

REFUGIO COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the year ended September 30, 2023

REFUGIO COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the year ended September 30, 2023

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INTRODUCTORY SECTION

REFUGIO COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
For the year ended September 30, 2023

DISTRICT JUDGES:

Jack Marr
Kemper Stephen Williams
Julie C. Bauknight

24th District Judge
135th District Judge
267th District Judge

COMMISSIONERS' COURT:

Jhiela "Gigi" Poynter
Roy Payne
Stanley Tuttle
Gary Lee Wright
Blaine Wolfshohl

County Judge
Commissioner, Precinct #1
Commissioner, Precinct #2
Commissioner, Precinct #3
Commissioner, Precinct #4

JUDICIAL:

Robert C. Lassmann
Sylvia M. Lopez

District Attorney
District Clerk

COUNTY COURT AT LAW:

Deborah A. Bauer
Ida Ramirez

County Attorney
County Clerk

JUSTICE COURTS:

Roberta Shipp Fagan
Emi Riemenschneider

Justice of Peace, Precinct #1
Justice of Peace, Precinct #2

LAW ENFORCEMENT:

Sheriff Raul "Pinky" Gonzales
J.J. Garza

County Sheriff
Constable, Precinct #2

FINANCIAL ADMINISTRATION:

Ida Turner
Rita Trojcek
Rachel A. Elizondo

Tax Assessor/Collector
County Treasurer
County Auditor*

*Designated appointed official. All others are elected.

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Refugio County, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of contributions on pages 5-11, 42-45, 46, and 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any 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's basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such

information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Crowe LLP

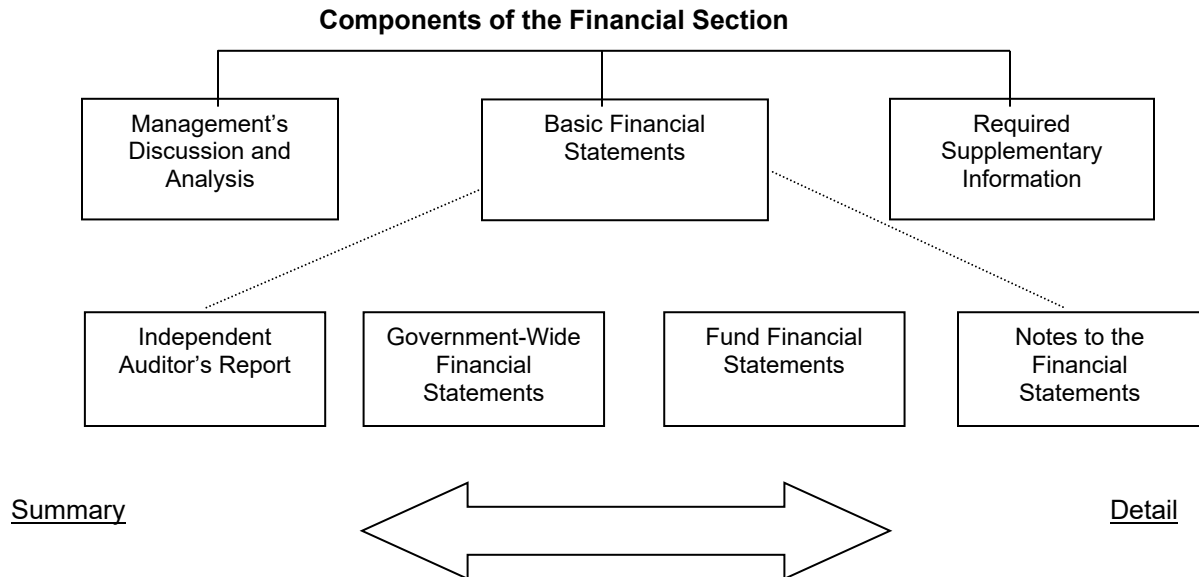
Houston, Texas
December 12, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

REFUGIO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2023

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Refugio County, Texas (the "County") for the year ended September 30, 2023. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the County's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The County's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the County as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the County as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the County's financial statements, report information on the County's activities that enable the reader to understand the financial condition of the County. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the County's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other nonfinancial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered in order to assess the overall health of the County.

REFUGIO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2023

The Statement of Activities presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows using the accrual method rather than modified accrual that is used in the fund level statements.

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

1. **Governmental Activities** – Most of the County's basic services are reported here such as general administration, judicial, legal, financial administration, public facilities, public safety, public transportation, environmental protection, culture and recreation, health and welfare, conservation agriculture, and interest and fiscal agent fees on long-term debt. Property tax, charges for services, licenses and permits, and intergovernmental revenue finance most of these activities.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the County. They are usually segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The three categories of County funds are governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 37 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, coastal protection fund, and grant fund, which are considered to be major funds for reporting purposes.

The County adopts an annual appropriated budget for its general, road and bridge, and select special revenue funds. Budgetary comparison schedules have been provided for the general, road and bridge, and select special revenue funds to demonstrate compliance with these budgets.

Proprietary Funds

The County maintains one type of proprietary fund, an internal service fund. The County uses an internal service fund to account for its employee insurance benefit payments. This internal service fund has been included within governmental activities in the government-wide financial statements.

(Continued)

REFUGIO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2023

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County maintains five fiduciary funds. The County's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund and road and bridge fund, as well as a schedule of changes in net pension liability and related ratios and schedule of contributions for the Texas County and District Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$18,849,339 as of September 30, 2023. This compares to \$18,457,668 from the prior fiscal year. A significant portion of the County's net position reflects its investments in capital assets, \$11,797,210, (e.g., construction in progress, buildings, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

REFUGIO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2023

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 17,336,152	\$ 11,421,915
Noncurrent assets	<u>12,825,389</u>	<u>13,811,225</u>
Total assets	30,161,541	25,233,140
Deferred outflows - pensions	930,050	755,826
Other liabilities	7,157,186	4,265,181
Long-term liabilities	<u>4,984,954</u>	<u>163,323</u>
Total liabilities	12,142,140	4,428,504
Deferred inflows - pensions	100,112	3,102,794
Net Position:		
Net investment in capital assets	11,797,210	9,731,020
Restricted	4,054,191	3,977,980
Unrestricted	<u>2,997,938</u>	<u>4,748,668</u>
Total Net Position	<u>\$ 18,849,339</u>	<u>\$ 18,457,668</u>

A portion of the County's net position, \$4,054,191, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$2,997,938. The County had an increase to net position of \$391,671 for the fiscal year.

Current assets increased by \$5,914,237 to \$17,336,152 as compared to noncurrent assets, which decreased by \$985,836 to \$12,825,389. The increase in current assets was due to proceeds from a disaster recovery loan. The decrease in noncurrent assets was largely due to a decrease in the net pension asset from investment losses on plan assets. Total liabilities increased over the prior year by \$7,713,636. This increase is due to the issuance of a disaster recovery loan, as well as increases in accounts payable and accrued liabilities related to various projects. Total deferred inflows of resources decreased, while total deferred outflows increased due primarily to the change in projected and actual investment earnings for the pension plan.

(Continued)

REFUGIO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2023

Statement of Activities

The following table provides a summary of the County's changes in net position:

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Revenues		
Program revenues:		
Charges for services	\$ 1,564,310	\$ 3,212,926
Operating grants and contributions	5,721,486	3,563,969
Capital grants and contributions	1,696,847	3,140,166
General revenues:		
Taxes	6,085,701	5,825,605
Investment income	209,650	19,295
Other revenues	<u>1,306,220</u>	<u>949,848</u>
Total revenues	16,584,214	16,711,809
Expenses		
General administration	2,211,202	3,395,470
Judicial	892,223	811,145
Legal	155,891	142,043
Financial administration	501,147	465,950
Public facilities	342,346	401,913
Public safety	10,053,975	6,300,742
Public transportation	1,024,377	2,334,994
Environmental protection	158,452	102,917
Culture and recreation	253,971	238,521
Health and welfare	521,925	570,606
Conservation - agriculture	72,076	83,898
Interest and fiscal agent fees on long-term debt	<u>4,958</u>	<u>15,984</u>
Total expenses	16,192,543	14,864,183
Change in net position	391,671	1,847,626
Beginning net position	<u>18,457,668</u>	<u>16,610,042</u>
Ending net position	<u>\$ 18,849,339</u>	<u>\$ 18,457,668</u>

Total governmental revenues decreased by a net \$127,595 from the prior year. The net change can be attributed to a decrease in charges for services, fines and forfeitures, and long-term court receivables. These decreases were partially offset by an increase in reimbursable grant activity, an increase in property taxes from an increase in the assessed values of properties within the County, and an increase in investment earnings from an increase in interest rates.

Governmental expenses increased by \$1,328,360 from the prior year. The increase in expenses was mainly attributed to increases in personnel costs and grants.

