a separate fund has not been established.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes other than debt service or capital projects.

Debt Service Funds

The Debt Service Fund accounts for the accumulation of financial resources for and the payment of principal and interest on general long-term debt of the County other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the County's debt.

Permanent Improvement Fund

The Permanent Improvement Fund accounts for financial resources to be used for the acquisition or construction of road and bridge projects.

Fiduciary Funds (Not included in government-wide statements)

Custodial Funds

Custodial funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the County. The County uses custodial funds to account for assets held in an agent capacity for other governments.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor. The major funds are as follows:

Major Fund	Brief Description
<u>General Fund</u>	See above for description.
<u>Special Revenue Fund:</u>	
Road & Bridge Fund	Accounts for all road and bridge construction and maintenance activity.
Coronavirus State & Local Fiscal Recovery Fund	Accounts for grant proceeds and related expenditures for funds appropriated from the American Rescue Plan Act.
<u>Debt Service Fund</u>	Accounts for the collection of taxes to pay principal and interest on bonds.

Nonmajor funds consist of special revenue funds and are detailed in the Combining and Individual Fund Statements - Nonmajor Funds.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. Custodial and private purpose trust funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statement, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized revenues when both "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or within 60 days after year end. Also under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

1.D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Cash and Cash Investments

For the purpose of the Statement of Net Position, "Cash and Cash Equivalents" includes demand deposit accounts and government investment pools. All amounts are considered available upon demand and are considered to be "cash equivalents."

Several funds may be invested in an investment account and each fund has an equity interest therein. Interest earned on the Investment of these monies is allocated based upon relative equity at month end.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances

between funds are reported as "due to/from other funds."

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances of uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The major receivable balances for the governmental activities relate to property taxes and court fines and fees.

All trade and property tax receivables are shown net of an allowance for uncollectible. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectible.

Ad Valorem taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Ad Valorem taxes are prorated between maintenance, and special revenues based on rates adopted for the year of the levy. Allowances for uncollectible within the General and Special Revenue Funds are based upon historical experience in collecting property taxes. The County is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

Ad Valorem property taxes attach as enforceable liens as of January 1. Taxes are levied prior to September 30, payable October 1, and are delinquent February 1. The majority of the County's property tax collections occur during December and early January each year. To the extent that County property tax revenue results in current receivables as defined by the Governmental Accounting Standards Board (GASB), they are recognized when levied.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants, and other intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Capital Assets

Government-wide Statements

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$7,500 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated 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 are constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 - 50 years
Infrastructure	5 - 50 years
Vehicles	5 years
Machinery and Equipment	2 - 15 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as

liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

A liability for unused vacation and comp time for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences.

1. Leave or compensation is attributable to services already rendered.
2. Leave or compensation is not contingent on a specific event (such as illness).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued as long-term debt in the government-wide statements.

Upon termination from County employment, an employee shall be entitled to payment for total accrued but unused days of vacation not accumulated beyond 80 hours. Comp time earned, but not taken, is paid at termination. Unused sick leave is not paid at termination.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

The County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are not in non-spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the County itself, using its

highest level of decision-making authority (i.e. Commissioners' Court). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.

- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the Commissioners' Court or by an official or body to which the Commissioners' Court delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Commissioners' Court establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Commissioners' Court through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources and Deferred Outflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in a separate section following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Revenues not expected to be available for the current period are reflected as deferred revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

GASB Statement No. 87, Leases

As of October 1, 2021, the County adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Disclosure required by this standard are included in Note 3.J.

1.E. REVENUES, EXPENDITURES AND EXPENSES

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the County is subject to various federal, state and local laws and contractual regulations. An analysis of the County's compliance with significant laws and regulations and demonstration of its stewardship over County resources follows.

BUDGETARY INFORMATION

The County Judge and staff prepare the proposed budget, using revenue estimates furnished by the County Treasurer and submit the data to Commissioners Court. A public hearing is held on the budget by Commissioners Court. Before determining the final budget, Commissioners Court may increase or decrease the amounts requested by the various departments. In the final budget, which is usually adopted in September, expenditures for current operating funds cannot exceed the estimated available cash balances in such funds on October 1, plus the estimate of revenues for the ensuing year. At any time during the year, Commissioners Court may increase the budget for unexpected revenues. Commissioners Court may transfer amounts among individual budget line items within major expenditure categories during the year, but no such transfer may increase the overall total of the budget. Formal budgetary integration is employed for the General, Special Revenue, Debt Service and Capital Projects operations. Budgets for these funds are prepared on a cash basis. Unused appropriations lapse at the end of each year.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

3.A. 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.

At September 30, 2023 the carrying amount of the County's deposits was \$10,811,787 and the bank balance was \$10,713,022. The County's cash deposits held at Commercial National Bank at September 30, 2023 and during the year ended September 30, 2023 were entirely covered by FDIC insurance or by pledged collateral held by

the County's agent bank in the County's name.

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 and guaranteed investment contracts. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County was not in compliance with the requirements of the Act and with local policies.

Investments consisted of certificates of deposits as follows:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>FDIC Coverage</u>	<u>Pledged Securities</u>
Certificates of Deposit				
Brady National Bank	\$ 100,000	\$ 100,000	\$ 250,000	\$ -
Commercial National Bank	300,000	300,000	250,000	50,000
Total	<u>400,000</u>	<u>400,000</u>		

Policies Governing Deposits and Investments

In compliance with the **Public Funds Investment Act**, the County has adopted a deposit and investment policy. That policy does address 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 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. The County's investments (certificates of deposit) were secured by FDIC insurance and pledged securities.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2023, the County was not exposed to concentration of credit risk, interest rate risk or foreign currency risk.

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.

3.B. RECEIVABLES

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>TOTAL</u>
Receivables:					
Property Taxes	\$ 132,518	\$ 13,168	\$ 21,181	\$ 659	\$ 167,526
Other	<u>77,151</u>	<u>18,328</u>	<u>3,147</u>	<u>6,529</u>	<u>105,155</u>
Gross Receivables	\$ 209,669	\$ 31,496	\$ 24,328	\$ 7,188	\$ 272,681
Less: Allowance for Uncollectibles	<u>19,878</u>	<u>1,975</u>	<u>3,177</u>	<u>99</u>	<u>25,129</u>
Net Total Receivables	<u>\$ 189,791</u>	<u>\$ 29,521</u>	<u>\$ 21,151</u>	<u>\$ 7,089</u>	<u>\$ 247,552</u>

Governmental funds report *Deferred Inflows of Resources- Unavailable Revenue* in connections with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report *Unearned Revenue* or defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, *Unavailable and Unearned Revenues* reported in the governmental funds were as follows:

General Fund -

Unavailable Revenue - Property Taxes \$ 112,641

Road & Bridge Fund -

Unavailable Revenue - Property Taxes 11,193

Debt Service Fund -

Unavailable Revenue - Property Taxes 18,004

CLSFRF American Relief Act Fund -

Unearned Revenue 930,085

Other Governmental Funds -

Unavailable Revenue - Property Taxes 561

TOTAL UNAVAILABLE AND UNEARNED REVENUES \$ 1,072,484

3.C. COURT FINES AND FEES RECEIVABLE

With the implementation of GASB Statement Number 34, the County has determined the amount of court fines and fees receivable to be \$1,450,667, which represents amounts owed and outstanding for several years. Based on historical collection rates for the various courts, the County has estimated an allowance for uncollectible court fines and fees of \$1,088,000, resulting in a net receivable of \$362,667.

3.D. PROPERTY TAXES

The County contracted with the McCulloch County Appraisal District for the appraisal of taxes. 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 year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the 2022 tax roll, the total assessed valuation for McCulloch County maintenance & operations tax was \$789,832,569 and the taxes assessed amounted to \$5,317,221. The total assessed valuation for the McCulloch County interest and sinking tax was \$902,513,889 and the taxes assessed amount to \$902,185. The total tax rate was \$.7504 per \$100 valuation and allocated \$.6505 to the General, \$.0970 to the Debt Service Fund and \$.0029 to the Special Road and Bridge Fund. The maximum levy allowed by the State law for the above purposes is \$0.80 per \$100 valuation.

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. Due to the immaterial amount of additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements.