(Continued)

REFUGIO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2023

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

The County's governmental funds reflect a combined fund balance of \$10,529,067. Of this, \$1,002,236 is restricted for road and bridge, \$8,325,667 is restricted for special projects, \$174,391 is assigned for capital projects, and \$199,337 is considered nonspendable for prepaids. The amount of unassigned fund balance is \$827,436. There was an increase in the combined fund balance of \$4,352,503 from the prior year.

The fund balance of the general fund had a decrease of \$1,140,870, with an ending fund balance of \$1,061,133. Revenues decreased by \$882,704 for the year due to prior year proceeds from the forgiven community disaster loan which was partially offset by an increase in property tax revenues from an increase in the assessed value of properties within the County. Expenditures decreased by \$511,971 due largely to decreases in expenditures in public safety and capital outlay. Public safety decreased due to lower personnel costs and repairs and maintenance. The County's fund balance policy for the general fund is to maintain a minimum unassigned fund balance of 20 percent of the subsequent year's budgeted expenditures. The County is not in compliance with the policy. Unassigned fund balance is currently 10 percent of the annual expenditures.

There was a decrease of \$819,400 in the fund balance for road and bridge fund providing an ending fund balance of \$1,002,236. Revenues decreased by \$515,347 due to a decrease in property tax revenues from a decrease in the tax rate, a decrease in intergovernmental revenues from a prior year CTIF grant, and a decrease in revenues from fines and forfeitures. Expenditures increased by \$221,757 from an increase in purchases of road materials and capital outlay.

The coastal protection fund remained relatively unchanged with a slight increase in fund balance of \$25,581, which brings the ending fund balance to \$35,077. The increase was due to investment earnings as unspent grant funds are deferred until spent on allowable costs.

The grant fund had an increase in fund balance of \$6,023,495, which brought the ending fund balance to \$5,858,584. The increase in fund balance was due to the County receiving disaster recovery loan proceeds of \$6,146,000 during the current fiscal year.

REFUGIO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The County had planned for no change to general fund balance after amendments. Budgeted revenues exceeded actual revenues by \$1,173,125 primarily due to lower revenues than anticipated for charges for services. The final general fund expenditures were less than the final budget by \$830,285 mainly due to lower nondepartmental expenditures than expected. During the September 30, 2023 fiscal year, the Commissioners' Court amended the budget for the following purposes:

- To re-appropriate monies to pay for commitments in the form of encumbrances established prior to September 30, 2023, but not paid by that date;
- To appropriate monies from other governmental units received in fiscal year September 30, 2023;
- To re-appropriate monies within or between departments; and
- To reflect department year end projections.

CAPITAL ASSETS

At the end of the year, the County's governmental activities had invested \$11,953,101 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$1,966,013.

Major capital asset events during the current year included the following:

- Pct. 4 Maintenance Office Building/Equipment Barn
- Street, Flood, & Drainage Improvements
- Water and Wastewater Treatment Plan
- Purchased eight vehicles
- Fairgrounds Tower Equipment

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

LONG-TERM DEBT

At the end of the year, the County reported total notes, loans, leases payable, and compensated absences of \$6,365,301. The County obtained a disaster recovery loan for \$6,146,000 during September 30, 2023.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2024 budget will raise more revenue from property taxes than the September 30, 2023 fiscal year budget by an amount of \$2,358,038, which is a 39 percent increase from the September 30, 2023 fiscal year's budget. The property tax rate increased from \$0.6612 to \$0.8000. The County adopted a fiscal year 2024 general fund budget of \$9,125,909 compared to \$7,881,123 for fiscal year 2023.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to Rachel A. Elizondo, County Auditor, Refugio County, 808 Commerce Street, Room 107, Refugio, TX 78377.

(Continued)

BASIC FINANCIAL STATEMENTS

REFUGIO COUNTY, TEXAS
STATEMENT OF NET POSITION
September 30, 2023

	Primary <u>Government</u> Governmental <u>Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 8,227,036
Investments	5,084,928
Receivables, net	3,824,851
Prepays	<u>199,337</u>
Total current assets	17,336,152
Noncurrent assets	
Net pension asset	872,288
Nondepreciable capital assets	2,180,460
Capital assets, net of accumulated depreciation/amortization	<u>9,772,641</u>
Total noncurrent assets	<u>12,825,389</u>
Total assets	<u>30,161,541</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pensions	<u>930,050</u>
Total deferred outflows of resources	<u>930,050</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	3,061,344
Unearned revenue	2,715,495
Long-term liabilities due within one year	<u>1,380,347</u>
Total current liabilities	7,157,186
Noncurrent liabilities	
Long-term liabilities due in more than one year	<u>4,984,954</u>
Total noncurrent liabilities	<u>4,984,954</u>
Total liabilities	<u>12,142,140</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pensions	<u>100,112</u>
Total deferred inflows of resources	<u>100,112</u>
NET POSITION	
Net investment in capital assets	11,797,210
Restricted for:	
Pension plan	872,288
Road and bridge	1,002,236
Special projects	2,179,667
Unrestricted	<u>2,997,938</u>
Total Net Position	<u>\$ 18,849,339</u>

See notes to financial statements.

REFUGIO COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
Primary Government:					
Governmental Activities					
General administration	\$ 2,211,202	\$ 571,739	\$ 110,763	\$ -	\$ (1,528,700)
Judicial	892,223	190,348	25,200	-	(676,675)
Legal	155,891	-	25,666	-	(130,225)
Financial administration	501,147	-	-	-	(501,147)
Public facilities	342,346	-	-	-	(342,346)
Public safety	10,053,975	2,920	4,830,859	1,696,847	(3,523,349)
Public transportation	1,024,377	799,303	432,735	-	207,661
Environmental protection	158,452	-	196,122	-	37,670
Culture and recreation	253,971	-	-	-	(253,971)
Health and welfare	521,925	-	100,141	-	(421,784)
Conservation - agriculture	72,076	-	-	-	(72,076)
Interest and fiscal agent fees on long-term debt	<u>4,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,958)</u>
Total primary government	<u>\$ 16,192,543</u>	<u>\$ 1,564,310</u>	<u>\$ 5,721,486</u>	<u>\$ 1,696,847</u>	<u>(7,209,900)</u>
General Revenues					
					6,085,701
					209,650
					<u>1,306,220</u>
					<u>7,601,571</u>
					391,671
					<u>18,457,668</u>
					\$ 18,849,339

See notes to financial statements.

REFUGIO COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023

	General	Road and Bridge	Coastal Protection	Grant	Nonmajor Governmental	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 954,218	\$ 1,016,184	\$ 1,876,185	\$ 1,756,578	\$ 2,483,751	\$ 8,086,916
Investments	-	-	-	5,084,928	-	5,084,928
Receivables, net	431,865	165,971	2	2,667,373	184,259	3,449,470
Prepays	199,337	-	-	-	-	199,337
Due from other funds	6,581	-	-	-	3,266	9,847
Total assets	<u>\$ 1,592,001</u>	<u>\$ 1,182,155</u>	<u>\$ 1,876,187</u>	<u>\$ 9,508,879</u>	<u>\$ 2,671,276</u>	<u>\$ 16,830,498</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	\$ 164,085	\$ 123,871	\$ 4,600	\$ 2,712,585	\$ 56,201	\$ 3,061,342
Due to other funds	64	-	-	9,783	-	9,847
Unearned revenue	-	-	1,836,510	835,947	43,038	2,715,495
Total liabilities	<u>164,149</u>	<u>123,871</u>	<u>1,841,110</u>	<u>3,558,315</u>	<u>99,239</u>	<u>5,786,684</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grant funds	-	-	-	91,980	-	91,980
Unavailable revenue - property taxes	<u>366,719</u>	<u>56,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,767</u>
Total deferred inflows of resources	<u>366,719</u>	<u>56,048</u>	<u>-</u>	<u>91,980</u>	<u>-</u>	<u>514,747</u>
FUND BALANCES						
Nonspendable						
Prepays	199,337	-	-	-	-	199,337
Restricted						
Road and bridge	-	1,002,236	-	-	-	1,002,236
Special projects	-	-	35,077	5,858,584	2,432,006	8,325,667
Assigned						
Capital projects	-	-	-	-	174,391	174,391
Unassigned	<u>861,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,360)</u>	<u>827,436</u>
Total fund balances	<u>1,061,133</u>	<u>1,002,236</u>	<u>35,077</u>	<u>5,858,584</u>	<u>2,572,037</u>	<u>10,529,067</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,592,001</u>	<u>\$ 1,182,155</u>	<u>\$ 1,876,187</u>	<u>\$ 9,508,879</u>	<u>\$ 2,671,276</u>	<u>\$ 16,830,498</u>

See notes to financial statements.

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

Fund balances - total governmental funds	\$ 10,529,067
Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Nondepreciable capital assets	2,180,460
Depreciable/amortizable capital assets, net	9,772,641
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Unavailable revenues - property taxes	422,767
Unavailable revenues - grants	91,980
Fines receivable, net	375,381
Internal service funds are used to record and maintain insurance premiums for County employees. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.	140,118
The net pension asset and deferred outflows and deferred inflows related to the County's pension plan are not reported in the governmental funds.	
Net pension asset	872,288
Deferred outflows - pensions	930,050
Deferred inflows - pensions	(100,112)
Long-term liabilities, including notes, loan, and leases payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Long-term liabilities due within one year	(1,380,347)
Long-term liabilities due in more than one year	<u>(4,984,954)</u>
Net Position of Governmental Activities	<u>\$ 18,849,339</u>

See notes to financial statements.

REFUGIO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended September 30, 2023

	<u>General</u>	<u>Road and Bridge</u>	<u>Coastal Protection</u>	<u>Grant</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Revenues						
Property taxes	\$ 5,800,453	\$ 303,867	\$ -	\$ -	\$ -	\$ 6,104,320
Intergovernmental	161,629	147,772	196,122	5,337,464	1,483,365	7,326,352
Licenses and permits	2,920	245,214	-	-	-	248,134
Charges for services	571,739	83,100	-	-	190,348	845,187
Fines and forfeitures	-	663,197	-	-	-	663,197
Investment income	36,653	21,618	25,581	103,727	21,980	209,559
Other revenues	<u>771,440</u>	<u>2,603</u>	<u>-</u>	<u>2,297</u>	<u>529,880</u>	<u>1,306,220</u>
Total revenues	<u>7,344,834</u>	<u>1,467,371</u>	<u>221,703</u>	<u>5,443,488</u>	<u>2,225,573</u>	<u>16,702,969</u>
Expenditures						
Current						
General administration	2,102,720	-	-	44,564	3,686	2,150,970
Judicial	843,346	-	-	-	67,843	911,189
Legal	161,448	-	-	-	-	161,448
Financial administration	518,390	-	-	-	-	518,390
Public facilities	269,115	-	-	-	-	269,115
Public safety	4,046,031	-	-	5,423,384	1,137,434	10,606,849
Public transportation	-	1,953,534	-	-	-	1,953,534
Environmental protection	-	-	196,122	-	-	196,122
Culture and recreation	123,270	-	-	-	113,244	236,514
Health and welfare	289,975	-	-	-	222,348	512,323
Conservation - agriculture	72,076	-	-	-	-	72,076
Debt service						
Principal	98,099	-	-	-	2,078	100,177
Interest and fiscal charges	9,238	-	-	-	44	9,282
Capital outlay	<u>34,249</u>	<u>311,443</u>	<u>-</u>	<u>-</u>	<u>452,785</u>	<u>798,477</u>
Total expenditures	<u>8,567,957</u>	<u>2,264,977</u>	<u>196,122</u>	<u>5,467,948</u>	<u>1,999,462</u>	<u>18,496,466</u>
Excess (deficiency) of revenues over (under) expenditures	(1,223,123)	(797,606)	25,581	(24,460)	226,111	(1,793,497)
Other Financing Sources (Uses)						
Transfers in	931,845	-	-	-	863,283	1,795,128
Transfers (out)	(849,592)	(21,794)	-	(98,045)	(825,697)	(1,795,128)
Disaster loan	-	-	-	6,146,000	-	6,146,000
Total other financing sources (uses)	<u>82,253</u>	<u>(21,794)</u>	<u>-</u>	<u>6,047,955</u>	<u>37,586</u>	<u>6,146,000</u>
Net change in fund balances	(1,140,870)	(819,400)	25,581	6,023,495	263,697	4,352,503
Beginning fund balances	<u>2,202,003</u>	<u>1,821,636</u>	<u>9,496</u>	<u>(164,911)</u>	<u>2,308,340</u>	<u>6,176,564</u>
Ending fund balances	<u>\$ 1,061,133</u>	<u>\$ 1,002,236</u>	<u>\$ 35,077</u>	<u>\$ 5,858,584</u>	<u>\$ 2,572,037</u>	<u>\$ 10,529,067</u>

See notes to financial statements.

REFUGIO COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the year ended September 30, 2023

Net changes in fund balances – total governmental funds	\$ 4,352,503
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Capital additions	3,040,547
Depreciation/amortization expense	(1,065,388)
Capital retirements, net	(9,146)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Unavailable revenues - property taxes	(18,619)
Unavailable revenues - grants	91,980
Fines and fees receivable	(192,208)
The net pension asset and deferred outflows and deferred inflows related to the County's pension plan are not reported in the governmental funds.	
Net pension asset	(2,951,849)
Deferred outflows - pensions	174,224
Deferred inflows - pensions	3,002,682
Note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.	
Principal payment	64,500
Lease payment	35,677
Disaster loan	(6,146,000)
Internal service funds are used to record and maintain insurance premiums for County employees.	
The net revenue (expense) is reported with governmental activities.	(2,462)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This adjustment reflects the net change on the accrual basis of accounting for these expenses.	
Accrued interest payable	4,324
Compensated absences	10,906
Change in Net Position of Governmental Activities	<u>\$ 391,671</u>

See notes to financial statements.

REFUGIO COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2023

	Governmental <u>Activities</u> Employee <u>Insurance</u>
ASSETS	
Current assets	
Cash and equity in pooled cash and investments	\$ 140,120
Total current assets	<u>140,120</u>
LIABILITIES	
Accounts payable	<u>2</u>
Total liabilities	<u>2</u>
NET POSITION	
Unrestricted	<u>140,118</u>
Total Net position	<u><u>\$ 140,118</u></u>

See notes to financial statements.

REFUGIO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended September 30, 2023

	Governmental Activities Employee Insurance
Operating Revenues	
Charges for services	\$ 941,742
Total operating revenues	<u>941,742</u>
Operating Expenses	
Personnel services	<u>944,295</u>
Operating Income (Loss)	(2,553)
Nonoperating Revenues (Expenses)	
Investment revenue	<u>91</u>
Change in Net Position	(2,462)
Beginning net position	<u>142,580</u>
Ending net position	<u><u>\$ 140,118</u></u>

See notes to financial statements.

REFUGIO COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2023

	Governmental Activities Employee Insurance
Cash flows from operating activities	
Receipts from customers and users	\$ 1,009,620
Payments to suppliers	<u>(944,293)</u>
Net cash provided by operating activities	<u>65,327</u>
Cash flows from investing activities	
Interest on investments	<u>91</u>
Net cash provided by investing activities	<u>91</u>
Net increase in cash and equity in pooled cash and investments	65,418
Beginning cash and equity in pooled cash and investments	<u>74,702</u>
Ending cash and equity in pooled cash and investments	<u><u>\$ 140,120</u></u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (2,553)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	67,878
Increase (decrease) in liabilities:	
Accounts payable	<u>2</u>
Net cash provided by operating activities	<u><u>\$ 65,327</u></u>

See notes to financial statements.

REFUGIO COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2023

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents	\$ 1,007,648
Accounts receivable	25,851
Due from others	<u>256,458</u>
Total assets	<u>1,289,957</u>
LIABILITIES	
Accounts payable	338,885
Due to others	<u>21,499</u>
Total liabilities	<u>360,384</u>
NET POSITION	
Restricted for individuals, organizations, or other governments	<u>929,573</u>
Total net position	<u><u>\$ 929,573</u></u>

See notes to financial statements.

REFUGIO COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the year ended September 30, 2023

	<u>Custodial</u>
Additions	
Taxes collected	\$ 25,537,574
State fees	509,715
Court fees	157
Intergovernmental	72,429
Other revenue	1,897,057
Interest	<u>2,717</u>
Total additions	<u>28,019,649</u>
 Deductions	
Distribution to State	2,532,454
Criminal departments	51,231
Distribution to others	<u>25,535,345</u>
Total deductions	<u>28,119,030</u>
 Change in net position	(99,381)
 Beginning net position	<u>1,028,954</u>
 Ending net position	 <u>\$ 929,573</u>

See notes to financial statements.

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Refugio County, Texas (the "County") is an independent government entity created in 1842 by an act of the Texas Legislature and is one of the original counties of Texas. The County is governed by Commissioners' Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County's financial statements include the accounts of all County operations. The County provides a vast array of services including public safety (fire, ambulance, and law enforcement), public transportation (highways and roads), environmental protection, health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, of which the County has none.

Basis of Presentation – Government-Wide Financial Statements: While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund. The principal sources of revenues include local property taxes, intergovernmental, licenses and permits, charges for services, and fines and forfeitures. Expenditures include general administration, judicial, legal, financial administration, public facilities, public safety, public transportation, environmental protection, culture and recreation, health and welfare, conservation agriculture, and interest and fiscal agent fees on long-term debt. The general fund is always considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The following special revenue funds are considered major funds for reporting purposes:

Road and bridge fund – This fund is used to account for revenues of property taxes levied and vehicle registration fees. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in this fund.

Coastal protection fund – This fund is used to account for revenue and expenditures received by the County from coastal protection grants.