3.E. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2023.

	Primary Government			
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated				
Land	\$ 200,615	\$ -	\$ -	\$ 200,615
Construction In Progress	56,977	-	(56,977)	-
Total Capital Assets, Not Depreciated	\$ 257,592	\$ -	\$ (56,977)	\$ 200,615
Capital Assets, Depreciated				
Infrastructure	1,928,955	-	-	1,928,955
Buildings and Improvements	21,209,147	67,886	-	21,277,033
Furniture and Equipment	3,175,580	155,732	(26,900)	3,304,412
Vehicles	674,717	216,871	(99,572)	792,016
Total Capital Assets, Depreciated	\$ 26,988,399	\$ 440,489	\$ (126,472)	\$ 27,302,416
Less Accumulated Depreciation for:				
Infrastructure	(849,209)	(96,448)		(945,657)
Buildings and Improvements	(3,983,536)	(494,587)	-	(4,478,123)
Furniture and Equipment	(1,594,987)	(254,560)	14,589	(1,834,958)
Vehicles	(467,347)	(87,631)	99,572	(455,406)
Total Accumulated Depreciation	\$ (6,895,079)	\$ (933,226)	\$ 114,161	\$ (7,714,144)
Total Capital Assets Being Depreciated, Net	\$ 20,093,320	\$ (492,737)	\$ (12,311)	\$ 19,588,272
Right-to-Use Lease Assets Being Amortized				
Equipment	\$ 63,127	\$ -	\$ -	\$ 63,127
Total Right-to-Use Lease Assets	\$ 63,127	\$ -	\$ -	\$ 63,127
Less Accumulated Amortization:				
Equipment	\$ (17,588)	\$ (18,864)	\$ -	\$ (36,452)
Total Accumulated Amortization	\$ (17,588)	\$ (18,864)	\$ -	\$ (36,452)
Total Right-to-Use Assets Being Amortized, Net	\$ 45,539	\$ (18,864)	\$ -	\$ 26,675
Governmental Activities Capital Assets, Net	\$ 20,396,451	\$ (511,601)	\$ (69,288)	\$ 19,815,562

Depreciation expense was charged to functions/programs of the County as follow:

Governmental Activities:	
General Administration	\$ 310,108
Judicial	118,218
Elections	1,701
Sheriff & Jail	171,750
Road & Bridge	109,201
Non-Departmental	205,237
Ag Extension	<u>17,011</u>
Total Depreciation & Amortization Expense-	
Governmental Activities	<u>\$ 933,226</u>

Amortization expense was charged to functions/programs of the County as follow:

Governmental Activities:	
General Administration	\$ 9,909
Judicial	1,830
Sheriff & Jail	4,517
Non-Departmental	870
Ag Extension	<u>1,738</u>
Total Depreciation & Amortization Expense-	
Governmental Activities	<u>\$ 18,864</u>

3.F. LONG-TERM LIABILITIES

Governmental Activities

The following is a summary of the long-term liability transactions of the County for the year ended September 30, 2023.

	Balance 10/1/2022	Issued	Retired	Balance 9/30/2023	Due Within One Year
Bonds Payable-					
General Obligation Bonds-					
Series 2008	\$ 130,000	\$ -	\$ 130,000	\$ -	
General Obligation Bonds					
Series 2017	8,065,000	-	305,000	7,760,000	455,000
Tax Note -					
Series 2019	<u>675,646</u>	<u>-</u>	<u>188,000</u>	<u>487,646</u>	<u>194,000</u>
Total Bonds Payable	<u>\$ 8,870,646</u>	<u>\$ -</u>	<u>\$ 623,000</u>	<u>\$ 8,247,646</u>	<u>\$ 649,000</u>
Premium on General	<u>\$ 219,660</u>	<u>\$ -</u>	<u>\$ 15,690</u>	<u>\$ 203,970</u>	
Notes Payable	66,818	-	30,187	36,631	15,204
Finance Purchases Payable	<u>927,471</u>	<u>-</u>	<u>234,642</u>	<u>692,829</u>	<u>320,597</u>
Total Notes & Finance Purchases	<u>\$ 994,289</u>	<u>\$ -</u>	<u>\$ 264,829</u>	<u>\$ 729,460</u>	<u>\$ 335,801</u>
Leases Payable	\$ 45,335	\$ -	\$ 18,751	\$ 26,584	\$ 13,588
Compensated Absences	<u>\$ 91,986</u>	<u>\$ -</u>	<u>\$ 49,915</u>	<u>\$ 42,071</u>	
TOTAL	<u>\$ 10,221,916</u>	<u>\$ -</u>	<u>\$ 972,185</u>	<u>\$ 9,249,731</u>	<u>\$ 998,389</u>

3.G. BONDS PAYABLE

Bonds payable at September 30, 2023 consisted of the following:

\$9,355,000 General Obligation Bonds, Series 2017, principal amounts on these bonds are due and payable annually beginning February 15, 2018. Interest is due and payable semi-annually beginning February 15, 2018, at a rate of 2.99%. These bonds will be paid in full on February 15, 2037. 7,760,000

\$1,305,000 Tax Note, Series 2019, principal amounts on these notes are due and payable annually beginning February 15, 2020. Interest is due and payable semi-annually beginning February 15, 2020, at a rate of 2.39%. These notes will be paid in full on February 15, 2026. 487,646

Total Bonds Payable \$ 8,247,646

The annual requirements for principal and interest on the outstanding bonds are as follows:

Year Ended September 30	Principal	Interest	Total
2024	\$ 649,000	\$ 235,311	\$ 884,311
2025	665,000	216,803	881,803
2026	573,646	199,119	772,765
2027	495,000	183,375	678,375
2028	510,000	168,300	678,300
2029-2033	2,795,000	598,875	3,393,875
2034-2037	2,560,000	156,600	2,716,600
Totals	\$ 8,247,646	\$ 1,758,383	\$ 10,006,029

3.H. NOTES PAYABLE

Notes payable at September 30, 2023 consisted of the following:

Note payable for financing election equipment dated August 24, 2020, principal and interest of \$11,408 due annually, interest rate 3.395%, final maturity date October 31, 2025 31,749

Note payable for financing equipment dated February 25, 2021, principal and interest of \$5,104 due annually, interest rate 4.5%, final maturity date March 15, 2024 4,882

TOTAL NOTES PAYABLE \$ 36,631

Year Ended September 30	Principal	Interest	Total
2024	\$ 15,204	\$ 1,308	\$ 16,512
2025	10,671	737	11,408
2026	10,756	652	11,408
Totals	\$ 36,631	\$ 2,697	\$ 39,328

3.I. FINANCE PURCHASES PAYABLE

Finance purchases payable at September 30, 2023 consists of the following:

Finance purchase to refinance two 2019 Caterpillar motor graders dated August 14, 2020, principal and interest of \$25,403 due on each purchase annually with a final balloon payment of \$88,384 for each purchase, interest rate 2.85%, final maturity date March 1, 2025	264,524
Finance purchase to finance two Caterpillar motor graders dated September 12, 2019, principal and interest of \$35,000 due annually with a final balloon payment of \$249,922, interest rate 3.5%, final maturity date August 6, 2024	276,435
Finance purchase to finance a motor grader dated July 29, 2020, principal and interest of \$5,256 due annually with a balloon payment of \$150,000, interest rate 2.85%, final maturity date August 14, 2025	151,870
TOTAL FINANCE PURCHASES PAYABLE	<u>\$ 692,829</u>

Debt service requirements for finance purchases payable are as follows:

Year Ended September 30	Principal	Interest	Total
2024	\$ 320,597	\$ 20,386	\$ 340,983
2025	195,464	10,599	206,063
2026	176,768	-	176,768
Totals	<u>\$ 692,829</u>	<u>\$ 30,985</u>	<u>\$ 723,814</u>

3.J. LEASES PAYABLE

The County has entered into multiple agreements that are considered "right-to-use" leases. The leases are for County equipment (copiers).

Annual requirements to amortize leases payable and related interest are as follows:

Year Ended September 30	Principal	Interest	Total
2024	\$ 13,588	\$ 197	\$ 13,785
2025	6,831	120	6,951
2026	5,182	53	5,235
2027	983	6	989
Totals	<u>\$ 26,584</u>	<u>\$ 376</u>	<u>\$ 26,960</u>

3.K. INTERFUND TRANSFERS

The composition of interfund balances as of September 30, 2023, is as follows:

	Transfers In	Transfers Out
General Fund	\$ 350	\$ 4,585
Road and Bridge Fund	\$ 48,336	\$ 48,686
Nonmajor Special Revenue Funds	4,585	-
	<u>\$ 53,271</u>	<u>\$ 53,271</u>

NOTE 4 - OTHER NOTES

4.A. EMPLOYEE RETIREMENT PLAN

Plan Description

A description of the pension plan pursuant to Paragraph 40 of GASB Statement No. 68 is as follows:

- a. McCulloch County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full-and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 160%) and is then converted to an annuity.
 - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The McCulloch County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2022 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, [TCDRS.org/Employer](https://www.tcdrs.org/Employer).

Members covered by benefit terms.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	48
Active employees	<u>60</u>
	150

Contributions

A combination of three elements fund each employer's plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

The contribution rate payable by the employee members for calendar year 2022 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County's contributions to TCDRS for the year ended September 30, 2023 were \$177,812, and were more than the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (level percent of pay) ⁽¹⁾
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smooth Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost of Living Adjustments	Cost-of-Living Adjustments for McCulloch County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Adjustment for Plans with the Partial-Lump Sum Payment Option (Liability and Normal Cost)	Same as funding valuation. For employers who have elected this option, a 0.75% increase is applied to the TPL related to the member deposit portion of the estimated

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (Net) Index	2.50%	4.95%
International Equities – Developed Markets	MSCI World Ex USA (Net) Index	5.00%	4.95%
International Equities – Emerging Markets	MSCI Emerging Markets (Net) Index	6.00%	4.95%
Investment – Grade Bonds	Bloomberg Barclays US Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

⁽¹⁾ Target asset allocation adopted at the March 2023 TCDRS Board meeting

⁽²⁾ Geometric real rates of return equal the expected return for the asset class minus the assumed inflation of 2.3% per Cliffwater's 2023 capital market assumptions.

⁽³⁾ Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007- present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pensions plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Increase/(Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of December 31, 2021	\$ 6,446,692	7,842,131	\$ (1,395,439)
Changes for the Year:			
Service Cost	291,625		291,625
Interest on Total Pension Liability ⁽¹⁾	497,051		497,051
Effect of Plan Changes ⁽²⁾	-		-
Effects of Economic/Demographic			
Gains or Losses	175,074		175,074
Effect of Assumptions Changes or Inputs	-		-
Refund of Contributions	(38,045)	(38,045)	-
Benefit Payments	(365,682)	(365,682)	-
Administrative Expenses		(4,316)	4,316
Member Contributions		192,838	(192,838)
Net Investment Income		(458,178)	458,178
Employer Contributions		192,838	(192,838)
Other ⁽³⁾		4,012	(4,012)
Balances as of December 31, 2022	\$ 7,006,714	\$ 7,365,597	\$ (358,883)

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCERS does not charge fees or interest.

⁽²⁾ No plan changes valued.

⁽³⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability of the county/district, calculated using the discount rate of 7.60%, as well as what the McCulloch County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$ 7,983,111	\$ 7,006,714	\$ 6,200,832
Fudiciary Net Position	\$ 7,365,597	\$ 7,365,597	\$ 7,365,597
Net Pension Liability/(Asset)	\$ 617,514	\$ (358,883)	\$ (1,164,765)

Pension Expense / (Income)

<u>Prepaid Expense/(Income)</u>	<u>January 1, 2022 to December 31, 2022</u>
Service Cost	\$ 291,625
Interest on Total Pension Liability ⁽¹⁾	497,051
Effect of Plan Changes	-
Administrative Expenses	4,316
Member Contributions	(192,838)
Expected Investment Return Net of Investment Expenses	(595,317)
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	65,396
Recognition of Assumption Changes or Inputs	98,412
Recognition of Investment Gains or Losses	15,203
Other ⁽²⁾	(4,012)
Pension Expense/(Income)	<u>\$ 179,836</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Relates to allocation of system-wide items.

As of September 30, 2023, the deferred inflows and outflows of resources are as follows:

<u>Deferred Inflows / Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 143,435
Changes of assumptions	14,004	-
Net difference between projected and actual earnings	-	132,033
Contributions made subsequent to measurement date	N/A	129,286

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	
2023	\$ (56,341)
2024	39,650
2025	67,456
2026	210,699
2027	-
Thereafter (4)	-

⁽⁴⁾ Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

4.B. RISK MANAGEMENT

The County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, error and omissions and personnel risks which relate to workers compensation. The County has elected to participate in a shared risk pool along with a number of other rural Texas counties and other government organizations for all of these risks. The County makes regular payment to

the West Texas Rural Counties Association (the Association) in amounts that would be comparable to the premiums that would be paid to a commercial insurance carrier. The Association has obtained catastrophic stop-loss coverage for risks covered in its liability and other insurance fund. Within the liability pool, disbursements are allocated among the counties based on comparison of the counties to each other. All members pay their own claims, up to this allocated amount for the year, once a member meets that limit, all pool members share in any excess claims up to the point that the specific stop-loss coverage takes over.

4.C. HEALTH INSURANCE

All regular full-time employees of the County are eligible for coverage under the group hospitalization, medical, dental and life insurance program provided by the County. The County pays the premium for eligible employees. Employees, at their option, may authorize payroll withholdings to pay premiums for eligible family members.

4.D. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor agency cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

4.E. TAX ABATEMENT AGREEMENTS

The Governmental Accounting Standards Board issued Statement No. 77, *Tax Abatement Disclosures* (GASB 77). The standard requires local governments to disclose information about tax abatement agreements for reporting periods beginning after December 15, 2015. Tax abatements result from agreements entered into by the reporting government, as well as those that are initiated by other governments, which reduce the reporting government's tax revenues.

In August 2015, the County created the Rattlesnake Reinvestment Zone pursuant to Chapter 312 of the Texas Property Tax Code. The County entered into a tax abatement agreement with Rattlesnake Power, LLC in September 2015. The period in which taxes are abated will begin on the Commencement Date and will terminate on December 31 of the tenth (10th) year following the Commencement Date, unless sooner terminated in accordance with the terms of this agreement. The County abates the ad valorem taxes as agreed upon in the schedule of % abatement (% of taxes abated by year of operation). Upon default and termination, the County is entitled to recapture of property tax revenue lost (100% of taxes already abated). For the year ended September 30, 2023, the amount of taxes abated under this agreement was \$683,901 for the County.

In March of 2016, the County created the Heart of Texas Reinvestment Zone No. 3 and No. 4 pursuant to Chapter 312 of the Texas Property Tax Code. The County entered into a tax abatement agreement with Heart of Texas Wind, LLC in April 2016. The period in which taxes are abated will begin on the Commencement Date and will terminate on December 31 of the tenth (10th) year following the Commencement Date, unless sooner terminated in accordance with the terms of this agreement. The County abates the ad valorem taxes as agreed upon in the schedule of % abatement (% of taxes abated by year of operation). Upon default and termination, the County is entitled to recapture property tax revenue lost (100% of taxes already abated). For the year ended September 30, 2023, the amount of taxes abated under this agreement was \$736,260 for the County.

4.F. UNEARNED REVENUE

Unspent U.S. Department of Treasury State and Local Fiscal Recovery Funds in the amount of \$930,085 are classified as unearned revenue in the Coronavirus Local Fiscal Recovery Fund. The funds are for response to the COVID-19 public health emergency.

4.G. PRIOR PERIOD ADJUSTMENT

The County implemented the provision of GASB Statement No. 84, *Fiduciary Activities*. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defined types of fiduciary funds, eliminating agency funds and replacing them with custodial funds. Under this guidance, fiduciary funds will now report a net position and a statement of changes in net position.

Implementation of GASB Statement No. 84 required a restatement of fund balance for the governmental funds of \$24,457. This adjustment was needed to add the beginning balances of the Asset Forfeiture Fund, State Trust Fund and the Donations & Memorials- MC Library Fund.