Grant fund – This fund is used to account for revenue received by the County from grants and account for any expenditures associated with these funds.

The remaining special revenue funds are considered nonmajor funds for reporting purposes.

The *capital projects funds* are used to account for and report financial resources that are restricted, committed, or *assigned* to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects funds are considered nonmajor funds for reporting purposes.

Additionally, the County reports the following fund types:

Internal service funds account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The employee insurance fund is used to account for health, life, and dental premiums.

The *fiduciary funds* account for assets held by the government in a trustee capacity or as a custodian on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County has the following fiduciary funds:

The *custodial funds* are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the County holds for others in a custodial capacity.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting: The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance:

Cash and Cash Equivalents: The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments: Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The County has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the County is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Direct obligations of the State of Texas
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Statewide investment pools

Receivables: 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., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Receivables are reported at their gross value and, where appropriate, are shown net of an allowance for uncollectible accounts. Accounts deemed uncollectible are either written off or reserved via an allowance.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 to 50 years
Equipment	5 years
Intangible	5 years
Infrastructure	30 years

The costs of a significant portion of capital assets have been estimated based on management's estimated historical cost.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension activities are amortized over the average of the expected service lives of pension plan members, except for the net differences between the projected and actual investment earnings on the pension plan assets, which are amortized over a period of five years.
- For employer pension plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year, the amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

At the fund level, the County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants. This amount is deferred and recognized as an inflows of resources in the period that the amount becomes available.

Compensated Employee Absences: It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave since it does not vest. Vacation, compensatory time, and holiday pay that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and road and bridge funds.

Assets acquired under the terms of notes payable are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum payments at inception of the note. In the year of acquisition, transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Payments representing both principal and interest are recorded as expenditures in the fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

Net Position Flow Assumption: Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions: Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies: Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Commissioners' Court is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. Based on the County policy, the Commissioners' Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

In accordance with Commissioners' Court policy, the County must maintain a minimum of 20 percent of the subsequent year's budgeted expenditures in unassigned fund balance in the general fund.

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, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Leases: The County recognizes a lease liability and an intangible, right-to-use lease asset (the "lease asset") in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions: For the purposes of measuring the net pension liability/(asset), 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.

Revenues and Expenditures/Expenses:

Program Revenues: Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes: Property taxes are recorded as revenue when levied for the current year and are due, payable, and collected in the current year. Uncollected amounts at year end are reported as deferred revenue. Delinquent property taxes collected within 60 days subsequent to year end were not considered material.

The property tax calendar dates are:

- Levy date and due date – October 1
- Collection dates – October 1 through January 31
- Lien date – February 1

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor collector custodial fund. Tax collections deposited for the County are distributed on a periodic basis to the general and road and bridge funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the property tax code to assess all property within the appraisal district on the basis of 100 percent of its appraised value, and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

Proprietary Funds Operating and Nonoperating Revenues and Expenses: Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges for health insurance. Operating expenses for the internal service fund include personnel services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The original budget is adopted by the Commissioners' Court prior to the beginning of the fiscal year. The County adopts an annual appropriated budget for its general, road and bridge, and select special revenue funds. The legal level of control for the general fund and these special revenue funds is at the fund level. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. Appropriations lapse at the end of the year, excluding capital project budgets. Management may not amend the budget without the approval of Commissioners' Court. Budgets are adopted on a generally accepted accounting principles basis for all budgeted funds. Supplemental budget appropriations were made for the year ended September 30, 2023.

Expenditures in Excess of Appropriations: For the year ended, expenditures exceeded appropriations at the legal level of control as follows:

Road and bridge special fund	\$	12,085
Jail commissary fund	\$	41,727
Library fund	\$	6,569
Narcotics fund	\$	51,920
Vehicles replacement fund	\$	76,461

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Deficit Fund Balance: The special revenue funds below had deficit fund balances at September 30, 2023, as follows:

CRF 2020 COVID 19 fund	\$	21,872
Hurricane Harvey fund	\$	12,488

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments: As of September 30, 2023, the County had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificate of deposit	<u>\$ 5,084,928</u>	0.21

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

Credit risk. State law and the County's investment policy limit investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's investment policy requires funds on deposit at the depository bank to be collateralized by letters of credit and FDIC insurance. As of September 30, 2023, bank balances did not exceed the value of the letters of credit and FDIC insurance.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Receivables: The following comprise receivable balances at year end:

	<u>General</u>	<u>Road and Bridge</u>	<u>Coastal Protection</u>	<u>Grant</u>	<u>Nonmajor</u>	<u>Total</u>
Property taxes	\$ 398,224	\$ 110,451	\$ -	\$ -	\$ -	\$ 508,675
Grants	-	-	-	2,667,373	-	2,667,373
Other	65,152	61,256	2	-	184,259	310,669
Allowance	<u>(31,511)</u>	<u>(5,736)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,247)</u>
	<u>\$ 431,865</u>	<u>\$ 165,971</u>	<u>\$ 2</u>	<u>\$ 2,667,373</u>	<u>\$ 184,259</u>	<u>\$ 3,449,470</u>

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets: A summary of changes in capital assets for the year ended September 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 680,467	\$ -	\$ -	\$ 680,467
Construction in progress	<u>1,582,370</u>	<u>2,253,610</u>	<u>(2,335,987)</u>	<u>1,499,993</u>
Total capital assets not being depreciated	2,262,837	2,253,610	(2,335,987)	2,180,460
Other capital assets				
Buildings and improvements	8,761,836	276,050	-	9,037,886
Equipment	6,104,882	863,201	(76,879)	6,891,204
Intangible	58,779	-	-	58,779
Infrastructure	4,629,692	1,983,673	-	6,613,365
Right-to-use assets - equipment	<u>130,403</u>	<u>-</u>	<u>-</u>	<u>130,403</u>
Total other capital assets	<u>19,685,592</u>	<u>3,122,924</u>	<u>(76,879)</u>	<u>22,731,637</u>
Less accumulated depreciation/amortization for				
Buildings and improvements	(3,538,110)	(242,117)	-	(3,780,227)
Equipment	(4,815,119)	(668,624)	67,733	(5,416,010)
Intangible	(58,779)	-	-	(58,779)
Infrastructure	(3,517,783)	(118,254)	-	(3,636,037)
Right-to-use assets - equipment	<u>(31,550)</u>	<u>(36,393)</u>	<u>-</u>	<u>(67,943)</u>
Total accumulated depreciation/amortization	<u>(11,961,341)</u>	<u>(1,065,388)</u>	<u>67,733</u>	<u>(12,958,996)</u>
Other capital assets, net	<u>7,724,251</u>	<u>2,057,536</u>	<u>(9,146)</u>	<u>9,772,641</u>
Governmental activities capital assets, net	<u>\$ 9,987,088</u>	<u>\$ 4,311,146</u>	<u>\$ (2,345,133)</u>	<u>11,953,101</u>
			Less associated debt	<u>(155,891)</u>
			Net investment in capital assets	<u>\$ 11,797,210</u>

Depreciation/amortization was charged to governmental functions as follows:

Culture and recreation	\$ 20,756
General administration	165,180
Health and welfare	32,810
Public facilities	76,319
Public safety	403,943
Public transportation	<u>366,380</u>
Total governmental activities depreciation/ amortization expense	<u>\$ 1,065,388</u>

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Liabilities: The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2023. In general, the County uses the general, road and bridge, and special revenue funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Bonds, notes, loan, and leases payable:					
Notes payable	\$ 156,087	\$ -	\$ (64,500)	\$ 91,587	\$ 67,043
Disaster recovery loan	-	6,146,000	-	6,146,000	1,229,200
Leases payable	99,981	-	(35,677)	64,304	27,035
	<u>256,068</u>	<u>6,146,000</u>	<u>(100,177)</u>	<u>6,301,891</u>	<u>1,323,278</u>
Other:					
Compensated absences	74,316	-	(10,906)	63,410	57,069
	<u>74,316</u>	<u>-</u>	<u>(10,906)</u>	<u>63,410</u>	<u>57,069</u>
Total Governmental Activities	<u>\$ 330,384</u>	<u>\$ 6,146,000</u>	<u>\$ (111,083)</u>	<u>\$ 6,365,301</u>	<u>\$ 1,380,347</u>
Long-term liabilities due in more than one year				<u>\$ 4,984,954</u>	
Debt associated with capital assets				<u>\$ 155,891</u>	

Long-term debt obligations of the County as of September 30, 2023 are as follows:

	<u>Interest Rate Percentage</u>	<u>Original Amount</u>	<u>Balance</u>
<u>Notes Payable</u>			
Governmental Capital Corp	4.16	\$ 200,000	\$ 43,340
Governmental Capital Corp	3.55	114,597	48,247
<u>Loan Payable</u>			
Disaster Recovery Loan	0.00	6,146,000	<u>6,146,000</u>
Total			<u>\$ 6,237,587</u>

Future minimum payments, including interest, to retire long-term debt are as follows:

<u>Year Ended September 30</u>	<u>Governmental Activities</u>	
	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 67,043	\$ 3,513
2025	<u>24,544</u>	<u>870</u>
	<u>\$ 91,587</u>	<u>\$ 4,383</u>

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Year Ended September 30	Governmental Activities	
	Disaster Recovery Loan	
	Principal	Interest
2024	\$ 1,229,200	\$ -
2025	614,600	-
2026	614,600	-
2027	614,600	-
2028	614,600	-
Thereafter	2,458,400	-
	<u>\$ 6,146,000</u>	<u>\$ -</u>

On October 11, 2022, the County received \$6,146,000 from a disaster recovery loan program with the Texas Division of Emergency Management. This disaster recovery loan has a term of ten-years with zero percent interest. The State auditor will perform a limited audit to determine whether the County has the ability to repay the loan under the terms of the loan agreement. The State may forgive a loan made to the County if the State auditor determines that the County is unable to repay the loan.