During fiscal year 2023, the County reconciled some of the cash balances differences and corrected inaccurately reported balances. A prior period adjustment was necessary in the amount of (\$69,838) in the governmental funds. The prior period adjustment restated the beginning governmental fund balance from \$7,982,284 to \$7,912,446.

4.H. SUBSEQUENT EVENTS

The County has evaluated subsequent events through April 21, 2025, the date which the financial statements were available to be issued. The County is not aware of any subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MCCULLOCH COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 4,791,071	\$ 4,791,071	\$ 4,856,383	\$ 65,312
General Sales and Use Taxes	550,000	550,000	617,237	67,237
Other Taxes	5,000	5,000	6,152	1,152
Licenses and Permits	3,000	3,000	4,680	1,680
Intergovernmental Revenue and Grants	19,000	19,000	29,611	10,611
Charges for Services	220,375	220,375	169,139	(51,236)
Fines	120,000	120,000	159,186	39,186
Investment Earnings	41,542	41,542	349,788	308,246
Contributions & Donations from Private Sources	-	-	401	401
Other Revenue	144,014	139,347	225,881	86,534
Total Revenues	5,894,002	5,889,335	6,418,458	529,123
EXPENDITURES:				
Current:				
General Government	1,680,745	1,680,745	1,550,366	130,379
Judicial	685,479	685,479	628,302	57,177
Public Safety:				
Sheriff	832,568	832,568	764,434	68,134
Jail	1,419,911	1,419,911	1,425,956	(6,045)
Culture and Recreation:				
Non-Departmental	1,029,177	1,029,177	1,028,560	617
Veteran's Service Office	14,328	14,328	5,562	8,766
Conservation and Development:				
Community Development- Extension	116,714	116,714	98,907	17,807
Debt Service:				
Principal on Debt	107,510	107,510	77,849	29,661
Interest on Debt	7,570	7,570	4,375	3,195
Total Expenditures	5,894,002	5,894,002	5,584,311	309,691
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(4,667)	834,147	838,814
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	350	350
Transfers Out	-	-	(4,585)	(4,585)
Total Other Financing Sources (Uses)	-	-	(4,235)	(4,235)
Net Change	-	(4,667)	829,912	834,579
Fund Balance - October 1 (Beginning)	5,836,426	5,836,426	5,836,426	-
Fund Balance - September 30 (Ending)	\$ 5,836,426	\$ 5,831,759	\$ 6,666,338	\$ 834,579

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Property Taxes	\$ 478,214	\$ 478,214	\$ 484,514	\$ 6,300
Licenses and Permits	322,000	322,000	403,456	81,456
Intergovernmental Revenue and Grants	-	3,914	3,914	-
Fines	16,100	16,100	34,436	18,336
Investment Earnings	5,000	5,000	51,911	46,911
Other Revenue	61,800	34,800	46,806	12,006
Total Revenues	883,114	860,028	1,025,037	165,009
EXPENDITURES:				
Public Works:				
Road and Bridge	657,317	672,238	584,825	87,413
Debt Service:				
Principal on Debt	204,877	209,980	205,731	4,249
Interest on Debt	15,921	15,921	37,729	(21,808)
Total Expenditures	878,115	898,139	828,285	69,854
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,999	(38,111)	196,752	234,863
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	14,625	20,025	5,400
Transfers In	-	-	48,336	48,336
Transfers Out	-	-	(48,686)	(48,686)
Total Other Financing Sources (Uses)	-	14,625	19,675	5,050
Change in Fund Balance	4,999	(23,486)	216,427	239,913
Fund Balance - October 1 (Beginning)	858,487	858,487	858,487	-
Prior Period Adjustment	-	-	(72,669)	(72,669)
Fund Balance - September 30 (Ending)	\$ 863,486	\$ 835,001	\$ 1,002,245	\$ 167,244

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CSLFRF-AMERICAN RELIEF ACT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 620,713	\$ 620,713
Investment Earnings	2,500	2,500	73,806	71,306
Total Revenues	2,500	2,500	694,519	692,019
EXPENDITURES:				
Current:				
General Government	-	255,572	155,600	99,972
Public Safety:				
Sheriff	349,148	466,648	244,295	222,353
Jail	-	290,000	-	290,000
Public Works:				
Road and Bridge	-	321,995	49,995	272,000
Culture and Recreation:				
Non-Departmental	-	216,583	170,823	45,760
Total Expenditures	349,148	1,550,798	620,713	930,085
Excess (Deficiency) of Revenues Over (Under) Expenditures	(346,648)	(1,548,298)	73,806	1,622,104
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	28,500	28,500
Transfers In	-	346,648	-	(346,648)
Total Other Financing Sources (Uses)	-	346,648	28,500	(318,148)
Change in Fund Balance	(346,648)	(1,201,650)	102,306	1,303,956
Fund Balance - October 1 (Beginning)	14,865	14,865	14,865	-
Fund Balance - September 30 (Ending)	\$ (331,783)	\$ (1,186,785)	\$ 117,171	\$ 1,303,956

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
A. Total Pension Liability			
Service Cost	\$ 291,625	\$ 207,269	\$ 229,997
Interest (on the Total Pension Liability)	497,051	473,691	457,842
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	175,074	36,392	22,927
Changes of Assumptions	-	(42,014)	337,253
Benefit Payments, Including Refunds of Employee Contributions	(403,728)	(499,166)	(392,107)
Net Change in Total Pension Liability	\$ 560,022	\$ 176,172	\$ 655,912
Total Pension Liability - Beginning	6,446,691	6,270,519	5,614,607
Total Pension Liability - Ending	\$ 7,006,713	\$ 6,446,691	\$ 6,270,519
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 192,838	\$ 154,690	\$ 152,905
Contributions - Employee	192,838	154,690	152,905
Net Investment Income	(458,178)	1,430,013	627,447
Benefit Payments, Including Refunds of Employee Contributions	(403,728)	(499,166)	(392,106)
Administrative Expense	(4,316)	(4,243)	(4,836)
Other	4,012	(3,557)	(1,952)
Net Change in Plan Fiduciary Net Position	\$ (476,534)	\$ 1,232,427	\$ 534,363
Plan Fiduciary Net Position - Beginning	7,842,130	6,609,703	6,075,339
Plan Fiduciary Net Position - Ending	\$ 7,365,596	\$ 7,842,130	\$ 6,609,702
C. Net Pension Liability (Asset)	\$ (358,883)	\$ (1,395,439)	\$ (339,183)
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.12%	121.65%	105.41%
E. Covered Payroll	\$ 2,754,833	\$ 2,209,857	\$ 2,184,363
F. Net Pension Liability (Asset) as a Percentage of Covered Payroll	(13.03%)	(63.15%)	(15.53%)

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 181,152	\$ 194,318	\$ 186,152	\$ 199,000	\$ 177,841	\$ 161,983
442,022	431,240	412,727	384,485	371,113	347,265
-	-	-	-	(27,594)	-
7,418	(23,110)	(81,744)	19,422	(73,629)	56,461
-	-	36,936	-	53,432	-
(572,648)	(344,129)	(323,628)	(361,306)	(307,312)	(276,740)
\$ 57,944	\$ 258,319	\$ 230,443	\$ 241,601	\$ 193,851	\$ 288,969
5,556,663	5,298,344	5,067,901	4,826,300	4,632,449	4,343,480
\$ 5,614,607	\$ 5,556,663	\$ 5,298,344	\$ 5,067,901	\$ 4,826,300	\$ 4,632,449
\$ 131,556	\$ 113,073	\$ 110,105	\$ 103,981	\$ 103,900	\$ 94,570
131,556	113,073	110,105	103,981	103,900	94,570
902,922	(108,062)	742,201	359,990	(9,338)	322,177
(572,648)	(344,128)	(323,628)	(361,306)	(307,312)	(276,740)
(4,630)	(4,415)	(3,810)	(3,915)	(3,561)	(3,781)
(9,752)	(2,938)	(1,421)	27,872	(49,120)	12,950
\$ 579,004	\$ (233,397)	\$ 633,552	\$ 230,603	\$ (161,531)	\$ 243,746
5,496,335	5,729,732	5,096,181	4,865,578	5,027,109	4,783,364
\$ 6,075,339	\$ 5,496,335	\$ 5,729,733	\$ 5,096,181	\$ 4,865,578	\$ 5,027,110
\$ (460,732)	\$ 60,328	\$ (431,389)	\$ (28,280)	\$ (39,278)	\$ (394,661)
108.21%	98.91%	108.14%	100.56%	100.81%	108.52%
\$ 1,879,366	\$ 1,615,332	\$ 1,572,931	\$ 1,485,448	\$ 1,484,285	\$ 1,351,003
(24.52%)	3.73%	(27.43%)	(1.90%)	(2.65%)	(29.21%)