Leases: The County entered into various lease agreements for equipment. These leases have remaining terms from 12 months to 39 months. As of September 30, 2023 the value of the lease liability was \$64,304. The value of the right-to-use asset, as of the end of the current fiscal year was \$130,403 and had accumulation amortization of \$67,943. The future principal and interest payments related to these leases as of September 30, 2023 are as follows:

Year Ended September 30	Governmental Activities	
	Leases Payable	
	Principal	Interest
2024	\$ 27,035	\$ 1,992
2025	17,529	1,111
2026	13,026	515
2027	6,714	88
	<u>\$ 64,304</u>	<u>\$ 3,706</u>

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Transactions: Transfers between the governmental funds during the year were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amounts</u>
General fund	Grant fund	\$ 98,045
General fund	Road and bridge fund	21,794
General fund	Nonmajor governmental funds	812,006
Nonmajor governmental funds	General fund	849,592
Nonmajor governmental funds	Nonmajor governmental funds	<u>13,691</u>
	Total	<u>\$ 1,795,128</u>

These transfers are for a wide variety of reasons. The transfers to the general fund from the grant fund, road and bridge fund, and nonmajor governmental funds were made to cover grant matching requirements and additional expenditures. The transfers to the nonmajor governmental funds were made to cover budgeted transfers for the payment of expenditures and salary subsidies that were for special project purposes.

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

<u>Due To</u>	<u>Due From</u>	<u>Amounts</u>
General fund	Nonmajor governmental funds	\$ 64
Grant fund	General fund	6,581
Grant fund	Nonmajor governmental funds	<u>3,202</u>
	Total	<u>\$ 9,847</u>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

NOTE 4 - OTHER INFORMATION

Risk Management: The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 254 other entities in the Texas Association of Counties' (TAC) Workers' Compensation Self-Insurance Fund (the "Pool"). TAC created this Pool in 1974 to insure the County for workers' compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the TAC's Insurance Trust Fund. This Pool purchases commercial insurance at group rates for participants in the Pool. The County has no additional risk or responsibility to either of the Pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

Contingent Liabilities: Amounts received or receivable from grant 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 cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

The County reports liabilities when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

Pension Plan:

Texas County and District Retirement System

Plan Description: TCDRS is a statewide, agent multiple-employer, public-employee retirement system. TCDRS serves over 870 participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the governing body of each employer, within the options available in the TCDRS Act. Employers have the flexibility and local control to adjust benefits annually and pay for those benefits based on their needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in TCDRS.

Benefits Provided: TCDRS provides retirement, disability, and death benefits. The benefit provisions are adopted by the Commissioners' Court within the options available in Texas state statutes governing TCDRS. Members can retire at age 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any County-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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

Employees 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	94
Inactive employees entitled to, but not yet receiving, benefits	123
Active employees	125
Total	<u>342</u>

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

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

- The deposit rate for employees is four percent, five percent, six percent, or seven percent of compensation, as adopted by the employer's governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers "prefund" benefit increases, such as a cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions:

- (a) paying an elected contribution rate higher than the required rate and
- (b) making an extra lump-sum contribution to the employer account.

Employees for the County were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the County were 6.11 percent and 5.14 percent in calendar years 2022 and 2023, respectively. The County's contributions to TCDRS for the fiscal year ended September 30, 2023 were \$314,724 which was more than the required contributions.

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

Actuarial Assumptions: The actuarial assumptions that determined the TPL as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020, except where required to be different by GASB Standard No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

Key assumptions used in the December 31, 2022 actuarial valuation are as follows:

Valuation Timing:	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are reported.
Actuarial Cost Method	Entry age (level percent of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	5.8 years (based on contribution rate calculated in 12/31/2022 valuation)
Smoothing Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	2.5%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.5%, net of administrative and investment expenses, including inflation.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

Cost-of-Living Adjustments Cost-of-living adjustments for the 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.

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 target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return (Expected minus Inflation)</u>
US 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	MSCI World Ex USA (net) Index	5.00%	4.95%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment - Grade Bonds	Bloomberg Barclays U.S. 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	4.00%	7.60%
REIT Equities	67% FTSE NAREIT All 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	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	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%

Discount Rate: The discount rate used to measure the TPL was 7.6 percent. 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, TCDRS'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 TPL.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

Changes in the NPL/(A):

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
<u>Changes for the year</u>			
Service cost	\$ 554,989	\$ -	\$ 554,989
Interest	1,595,039	-	1,595,039
Change in current period benefits	-	-	-
Difference between expected and actual experience	55,570		55,570
Changes in assumptions	-	-	-
Contributions - employer	-	334,823	(334,823)
Contributions - employee	-	383,594	(383,594)
Net investment income	-	(1,422,989)	1,422,989
Benefit payments, including refunds of employee contributions	(1,065,935)	(1,065,935)	-
Administrative expense	-	(13,459)	13,459
Other changes	-	(28,220)	28,220
Net changes	1,139,663	(1,812,186)	2,951,849
Balance at December 31, 2021	20,955,573	24,779,710	(3,824,137)
Balance at December 31, 2022	<u>\$ 22,095,236</u>	<u>\$ 22,967,524</u>	<u>\$ (872,288)</u>

Sensitivity of the NPL/(A) to Changes in the Discount Rate: The following presents the NPL/(A) of the County, calculated using the discount rate of 7.6 percent, as well as what the County's NPL/(A) would be if it were calculated using a discount rate that is one percentage point lower (6.6%) or one percentage point higher (8.6%) than the current rate:

	1% Decrease in Discount Rate (6.6%)	Discount Rate (7.6%)	1% Increase in Discount Rate (8.6%)
County's net pension liability/(asset)	<u>\$ 1,843,158</u>	<u>\$ (872,288)</u>	<u>\$ (3,160,404)</u>

Pension Plan Fiduciary Net Position: Detailed information about the TCDRS's fiduciary net position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.com.

Pension Income and Deferred Outflows/Deferred Inflows of Resources Related to Pensions: For the fiscal year ended September 30, 2023, the County recognized pension expense of \$89,666.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 41,677	\$ (53,121)
Changes in actuarial assumptions	255,452	(46,991)
Difference between projected and actual investment earnings	408,100	-
Contributions subsequent to the measurement date	<u>224,821</u>	<u>-</u>
Total	<u>\$ 930,050</u>	<u>\$ (100,112)</u>

\$224,821 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase to the NPA for the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

<u>Year Ended September 30</u>	<u>Pension Expense</u>
2024	\$ (131,133)
2025	(4,954)
2026	82,860
2027	<u>658,344</u>
	<u>\$ 605,117</u>

Tax Abatement Agreements: The County has entered into various Chapter 312, tax abatement agreements for periods not to exceed 10 years. The County has three agreements related to renewable energy for the construction of wind turbines, solar equipment, and lithium-ion batteries. Companies have agreed to construction improvements with monetary values in excess of \$10 million, to substantially complete construction improvements by contractual deadlines, hire a set number of full-time employees, and to comply with additional contractually agreed upon requirements. The County has agreed to property tax abatements ranging from 68.50% to 100.00% of the constructed improvements. The agreements have 10-year abatement periods that begin after the construction improvements are substantially complete. The Companies have agreed to make annual payments in-lieu of taxes (PILOT) with minimum amounts of \$440,000, \$76,800, and \$67,500. During the fiscal year ending September 30, 2023, the County received \$440,000 related to these agreements.

(Continued)

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2023

NOTE 4 - OTHER INFORMATION (Continued)

In 2008, the County started a tax abatement program for new residential construction with a minimum investment of \$150,000. The County had five agreements that started in 2018 and had four agreements that started in 2019. Taxes were abated as follows:

- First Year: 80%
- Second Year: 60%
- Third Year: 40%
- Fourth Year: 20%

NOTE 5 – SUBSEQUENT EVENTS

Subsequent to year-end, the County was awarded a \$3 million settlement as a result of legal action, with \$2 million to be paid to the County and the remaining amount to be paid to other parties. As of December 12, 2024, this settlement payment has not been received by the County.

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Amounts</u>	
Revenues				
Property taxes	\$ 5,829,684	\$ 5,829,684	\$ 5,800,453	\$ (29,231)
Charges for services	1,225,216	1,953,765	571,739	(1,382,026)
Intergovernmental	196,282	242,030	161,629	(80,401)
Licenses and permits	6,100	6,100	2,920	(3,180)
Investment income	15,000	15,000	36,653	21,653
Other revenue	471,380	471,380	771,440	300,060
Total revenues	<u>7,743,662</u>	<u>8,517,959</u>	<u>7,344,834</u>	<u>(1,173,125)</u>
Expenditures				
General administration				
Commissioners' court	36,500	36,500	7,410	29,090
County clerk	229,806	237,130	232,410	4,720
County judge	210,106	189,348	184,022	5,326
Economic development	50,000	50,000	50,000	-
Elections	129,263	138,394	135,938	2,456
IT department	145,000	161,019	161,019	-
Nondepartmental	1,132,009	2,179,061	1,308,937	870,124
Veteran's service	26,080	22,984	22,984	-
	<u>1,958,764</u>	<u>3,014,436</u>	<u>2,102,720</u>	<u>911,716</u>
Legal				
County attorney	156,166	161,748	161,448	300
	<u>156,166</u>	<u>161,748</u>	<u>161,448</u>	<u>300</u>
Judicial				
Assistant district attorney	138,760	142,819	138,677	4,142
County court	13,500	22,638	22,638	-
District clerk	201,646	222,637	220,679	1,958
District court	166,930	183,779	183,488	291
Justices of the peace	285,975	277,864	277,864	-
	<u>806,811</u>	<u>849,737</u>	<u>843,346</u>	<u>6,391</u>
Financial administration				
County auditor	188,818	187,060	184,455	2,605
County treasurer	144,037	131,404	129,359	2,045
Tax assessor-collector	204,101	204,593	204,576	17
	<u>536,956</u>	<u>523,057</u>	<u>518,390</u>	<u>4,667</u>
Public facilities				
Courthouse maintenance	219,263	174,591	174,025	566
Public buildings	73,000	95,090	95,090	-
	<u>292,263</u>	<u>269,681</u>	<u>269,115</u>	<u>566</u>

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
Expenditures (continued)				
Public safety				
911	\$ 48,886	\$ 50,507	\$ 49,199	\$ 1,308
Adult probation	92,500	92,500	92,500	-
Animal control	113,969	112,205	112,205	-
Constables	77,186	72,905	72,905	-
Department of public safety	51,455	51,478	51,478	-
Emergency management	71,237	63,082	60,962	2,120
Fire	123,600	121,731	121,731	-
Jail	1,228,398	1,354,564	1,320,387	34,177
Sheriff	1,781,709	2,172,973	2,164,664	8,309
	<u>3,588,940</u>	<u>4,091,945</u>	<u>4,046,031</u>	<u>45,914</u>
Culture and recreation				
Library	130,591	123,270	123,270	-
Museum	15,750	-	-	-
	<u>146,341</u>	<u>123,270</u>	<u>123,270</u>	<u>-</u>
Health and welfare				
Food service	298,217	289,975	289,975	-
	<u>298,217</u>	<u>289,975</u>	<u>289,975</u>	<u>-</u>
Conservation - agriculture				
Agriculture extension service	86,665	74,393	72,076	2,317
	<u>86,665</u>	<u>74,393</u>	<u>72,076</u>	<u>2,317</u>
Debt service				
Principal retirement	-	-	98,099	(98,099)
Interest and fiscal charges	-	-	9,238	(9,238)
	<u>-</u>	<u>-</u>	<u>107,337</u>	<u>(107,337)</u>
Capital outlay	-	-	34,249	(34,249)
Total expenditures	<u>7,871,123</u>	<u>9,398,242</u>	<u>8,567,957</u>	<u>830,285</u>
(Deficiency) of revenues				
(under) expenditures	<u>(127,461)</u>	<u>(880,283)</u>	<u>(1,223,123)</u>	<u>(342,840)</u>
Other financing sources (uses)				
Transfers in	272,461	1,015,283	931,845	(83,438)
Transfers (out)	(10,000)	(135,000)	(849,592)	(714,592)
Total other financing sources (uses)	<u>262,461</u>	<u>880,283</u>	<u>82,253</u>	<u>(798,030)</u>
Net change in fund balance	<u>\$ 135,000</u>	<u>\$ -</u>	<u>(1,140,870)</u>	<u>\$ (1,140,870)</u>
Beginning fund balance			<u>2,202,003</u>	
Ending fund balance			<u>\$ 1,061,133</u>	

(Continued)

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended September 30, 2023

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

(Continued)

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Amounts</u>	
Revenues				
Property taxes	\$ 319,518	\$ 319,518	\$ 303,867	\$ (15,651)
Intergovernmental	65,000	139,148	147,772	8,624
Licenses and permits	250,000	250,000	245,214	(4,786)
Charges for services	75,000	75,000	83,100	8,100
Fines and forfeitures	935,000	935,000	663,197	(271,803)
Interest	6,659	6,659	21,618	14,959
Other revenue	<u>744,342</u>	<u>744,342</u>	<u>2,603</u>	<u>(741,739)</u>
Total revenues	<u>2,395,519</u>	<u>2,469,667</u>	<u>1,467,371</u>	<u>(1,002,296)</u>
Expenditures				
Roads and bridges				
Road and bridge precinct 1	238,397	238,397	206,302	32,095
Road and bridge precinct 2	689,628	689,628	663,116	26,512
Road and bridge precinct 3	430,113	430,113	393,598	36,515
Road and bridge precinct 4	537,434	611,582	532,296	79,286
License and weight	5,300	5,810	5,809	1
Nondepartmental	<u>403,747</u>	<u>403,237</u>	<u>152,413</u>	<u>250,824</u>
Total roads and bridges	<u>2,304,619</u>	<u>2,378,767</u>	<u>1,953,534</u>	<u>425,233</u>
Capital outlay	<u>90,900</u>	<u>90,900</u>	<u>311,443</u>	<u>(220,543)</u>
Total expenditures	<u>2,395,519</u>	<u>2,469,667</u>	<u>2,264,977</u>	<u>204,690</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(797,606)</u>	<u>(797,606)</u>
Other financing (uses)				
Transfers (out)	<u>-</u>	<u>-</u>	<u>(21,794)</u>	<u>(21,794)</u>
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(21,794)</u>	<u>(21,794)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(819,400)</u>	<u>\$ (819,400)</u>
Beginning fund balance			<u>1,821,636</u>	
Ending fund balance			<u>\$ 1,002,236</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

REFUGIO COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the year ended September 30, 2023