MCCULLOCH COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2023

	2023	2022	2021
Actuarially Determined Contribution	\$ 170,800	\$ 106,294	\$ 107,034
Contributions in Relation to the Actuarially Determined Contributions	192,838	154,690	152,905
Contribution Deficiency (Excess)	\$ (22,038)	\$ (48,396)	\$ (45,871)
Covered Employee Payroll	\$ 2,754,833	\$ 2,209,857	\$ 2,184,363
Contributions as a Percentage of Covered Employee Payroll	7.00%	7.00%	7.00%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

2020	2019	2018	2017	2016	2015	2014
\$ 90,398	\$ 85,451	\$ 81,792	\$ 84,225	\$ 84,011	\$ 80,114	\$ 62,969
131,556	113,073	110,105	103,981	103,900	94,570	84,441
\$ (41,158)	\$ (27,622)	\$ (28,313)	\$ (19,756)	\$ (19,889)	\$ (14,456)	\$ (21,472)
\$ 1,879,366	\$ 1,615,332	\$ 1,572,931	\$ 1,485,448	\$ 1,484,285	\$ 1,351,003	\$ 1,206,298
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

MCCULLOCH COUNTY
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2023

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	1.2 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New inflation, mortality and other assumptions were reflected.
	2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions.
	2016: Employer contributions reflect that a 10% CPI COLA was adopted.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: No changes in plan provisions were reflected in the Schedule.
	2019: No changes in plan provisions were reflected in the Schedule.
	2020: No changes in plan provisions were reflected in the Schedule.
	2021: No changes in plan provisions were reflected in the Schedule.
	2022: No changes in plan provisions were reflected in the Schedule.

* Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

SUPPLEMENTARY INFORMATION

MCCULLOCH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	100	20	30	31
	FY23 Justice Assistance Grant Program	Prosecutor's Collection Fund	Special Road Advalorem Fund	Justice Court Support Fund
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 5,549	\$ 231,063	\$ 4,150
Taxes Receivable	-	-	654	-
Allowance for Uncollectible Taxes (credit)	-	-	(98)	-
Accounts Receivable, Net	-	-	95	-
Due from Other Funds	-	-	-	-
Due from Fiduciary Funds	-	-	-	75
Total Assets	<u>\$ -</u>	<u>\$ 5,549</u>	<u>\$ 231,714</u>	<u>\$ 4,225</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	556	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>556</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted for Road & Bridge	-	-	231,158	-
Other Restricted Fund Balance	-	5,549	-	4,225
Total Fund Balances	<u>-</u>	<u>5,549</u>	<u>231,158</u>	<u>4,225</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 5,549</u>	<u>\$ 231,714</u>	<u>\$ 4,225</u>

The notes to the financial statements are an integral part of this statement.

35 Law Library Fund	36 Archive Fee Fund	37 Child Abuse Prevention Fund	38 Conservation Dam Fund	39 Court Record Preservation Fund	40 Court Reporter Fees Fund	41 Courthouse Security Fund	42 County Clerk Records Mgmt & Preserv
\$ 70,707	\$ 133,314	\$ 1,337	\$ 22,000	\$ 35,165	\$ 6,695	\$ 63,718	\$ 23,113
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
630	3,095	20	-	3,310	477	919	32
<u>\$ 71,337</u>	<u>\$ 136,409</u>	<u>\$ 1,357</u>	<u>\$ 22,000</u>	<u>\$ 38,475</u>	<u>\$ 7,172</u>	<u>\$ 64,637</u>	<u>\$ 23,145</u>
\$ -	\$ 10,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>10,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
<u>71,337</u>	<u>125,819</u>	<u>1,357</u>	<u>22,000</u>	<u>38,475</u>	<u>7,172</u>	<u>64,637</u>	<u>23,145</u>
<u>71,337</u>	<u>125,819</u>	<u>1,357</u>	<u>22,000</u>	<u>38,475</u>	<u>7,172</u>	<u>64,637</u>	<u>23,145</u>
<u>\$ 71,337</u>	<u>\$ 136,409</u>	<u>\$ 1,357</u>	<u>\$ 22,000</u>	<u>\$ 38,475</u>	<u>\$ 7,172</u>	<u>\$ 64,637</u>	<u>\$ 23,145</u>

MCCULLOCH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	43 Jury Reimbursement Fee Fund	44 Pre-Trial Diversion Fund	45 Judicial Education & Support Fund	46 Prosecutors Fee Fund
ASSETS				
Cash and Cash Equivalents	\$ 17	\$ 65,147	\$ 8,087	\$ 461
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Fiduciary Funds	-	-	10	20
Total Assets	<u>\$ 17</u>	<u>\$ 65,147</u>	<u>\$ 8,097</u>	<u>\$ 481</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 40	\$ -	\$ -
Wages and Salaries Payable	-	42	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>82</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted for Road & Bridge	-	-	-	-
Other Restricted Fund Balance	17	65,065	8,097	481
Total Fund Balances	<u>17</u>	<u>65,065</u>	<u>8,097</u>	<u>481</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 17</u>	<u>\$ 65,147</u>	<u>\$ 8,097</u>	<u>\$ 481</u>

The notes to the financial statements are an integral part of this statement.

47 Records Management Fund	48 Salary Supplement Overage Fund	49 Specialty Court Fund	50 Technology Fund	51 Truancy Fund	52 Video Fees Fund	53 Voting Machine Rental Fund	54 County Dispute Resolution Fd
\$ 18,162	\$ 3,557	\$ 2,441	\$ 59,828	\$ 6,565	\$ 4,877	\$ 16,017	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
55	-	185	172	132	-	-	285
<u>\$ 18,217</u>	<u>\$ 3,557</u>	<u>\$ 2,626</u>	<u>\$ 60,000</u>	<u>\$ 6,697</u>	<u>\$ 4,877</u>	<u>\$ 16,017</u>	<u>\$ 285</u>
\$ -	\$ -	\$ -	\$ 14	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	130
<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130</u>
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
18,217	3,557	2,626	59,986	6,697	4,877	16,017	155
<u>18,217</u>	<u>3,557</u>	<u>2,626</u>	<u>59,986</u>	<u>6,697</u>	<u>4,877</u>	<u>16,017</u>	<u>155</u>
<u>\$ 18,217</u>	<u>\$ 3,557</u>	<u>\$ 2,626</u>	<u>\$ 60,000</u>	<u>\$ 6,697</u>	<u>\$ 4,877</u>	<u>\$ 16,017</u>	<u>\$ 285</u>

MCCULLOCH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	55	56	57	58
	Omnibase	Out of County	Parks &	Perdue
	Fund	Service	Wildlife	Collections
	Fund	Fund	Fund	Fund
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 46	\$ 2,833
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Fiduciary Funds	6	-	70	916
Total Assets	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ 3,749</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 3,749
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	3	-	-	-
Total Liabilities	<u>3</u>	<u>-</u>	<u>-</u>	<u>3,749</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted for Road & Bridge	-	-	-	-
Other Restricted Fund Balance	3	-	116	-
Total Fund Balances	<u>3</u>	<u>-</u>	<u>116</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ 3,749</u>

The notes to the financial statements are an integral part of this statement.