	Measurement Year*								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability									
Service cost	\$ 556,571	\$ 588,092	\$ 639,416	\$ 495,313	\$ 517,996	\$ 494,783	\$ 513,689	\$ 595,640	\$ 554,989
Interest (on the total pension liability)	1,077,810	1,117,545	1,176,621	1,264,177	1,326,947	1,416,039	1,476,495	1,538,860	1,595,039
Changes in benefit terms	-	(82,144)	-	-	-	-	-	-	-
Difference between expected and actual experience	(440,572)	(284,671)	(119,405)	(339,377)	166,937	(254,431)	(38,881)	(130,198)	55,570
Changes in assumptions	-	187,301	-	187,662	(889,370)	-	1,021,814	(140,973)	-
Benefit payments, including refunds of employee contributions	(772,628)	(767,802)	(773,079)	(822,953)	-	(888,139)	(971,330)	(1,100,401)	(1,065,935)
Net change in total pension liability	421,181	758,321	923,553	784,822	1,122,510	768,252	2,001,787	762,928	1,139,663
Beginning total pension liability	13,412,219	13,833,400	14,591,721	15,515,274	16,300,096	17,422,606	18,190,858	20,192,645	20,955,573
Ending total pension liability	<u>\$ 13,833,400</u>	<u>\$ 14,591,721</u>	<u>\$ 15,515,274</u>	<u>\$ 16,300,096</u>	<u>\$ 17,422,606</u>	<u>\$ 18,190,858</u>	<u>\$ 20,192,645</u>	<u>\$ 20,955,573</u>	<u>\$ 22,095,236</u>
Plan fiduciary net position									
Contributions - employer	\$ 353,978	\$ 357,204	\$ 306,849	\$ 244,057	\$ 239,710	\$ 224,857	\$ 297,447	\$ 285,068	\$ 334,823
Contributions - employee	352,468	378,277	343,670	323,559	315,409	321,882	363,373	348,250	383,594
Net investment income	922,450	112,200	1,070,336	2,249,714	(328,266)	2,748,717	1,974,552	4,506,526	(1,422,989)
Benefit payments, including refunds of employee contributions	(772,628)	(767,802)	(773,079)	(822,953)	(889,370)	(888,139)	(971,331)	(1,100,401)	(1,065,935)
Administrative expense	(10,733)	(10,256)	(11,501)	(11,585)	(13,442)	(14,570)	(15,189)	(13,406)	(13,459)
Other	(291,897)	23,391	190,017	(3,531)	(8,208)	(9,025)	(7,297)	(7,515)	(28,220)
Net change in plan fiduciary net position	553,638	93,014	1,126,292	1,979,261	(684,167)	2,383,722	1,641,555	4,018,522	(1,812,186)
Beginning plan fiduciary net position	13,667,873	14,221,511	14,314,525	15,440,817	17,420,078	16,735,911	19,119,633	20,761,188	24,779,710
Ending plan fiduciary net position	<u>\$ 14,221,511</u>	<u>\$ 14,314,525</u>	<u>\$ 15,440,817</u>	<u>\$ 17,420,078</u>	<u>\$ 16,735,911</u>	<u>\$ 19,119,633</u>	<u>\$ 20,761,188</u>	<u>\$ 24,779,710</u>	<u>\$ 22,967,524</u>
Net pension liability/(asset)	<u>\$ (388,111)</u>	<u>\$ 277,196</u>	<u>\$ 74,457</u>	<u>\$ (1,119,982)</u>	<u>\$ 686,695</u>	<u>\$ (928,775)</u>	<u>\$ (568,543)</u>	<u>\$ (3,824,137)</u>	<u>\$ (872,288)</u>
Plan fiduciary net position as a percentage of total pension liability	102.81%	98.10%	99.52%	106.87%	96.06%	105.11%	102.82%	118.25%	103.95%
Covered payroll	\$ 5,035,263	\$ 5,402,995	\$ 4,909,575	\$ 4,622,267	\$ 4,505,849	\$ 4,598,310	\$ 5,191,047	\$ 4,975,002	\$ 5,479,918
Net pension liability/(asset) as a percentage of covered payroll	-7.71%	5.13%	1.52%	-24.23%	15.24%	-20.20%	-10.95%	-76.87%	-15.92%

*Only nine years of information is currently available. The County will build this schedule over the next year.

REFUGIO COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the year ended September 30, 2023

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially determined contribution	\$ 353,978	\$ 357,138	\$ 306,849	\$ 244,057	\$ 239,710	\$ 224,857	\$ 297,447	\$ 261,135	\$ 313,607	\$ 291,575
Contributions in relation to the actuarially determined contribution	<u>353,978</u>	<u>357,204</u>	<u>306,849</u>	<u>244,057</u>	<u>239,710</u>	<u>224,857</u>	<u>297,447</u>	<u>283,646</u>	<u>321,941</u>	<u>314,724</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (66)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,511)</u>	<u>\$ (8,334)</u>	<u>\$ (23,149)</u>
Covered payroll	\$ 5,035,263	\$ 5,402,995	\$ 4,909,575	\$ 4,622,267	\$ 4,505,849	\$ 4,598,310	\$ 5,191,047	\$ 4,950,187	\$ 5,352,676	\$ 5,394,990
Contributions as a percentage of covered payroll	7.03%	6.61%	6.25%	5.28%	5.32%	4.89%	5.73%	5.73%	6.01%	5.83%

Notes to Required Supplementary Information:

1. There were no benefit changes during the year.
2. There were assumption changes related to a new investment return and inflation assumptions.

COMBINING STATEMENTS AND SCHEDULES

REFUGIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue Funds								
	<u>Airport</u>	<u>Asset Sharing</u>	<u>Attorney Administration</u>	<u>County Clerk Defray</u>	<u>Co. Clerk Records Management</u>	<u>Courthouse Security</u>	<u>Court Technology</u>	<u>CRF 2020 COVID 19</u>	<u>Dist. Clerk Defray</u>
ASSETS									
Cash and cash equivalents	\$ 20,794	\$ 4,463	\$ 2,936	\$ 2,020	\$ 286,776	\$ 152,217	\$ 15,419	\$ 21,166	\$ 10,498
Receivables, net	-	-	-	-	2,837	3,669	64	-	366
Due from other funds	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 20,794</u>	<u>\$ 4,463</u>	<u>\$ 2,936</u>	<u>\$ 2,020</u>	<u>\$ 289,613</u>	<u>\$ 155,886</u>	<u>\$ 15,483</u>	<u>\$ 21,166</u>	<u>\$ 10,864</u>
LIABILITIES									
Accounts payable	\$ 181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-	43,038	-
Total liabilities	<u>181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,038</u>	<u>-</u>
FUND BALANCES									
Restricted									
Special projects	20,613	4,463	2,936	2,020	289,613	155,886	15,483	-	10,864
Assigned									
Capital projects	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(21,872)	-
Total fund balances	<u>20,613</u>	<u>4,463</u>	<u>2,936</u>	<u>2,020</u>	<u>289,613</u>	<u>155,886</u>	<u>15,483</u>	<u>(21,872)</u>	<u>10,864</u>
Total liabilities and fund balances	<u>\$ 20,794</u>	<u>\$ 4,463</u>	<u>\$ 2,936</u>	<u>\$ 2,020</u>	<u>\$ 289,613</u>	<u>\$ 155,886</u>	<u>\$ 15,483</u>	<u>\$ 21,166</u>	<u>\$ 10,864</u>

REFUGIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue Funds								
	<u>Dist. Clerk Records Management</u>	<u>Elderly Services</u>	<u>Election Administration</u>	<u>Employment Contingency</u>	<u>Estray</u>	<u>Jail Commissary</u>	<u>Jury</u>	<u>Justice Court Technology</u>	<u>Law Library</u>
ASSETS									
Cash and cash equivalents	\$ 35,980	\$ 357,202	\$ 1,823	\$ 219,451	\$ 5,320	\$ 102,552	\$ 17,733	\$ 35,186	\$ 22,829
Receivables, net	584	20,296	1	-	-	4,589	90	2,450	315
Due from other funds	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 36,564</u>	<u>\$ 377,498</u>	<u>\$ 1,824</u>	<u>\$ 219,451</u>	<u>\$ 5,320</u>	<u>\$ 107,141</u>	<u>\$ 17,823</u>	<u>\$ 37,636</u>	<u>\$ 23,144</u>
LIABILITIES									
Accounts payable	\$ -	\$ 1,029	\$ -	\$ -	\$ -	\$ 4,146	\$ 1	\$ 133	\$ -
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	-	1,029	-	-	-	4,146	1	133	-
FUND BALANCES									
Restricted									
Special projects	36,564	376,469	1,824	219,451	5,320	102,995	17,822	37,503	23,144
Assigned									
Capital projects	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>36,564</u>	<u>376,469</u>	<u>1,824</u>	<u>219,451</u>	<u>5,320</u>	<u>102,995</u>	<u>17,822</u>	<u>37,503</u>	<u>23,144</u>
Total liabilities and fund balances	<u>\$ 36,564</u>	<u>\$ 377,498</u>	<u>\$ 1,824</u>	<u>\$ 219,451</u>	<u>\$ 5,320</u>	<u>\$ 107,141</u>	<u>\$ 17,823</u>	<u>\$ 37,636</u>	<u>\$ 23,144</u>

(Continued)

REFUGIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue Funds								
	Leose Training - Fire	Leose Training Constable #1	Leose Training Constable #2	Library	Narcotics	Pretrial Diversion	Records Management and Preservation	Sheriff Grants	Special Forfeiture
ASSETS									
Cash and cash equivalents	\$ 8,349	\$ 9,193	\$ 5,670	\$ 83,947	\$ 463,507	\$ 182,799	\$ 70,498	\$ 22,615	\$ 28,491
Receivables, net	-	-	-	-	-	3,115	6	145,617	-
Due from other funds	-	-	-	-	3,266	-	-	-	-
Total assets	<u>\$ 8,349</u>	<u>\$ 9,193</u>	<u>\$ 5,670</u>	<u>\$ 83,947</u>	<u>\$ 466,773</u>	<u>\$ 185,914</u>	<u>\$ 70,504</u>	<u>\$ 168,232</u>	<u>\$ 28,491</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ 234	\$ 608	\$ 2,929	\$ -	\$ 24,231	\$ -
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	234	608	2,929	-	24,231	-
FUND BALANCES									
Restricted									
Special projects	8,349	9,193	5,670	83,713	466,165	182,985	70,504	144,001	28,491
Assigned									
Capital projects	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>8,349</u>	<u>9,193</u>	<u>5,670</u>	<u>83,713</u>	<u>466,165</u>	<u>182,985</u>	<u>70,504</u>	<u>144,001</u>	<u>28,491</u>
Total liabilities and fund balances	<u>\$ 8,349</u>	<u>\$ 9,193</u>	<u>\$ 5,670</u>	<u>\$ 83,947</u>	<u>\$ 466,773</u>	<u>\$ 185,914</u>	<u>\$ 70,504</u>	<u>\$ 168,232</u>	<u>\$ 28,491</u>