59 Time Payment Fund	60 Court Facility Fee Fund	61 County Record Management & Preservation	62 Language Access Fund	63 County Jury Fund	64 Court Initiated Guardianship	65 Local Traffic Fine Fund	66 Compliance Dismissal Fine Fund
\$ 533	\$ 5,351	\$ 6,597	\$ 1,308	\$ 2,710	\$ 2,575	\$ 3,553	\$ 751
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
22	360	520	63	188	60	52	-
<u>\$ 555</u>	<u>\$ 5,711</u>	<u>\$ 7,117</u>	<u>\$ 1,371</u>	<u>\$ 2,898</u>	<u>\$ 2,635</u>	<u>\$ 3,605</u>	<u>\$ 751</u>
\$ 53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
<u>502</u>	<u>5,711</u>	<u>7,117</u>	<u>1,371</u>	<u>2,898</u>	<u>2,635</u>	<u>3,605</u>	<u>751</u>
<u>502</u>	<u>5,711</u>	<u>7,117</u>	<u>1,371</u>	<u>2,898</u>	<u>2,635</u>	<u>3,605</u>	<u>751</u>
<u>\$ 555</u>	<u>\$ 5,711</u>	<u>\$ 7,117</u>	<u>\$ 1,371</u>	<u>\$ 2,898</u>	<u>\$ 2,635</u>	<u>\$ 3,605</u>	<u>\$ 751</u>

MCCULLOCH COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	67	68	70	75
	Time Payment Reimbursement Fee Fund	County Jury Fund	Special Road Repair Fund	Permanent Improvement Fund
ASSETS				
Cash and Cash Equivalents	\$ 8,415	\$ 124	\$ 949	\$ 363,583
Taxes Receivable	-	-	-	5
Allowance for Uncollectible Taxes (credit)	-	-	-	(1)
Accounts Receivable, Net	-	-	-	78
Due from Other Funds	-	-	-	-
Due from Fiduciary Funds	195	3	-	-
Total Assets	<u>\$ 8,610</u>	<u>\$ 127</u>	<u>\$ 949</u>	<u>\$ 363,665</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	5
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted for Road & Bridge	-	-	-	-
Other Restricted Fund Balance	8,610	127	949	363,660
Total Fund Balances	<u>8,610</u>	<u>127</u>	<u>949</u>	<u>363,660</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 8,610</u>	<u>\$ 127</u>	<u>\$ 949</u>	<u>\$ 363,665</u>

The notes to the financial statements are an integral part of this statement.

86 Sheriff's LEOSE Fund	87 Commissary Profit Fund	90 Commissary Profit Fund	92 Sheriff LEOSE Fund	93 Child Safety Fund	94 Unclaimed Capital Credits	96 Certz Grant Fund	97 Operation Lone Star Fund
\$ 7,121	\$ 83,077	\$ -	\$ -	\$ (375)	\$ 5,023	\$ 1,920	\$ 19,679
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	6,356
-	-	511	518	13,053	-	-	-
-	-	-	-	418	-	-	-
<u>\$ 7,121</u>	<u>\$ 83,077</u>	<u>\$ 511</u>	<u>\$ 518</u>	<u>\$ 13,096</u>	<u>\$ 5,023</u>	<u>\$ 1,920</u>	<u>\$ 26,035</u>
\$ -	\$ -	\$ 511	\$ 518	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	10
-	-	-	-	825	-	-	24,659
<u>-</u>	<u>-</u>	<u>511</u>	<u>518</u>	<u>825</u>	<u>-</u>	<u>-</u>	<u>24,669</u>
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
7,121	83,077	-	-	12,271	5,023	1,920	1,366
<u>7,121</u>	<u>83,077</u>	<u>-</u>	<u>-</u>	<u>12,271</u>	<u>5,023</u>	<u>1,920</u>	<u>1,366</u>
<u>\$ 7,121</u>	<u>\$ 83,077</u>	<u>\$ 511</u>	<u>\$ 518</u>	<u>\$ 13,096</u>	<u>\$ 5,023</u>	<u>\$ 1,920</u>	<u>\$ 26,035</u>

MCCULLOCH COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2023

	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 1,297,743	\$ 1,297,743
Taxes Receivable	659	659
Allowance for Uncollectible Taxes (credit)	(99)	(99)
Accounts Receivable, Net	6,529	6,529
Due from Other Funds	14,082	14,082
Due from Fiduciary Funds	12,290	12,290
Total Assets	<u>\$ 1,331,204</u>	<u>\$ 1,331,204</u>
LIABILITIES		
Accounts Payable	\$ 15,475	\$ 15,475
Wages and Salaries Payable	52	52
Due to Other Funds	25,617	25,617
Total Liabilities	<u>41,144</u>	<u>41,144</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	561	561
Total Deferred Inflows of Resources	<u>561</u>	<u>561</u>
FUND BALANCES		
Restricted Fund Balance:		
Restricted for Road & Bridge	231,158	231,158
Other Restricted Fund Balance	1,058,341	1,058,341
Total Fund Balances	<u>1,289,499</u>	<u>1,289,499</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 1,331,204</u>	<u>\$ 1,331,204</u>

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	100 FY23 Justice Assistance Grant Program	20 Prosecutor's Collection Fund	30 Special Road Advalorem Fund	31 Justice Court Support Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ 24,021	\$ -
Intergovernmental Revenue and Grants	10,000	-	-	-
Charges for Services	-	166	-	2,425
Fines	-	-	-	-
Investment Earnings	-	249	10,565	-
Other Revenue	-	-	-	-
Total Revenues	<u>10,000</u>	<u>415</u>	<u>34,586</u>	<u>2,425</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial	10,138	-	-	-
Elections	-	-	-	-
Public Safety:				
Sheriff	-	-	-	-
Jail	-	-	-	-
Culture and Recreation:				
Non-Departmental	-	-	-	-
Total Expenditures	<u>10,138</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(138)</u>	<u>415</u>	<u>34,586</u>	<u>2,425</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>138</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>138</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	415	34,586	2,425
Fund Balance - October 1 (Beginning)	-	5,134	196,572	1,800
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 5,549</u>	<u>\$ 231,158</u>	<u>\$ 4,225</u>

The notes to the financial statements are an integral part of this statement.

35 Law Library Fund	36 Archive Fee Fund	37 Child Abuse Prevention Fund	38 Conservation Dam Fund	39 Court Record Preservation Fund	40 Court Reporter Fees Fund	41 Courthouse Security Fund	42 County Clerk Records Mgmt & Preserv
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	17,040	140	-	17,331	4,888	10,801	1,622
6,388	-	-	-	-	-	-	-
3,216	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>9,604</u>	<u>17,040</u>	<u>140</u>	<u>-</u>	<u>17,331</u>	<u>4,888</u>	<u>10,801</u>	<u>1,622</u>
-	10,591	-	-	120	-	1,636	-
-	-	-	-	-	273	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>10,591</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>273</u>	<u>1,636</u>	<u>-</u>
<u>9,604</u>	<u>6,449</u>	<u>140</u>	<u>-</u>	<u>17,211</u>	<u>4,615</u>	<u>9,165</u>	<u>1,622</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,604	6,449	140	-	17,211	4,615	9,165	1,622
61,733	119,370	1,217	22,000	21,264	2,557	55,472	21,523
-	-	-	-	-	-	-	-
<u>\$ 71,337</u>	<u>\$ 125,819</u>	<u>\$ 1,357</u>	<u>\$ 22,000</u>	<u>\$ 38,475</u>	<u>\$ 7,172</u>	<u>\$ 64,637</u>	<u>\$ 23,145</u>

MCCULLOCH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	43 Jury Reimbursement Fee Fund	44 Pre-Trial Diversion Fund	45 Judicial Education & Support Fund	46 Prosecutors Fee Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	7,132	245	160
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>7,132</u>	<u>245</u>	<u>160</u>
EXPENDITURES:				
Current:				
General Government	-	-	114	-
Judicial	-	5,696	-	-
Elections	-	-	-	-
Sheriff	-	-	-	-
Jail	-	-	-	-
Culture and Recreation:				
Non-Departmental	-	-	-	-
Total Expenditures	<u>-</u>	<u>5,696</u>	<u>114</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>1,436</u>	<u>131</u>	<u>160</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	1,436	131	160
Fund Balance - October 1 (Beginning)	17	63,629	7,966	341
Prior Period Adjustment	-	-	-	(20)
Fund Balance - September 30 (Ending)	<u>\$ 17</u>	<u>\$ 65,065</u>	<u>\$ 8,097</u>	<u>\$ 481</u>

The notes to the financial statements are an integral part of this statement.

47 Records Management Fund	48 Salary Supplement Overage Fund	49 Specialty Court Fund	50 Technology Fund	51 Truancy Fund	52 Video Fees Fund	53 Voting Machine Rental Fund	54 County Dispute Resolution Fd
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
411	-	1,132	4,302	3,722	4	2,002	3,328
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
411	-	1,132	4,302	3,722	4	2,002	3,328
83,095	-	-	-	-	-	-	2,658
-	-	-	8,478	-	-	-	-
-	-	-	-	-	-	9,871	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
83,095	-	-	8,478	-	-	9,871	2,658
(82,684)	-	1,132	(4,176)	3,722	4	(7,869)	670
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(82,684)	-	1,132	(4,176)	3,722	4	(7,869)	670
100,901	3,557	1,494	64,162	2,975	4,873	23,886	-
-	-	-	-	-	-	-	(515)
\$ 18,217	\$ 3,557	\$ 2,626	\$ 59,986	\$ 6,697	\$ 4,877	\$ 16,017	\$ 155

MCCULLOCH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	55 Omnibase Fund	56 Out of County Service Fund	57 Parks & Wildlife Fund	58 Perdue Collections Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	391	160	733	32,630
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>391</u>	<u>160</u>	<u>733</u>	<u>32,630</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial	322	160	663	32,630
Elections	-	-	-	-
Public Safety:				
Sheriff	-	-	-	-
Jail	-	-	-	-
Culture and Recreation:				
Non-Departmental	-	-	-	-
Total Expenditures	<u>322</u>	<u>160</u>	<u>663</u>	<u>32,630</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>69</u>	<u>-</u>	<u>70</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	69	-	70	-
Fund Balance - October 1 (Beginning)	42	-	46	-
Prior Period Adjustment	(108)	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

59 Time Payment Fund	60 Court Facility Fee Fund	61 County Record Management & Preservation	62 Language Access Fund	63 County Jury Fund	64 Court Initiated Guardianship	65 Local Traffic Fine Fund	66 Compliance Dismissal Fine Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
213	3,771	5,042	854	1,895	1,360	-	-
-	-	-	-	-	-	2,074	421
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
213	3,771	5,042	854	1,895	1,360	2,074	421
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
213	3,771	5,042	854	1,895	1,360	2,074	421
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
213	3,771	5,042	854	1,895	1,360	2,074	421
289	1,940	2,075	517	1,003	1,275	1,531	330
-	-	-	-	-	-	-	-
\$ 502	\$ 5,711	\$ 7,117	\$ 1,371	\$ 2,898	\$ 2,635	\$ 3,605	\$ 751

MCCULLOCH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	67 Time Payment Reimbursement Fee Fund	68 County Jury Fund	70 Special Road Repair Fund	75 Permanent Improvement Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ 19,892
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	6,092	74	-	-
Fines	-	-	-	-
Investment Earnings	-	-	45	17,040
Other Revenue	-	-	-	-
Total Revenues	<u>6,092</u>	<u>74</u>	<u>45</u>	<u>36,932</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial	-	-	-	-
Elections	-	-	-	-
Public Safety:				
Sheriff	-	-	-	-
Jail	-	-	-	-
Culture and Recreation:				
Non-Departmental	-	-	-	10,909
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,909</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,092</u>	<u>74</u>	<u>45</u>	<u>26,023</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	6,092	74	45	26,023
Fund Balance - October 1 (Beginning)	2,518	53	904	337,269
Prior Period Adjustment	-	-	-	368
Fund Balance - September 30 (Ending)	<u>\$ 8,610</u>	<u>\$ 127</u>	<u>\$ 949</u>	<u>\$ 363,660</u>

The notes to the financial statements are an integral part of this statement.

86 Sheriff's LEOSE Fund	87 Commissary Profit Fund	90 Commissary Profit Fund	92 Sheriff LEOSE Fund	93 Child Safety Fund	94 Unclaimed Capital Credits	96 Certz Grant Fund	97 Operation Lone Star Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	5,697
1,669	-	-	-	12,271	-	-	-
-	-	-	-	-	-	-	-
310	3,393	-	-	-	-	91	-
-	32,746	-	-	-	1,455	-	-
1,979	36,139	-	-	12,271	1,455	91	5,697
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	11,858	-	2,623	-	-	-	4,331
-	-	1,824	-	-	-	-	-
-	-	-	-	-	-	-	-
-	11,858	1,824	2,623	-	-	-	4,331
1,979	24,281	(1,824)	(2,623)	12,271	1,455	91	1,366
-	-	1,824	2,623	-	-	-	-
-	-	1,824	2,623	-	-	-	-
1,979	24,281	-	-	12,271	1,455	91	1,366
5,142	58,796	-	-	-	3,568	1,829	-
-	-	-	-	-	-	-	-
\$ 7,121	\$ 83,077	\$ -	\$ -	\$ 12,271	\$ 5,023	\$ 1,920	\$ 1,366

MCCULLOCH COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES:		
Taxes:		
Property Taxes	\$ 43,913	\$ 43,913
Intergovernmental Revenue and Grants	15,697	15,697
Charges for Services	144,006	144,006
Fines	8,883	8,883
Investment Earnings	34,909	34,909
Other Revenue	34,201	34,201
Total Revenues	<u>281,609</u>	<u>281,609</u>
EXPENDITURES:		
Current:		
General Government	98,214	98,214
Judicial	58,360	58,360
Elections	9,871	9,871
Public Safety:		
Sheriff	18,812	18,812
Jail	1,824	1,824
Culture and Recreation:		
Non-Departmental	10,909	10,909
Total Expenditures	<u>197,990</u>	<u>197,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>83,619</u>	<u>83,619</u>
OTHER FINANCING SOURCES (USES):		
Transfers In	4,585	4,585
Total Other Financing Sources (Uses)	<u>4,585</u>	<u>4,585</u>
Net Change in Fund Balance	88,204	88,204
Fund Balance - October 1 (Beginning)	1,201,570	1,201,570
Prior Period Adjustment	(275)	(275)
Fund Balance - September 30 (Ending)	<u>\$ 1,289,499</u>	<u>\$ 1,289,499</u>

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	Tax Assessor Collector	Sheriff Fund	Inmate Trust Fund	District Clerk	County Clerk
ASSETS					
Cash and Cash Equivalents	\$ 122,107	\$ 27,245	\$ 49,307	\$ 453,183	\$ 65,468
Accounts Receivable, Net	-	-	-	-	-
Due from Fiduciary Funds	-	-	-	-	-
Total Assets	<u>\$ 122,107</u>	<u>\$ 27,245</u>	<u>\$ 49,307</u>	<u>\$ 453,183</u>	<u>\$ 65,468</u>
LIABILITIES					
Accounts Payable	-	-	-	-	-
Due to Other Funds	12,243	-	-	8,985	25,383
Total Liabilities	<u>12,243</u>	<u>-</u>	<u>-</u>	<u>8,985</u>	<u>25,383</u>
NET POSITION					
Restricted for Other Purposes	109,864	27,245	49,307	444,198	40,085
Total Net Position	<u>\$ 109,864</u>	<u>\$ 27,245</u>	<u>\$ 49,307</u>	<u>\$ 444,198</u>	<u>\$ 40,085</u>

The notes to the financial statements are an integral part of this statement.

County Attorney Fund	Justice of the Peace Fund	DREAM Fund	Richards Memorial Library	Asset Forfeiture Fund	State Trust Fund	Donations & Memorials- MC Library	Prosecutor's Collection Fund
\$ 3,117	\$ 8,412	\$ 1,716	\$ 645	\$ 6,338	\$ 45,056	\$ 5,681	\$ 6,285
-	-	-	-	-	-	-	-
-	-	-	-	-	6,654	180	-
3,117	8,412	1,716	645	6,338	51,710	5,861	6,285
-	-	-	-	-	34,201	-	-
-	8,381	-	496	-	-	-	-
-	8,381	-	496	-	34,201	-	-
3,117	31	1,716	149	6,338	17,509	5,861	6,285
<u>\$ 3,117</u>	<u>\$ 31</u>	<u>\$ 1,716</u>	<u>\$ 149</u>	<u>\$ 6,338</u>	<u>\$ 17,509</u>	<u>\$ 5,861</u>	<u>\$ 6,285</u>

MCCULLOCH COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 SEPTEMBER 30, 2023

	Library Grants Fund	452nd Judicial District-BPU	Total Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ (29,187)	\$ 765,373
Accounts Receivable, Net	-	87,153	87,153
Due from Fiduciary Funds	-	-	6,834
Total Assets	-	57,966	859,360
LIABILITIES			
Accounts Payable	\$ -	\$ 57,966	\$ 92,167
Due to Other Funds	-	-	55,488
Total Liabilities	-	57,966	147,655
NET POSITION			
Restricted for Other Purposes	-	-	711,705
Total Net Position	\$ -	\$ -	\$ 711,705

The notes to the financial statements are an integral part of this statement.

MCCULLOCH COUNTY, TEXAS
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Tax Assessor Collector	Sheriff Fund	Inmate Trust Fund	District Clerk	County Clerk
ADDITIONS:					
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Investment Earnings	-	-	-	502	-
Contributions & Donations from Private	-	-	-	-	-
Other Revenue	2,191,007	125,013	145,411	368,870	177,467
Total Additions	2,191,007	125,013	145,411	369,372	177,467
DEDUCTIONS:					
Personnel Services - Salaries and Wages	-	-	-	-	-
Personnel Services - Employee Benefits	-	-	-	-	-
Social Security	-	-	-	-	-
Group Medical Insurance	-	-	-	-	-
Retirement	-	-	-	-	-
Other Operating Costs	2,202,006	115,792	137,535	181,792	219,920
Total Deductions	2,202,006	115,792	137,535	181,792	219,920
Change in Net Position	(10,999)	9,221	7,876	187,580	(42,453)
Total Net Position - October 1 (Beginning)	120,863	18,024	41,431	256,618	82,538
Prior Period Adjustment	-	-	-	-	-
Total Net Position - September 30 (Ending)	\$ 109,864	\$ 27,245	\$ 49,307	\$ 444,198	\$ 40,085

The notes to the financial statements are an integral part of this statement.

County Attorney Fund	Justice of the Peace Fund	DREAM Fund	Richards Memorial Library	Asset Forfeiture Fund	State Trust Fund	Donations & Memorials- MC Library	Prosecutor's Collection Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	58,845	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,462	-
484	296,574	82	4,624	300	82,820	-	6,285
484	296,574	82	4,624	300	141,665	1,462	6,285
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,853	309,189	-	5,589	-	138,040	288	-
4,853	309,189	-	5,589	-	138,040	288	-
(4,369)	(12,615)	82	(965)	300	3,625	1,174	6,285
7,486	12,646	1,634	1,114	-	152	-	-
-	-	-	-	6,038	13,732	4,687	-
\$ 3,117	\$ 31	\$ 1,716	\$ 149	\$ 6,338	\$ 17,509	\$ 5,861	\$ 6,285

MCCULLOCH COUNTY, TEXAS
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS AND FUND BALANCE
 YEAR ENDED AUGUST 31, 1997

	Library Grants Fund	452nd Judicial District-BPU	Total Custodial Funds
ADDITIONS:			
Intergovernmental Revenue and Grants	\$ 400	\$ 72,969	\$ 73,369
Charges for Services	-	-	58,845
Investment Earnings	-	-	502
Contributions & Donations from Private	-	-	1,462
Other Revenue	114	-	3,399,051
Total Additions	514	72,969	3,533,229
DEDUCTIONS:			
Personnel Services - Salaries and Wages	-	54,153	54,153
Personnel Services - Employee Benefits	514	-	514
Social Security	-	4,079	4,079
Group Medical Insurance	-	4,267	4,267
Retirement	-	3,710	3,710
Other Operating Costs	-	6,760	3,321,764
Total Deductions	514	72,969	3,388,487
Change in Net Position	-	-	144,742
Total Net Position - October 1 (Beginning)	-	-	542,506
Prior Period Adjustment	-	-	24,457
Total Net Position - September 30 (Ending)	\$ -	\$ -	\$ 711,705

The notes to the financial statements are an integral part of this statement.



NEFFENDORF & BLOCKER, P.C.

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*

Honorable Judge and County Commissioners
County of McCulloch
Brady, Texas 76825

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, each major fund, and the aggregate remaining fund information of County of McCulloch, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise County of McCulloch's basic financial statements, and have issued our report thereon dated April 21, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of McCulloch'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 County of McCulloch's internal control. Accordingly, we do not express an opinion on the effectiveness of County of McCulloch'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-003 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of McCulloch'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*.

County of McCulloch, Texas' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County of McCulloch, Texas' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of McCulloch, Texas' response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of This Report

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

Neffendorf & Blocker, P.C.

NEFFENDORF & BLOCKER, P.C.
Fredericksburg, Texas
April 21, 2025

MCCULLOCH COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Current Year's Findings/Noncompliance:

2023-001 (Repeat Finding)

Condition:	Transactions that were incurred and earned during the fiscal year but were received or paid subsequent to year-end were recorded to the cash general ledger accounts.
Criteria:	The general ledger should be recorded in accordance with the modified accrual basis of accounting. The County should record accruals in the proper accounts receivable and accounts payable accounts.
Cause of Condition:	Incorrect implementation of the modified accrual basis of accounting.
Potential Effect of Condition:	Cash balances are misstated on the County financials.
Recommendation:	The County should review the accounting policies consistent with the accrual basis of accounting and implement controls to ensure proper reporting of transactions that occur subsequent to year-end.

2023-002 (Repeat Finding)

Condition:	Reconciled balances per the bank reconciliations did not agree to general ledger amounts.
Criteria:	Procedures should be in place to review and agree bank reconciliation balances to the general ledger.
Cause of Condition:	The bank reconciliations were not agreed to the general ledger.
Potential Effect of Condition:	The bank account reconciliations are incorrect and general ledger cash accounts could be missing postings from the bank.
Recommendation:	Bank reconciliations should be reviewed and agreed to the general ledger for accuracy.

2023-003 (Repeat Finding)

Condition:	The County did not reconcile the Due to/Due From and Transfers In/Transfers Out general ledger accounts. The accounts did not balance at year end.
Criteria:	Reconciliation of Due to/Due From and Transfers In/ Transfers Out accounts is an essential monitoring internal control tool. Monitoring and reconciling interfund accounts is necessary to prevent misstatements within the individual funds.
Cause of Condition:	The County did not reconcile interfund accounts at year-end.
Potential Effect of Condition:	The individual fund financial statements were misstated.
Recommendation:	The County should implement year end procedures to ensure interfund accounts balance.

Prior Year's Findings/ Noncompliance and Status:

2022-004

Condition:	The County prepare quarterly investment reports.
Criteria:	Chapter 2256 of the Public Funds Investment Act requires at least quarterly investment reports be prepared by the appointed investment officer and presented to the governing body.
Cause of Condition:	The County did not prepare the required quarterly investment reports.
Potential Effect of Condition:	The County was not in compliance with Chapter 2256 of the Public Funds Investment Act.
Recommendation:	The County should prepare the required reports to be in compliance with the Public Funds Investment Act.
Current Year Status:	Corrective action was taken by the County.



NEFFENDORF & BLOCKER, P.C.

April 21, 2025

Honorable Judge and County Commissioners
County of McCulloch
Brady, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of McCulloch, Texas for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 28, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of McCulloch, Texas are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the County of McCulloch, Texas during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 21, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County of McCulloch's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County of McCulloch's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the budgetary comparison schedules, schedule of changes in net pension liability and schedule of employer contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining statements and individual nonmajor fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting record used to prepare the financial statements.

Recommendations

Grants Manual

Since the County receives grants from both state and federal sources, we recommend that the County adopt a grants manual to establish written internal controls and processes over accounting for grants and compliance.

Capitalization Policy

We recommend the County adopt a capitalization policy to provide a dollar limit on what is to be capitalized (i.e., items purchased over \$1,000 or \$5,000).

Accounting for Cash

The District Clerk and Tax Assessor Collector do not prepare an accounting for cash for their bank accounts. We recommend the Officials' prepare an accounting for cash monthly as part of the month end processes. This would strengthen internal control procedures regarding valuation and theft.

Restriction on Use

This information is intended solely for the use of the Commissioner's Court and management of County of McCulloch and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Neffendorf & Blocker, P.C.

NEFFENDORF & BLOCKER, P.C.
Fredericksburg, Texas