(Continued)

REFUGIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
	TCLEOSE Training	TX Comp. of Public Accts	Vehicle Replacement	Hurricane Harvey	Capital Improvement	Courthouse Restoration	
ASSETS							
Cash and cash equivalents	\$ 6,589	\$ 8,677	\$ 94,439	\$ 10,221	\$ 1,155	\$ 173,236	\$ 2,483,751
Receivables, net	-	-	260	-	-	-	184,259
Due from other funds	-	-	-	-	-	-	3,266
Total assets	<u>\$ 6,589</u>	<u>\$ 8,677</u>	<u>\$ 94,699</u>	<u>\$ 10,221</u>	<u>\$ 1,155</u>	<u>\$ 173,236</u>	<u>\$ 2,671,276</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 22,709	\$ -	\$ -	\$ 56,201
Unearned revenue	-	-	-	-	-	-	43,038
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,709</u>	<u>-</u>	<u>-</u>	<u>99,239</u>
FUND BALANCES							
Restricted							
Special projects	6,589	8,677	94,699	-	-	-	2,432,006
Assigned							
Capital projects	-	-	-	-	1,155	173,236	174,391
Unassigned	-	-	-	(12,488)	-	-	(34,360)
Total fund balances	<u>6,589</u>	<u>8,677</u>	<u>94,699</u>	<u>(12,488)</u>	<u>1,155</u>	<u>173,236</u>	<u>2,572,037</u>
Total liabilities and fund balances	<u>\$ 6,589</u>	<u>\$ 8,677</u>	<u>\$ 94,699</u>	<u>\$ 10,221</u>	<u>\$ 1,155</u>	<u>\$ 173,236</u>	<u>\$ 2,671,276</u>

(Continued)

REFUGIO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2023

	Special Revenue Funds								
	<u>Airport</u>	<u>Asset Sharing</u>	<u>Attorney Administration</u>	<u>County Clerk Defray</u>	<u>County Clerk Records Management</u>	<u>Courthouse Security</u>	<u>Court Technology</u>	<u>CRF 2020 COVID 19</u>	<u>District Clerk Defray</u>
Revenues									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charge for services	14,254	-	-	1,040	29,653	21,222	421	-	5,826
Investment income	853	53	32	-	3,667	1,734	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-
Total revenues	<u>15,107</u>	<u>53</u>	<u>32</u>	<u>1,040</u>	<u>33,320</u>	<u>22,956</u>	<u>421</u>	<u>-</u>	<u>5,826</u>
Expenditures									
Current									
General administration	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	3,820	-	-	-
Culture and recreation	106,759	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	19,604	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>106,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,820</u>	<u>-</u>	<u>19,604</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(91,652)</u>	<u>53</u>	<u>32</u>	<u>1,040</u>	<u>33,320</u>	<u>19,136</u>	<u>421</u>	<u>(19,604)</u>	<u>5,826</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	(22,564)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,564)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(91,652)	53	32	1,040	10,756	19,136	421	(19,604)	5,826
Beginning fund balances	<u>112,265</u>	<u>4,410</u>	<u>2,904</u>	<u>980</u>	<u>278,857</u>	<u>136,750</u>	<u>15,062</u>	<u>(2,268)</u>	<u>5,038</u>
Ending fund balances	<u>\$ 20,613</u>	<u>\$ 4,463</u>	<u>\$ 2,936</u>	<u>\$ 2,020</u>	<u>\$ 289,613</u>	<u>\$ 155,886</u>	<u>\$ 15,483</u>	<u>\$ (21,872)</u>	<u>\$ 10,864</u>

REFUGIO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2023

Special Revenue Funds

	District Clerk Records Management	Elderly Services	Election Administration	Employment Contingency	Estray	Jail Commissary	Jury	Justice Court Technology Fund	Law Library
Revenues									
Intergovernmental	\$ -	\$ 183,073	\$ -	\$ -	\$ -	\$ -	\$ 2,686	\$ -	\$ -
Charge for services	5,486	10,753	4,147	-	-	-	1,349	13,282	4,743
Investment income	158	3,056	66	2,699	-	980	6	256	-
Other revenues	-	5,768	-	1,841	816	53,641	380	-	-
Total revenues	<u>5,644</u>	<u>202,650</u>	<u>4,213</u>	<u>4,540</u>	<u>816</u>	<u>54,621</u>	<u>4,421</u>	<u>13,538</u>	<u>4,743</u>
Expenditures									
Current									
General administration	-	-	-	625	-	-	-	-	-
Judicial	-	-	-	-	-	-	7,095	18,567	-
Public safety	-	-	-	-	-	61,727	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Health and welfare	-	202,744	-	-	-	-	-	-	-
Debt service									
Principal	-	2,078	-	-	-	-	-	-	-
Interest and fiscal charges	-	44	-	-	-	-	-	-	-
Capital outlay	-	18,000	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>222,866</u>	<u>-</u>	<u>625</u>	<u>-</u>	<u>61,727</u>	<u>7,095</u>	<u>18,567</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,644</u>	<u>(20,216)</u>	<u>4,213</u>	<u>3,915</u>	<u>816</u>	<u>(7,106)</u>	<u>(2,674)</u>	<u>(5,029)</u>	<u>4,743</u>
Other financing sources (uses)									
Transfers in	-	135,000	-	10,000	-	-	-	-	-
Transfers (out)	-	(37,853)	(13,112)	(168)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>97,147</u>	<u>(13,112)</u>	<u>9,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,644	76,931	(8,899)	13,747	816	(7,106)	(2,674)	(5,029)	4,743
Beginning fund balances	<u>30,920</u>	<u>299,538</u>	<u>10,723</u>	<u>205,704</u>	<u>4,504</u>	<u>110,101</u>	<u>20,496</u>	<u>42,532</u>	<u>18,401</u>
Ending fund balances	<u>\$ 36,564</u>	<u>\$ 376,469</u>	<u>\$ 1,824</u>	<u>\$ 219,451</u>	<u>\$ 5,320</u>	<u>\$ 102,995</u>	<u>\$ 17,822</u>	<u>\$ 37,503</u>	<u>\$ 23,144</u>

(Continued)

REFUGIO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2023

	Special Revenue Funds								
	Leose Training - Fire	Leose Training Constable #1	Leose Training Constable #2	Library	Narcotics	Pretrial Diversion	Records Management and Preservation	Sheriff Grants	Special Forfeiture
Revenues									
Intergovernmental	\$ -	\$ 565	\$ 565	\$ 10,000	\$ -	\$ -	\$ -	\$ 1,081,844	\$ -
Charge for services	-	-	-	-	-	77,908	264	-	-
Investment income	62	-	-	522	2,239	1,423	1,047	-	309
Other revenues	-	-	-	77,400	308,259	-	-	-	-
Total revenues	<u>62</u>	<u>565</u>	<u>565</u>	<u>87,922</u>	<u>310,498</u>	<u>79,331</u>	<u>1,311</u>	<u>1,081,844</u>	<u>309</u>
Expenditures									
Current									
General administration	-	-	-	-	-	-	3,061	-	-
Judicial	-	-	-	-	-	41,777	-	-	-
Public safety	-	-	-	-	78,420	-	-	303,220	-
Culture and recreation	-	-	-	6,485	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	234	-	-	-	94,302	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,719</u>	<u>78,420</u>	<u>41,777</u>	<u>3,061</u>	<u>397,522</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>62</u>	<u>565</u>	<u>565</u>	<u>81,203</u>	<u>232,078</u>	<u>37,554</u>	<u>(1,750)</u>	<u>684,322</u>	<u>309</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	3,266	-	-	-	-
Transfers (out)	-	-	-	(40,000)	(4,859)	(21,697)	-	(685,444)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>(1,593)</u>	<u>(21,697)</u>	<u>-</u>	<u>(685,444)</u>	<u>-</u>
Net change in fund balances	62	565	565	41,203	230,485	15,857	(1,750)	(1,122)	309
Beginning fund balances	<u>8,287</u>	<u>8,628</u>	<u>5,105</u>	<u>42,510</u>	<u>235,680</u>	<u>167,128</u>	<u>72,254</u>	<u>145,123</u>	<u>28,182</u>
Ending fund balances	<u>\$ 8,349</u>	<u>\$ 9,193</u>	<u>\$ 5,670</u>	<u>\$ 83,713</u>	<u>\$ 466,165</u>	<u>\$ 182,985</u>	<u>\$ 70,504</u>	<u>\$ 144,001</u>	<u>\$ 28,491</u>

(Continued)

REFUGIO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2023

	Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
	TCLEOSE Training	TX Comp. of Public Accts.	Vehicle Replacement	Hurricane Harvey	Capital Improvement	Courthouse Restoration	
Revenues							
Intergovernmental	\$ 2,420	\$ -	\$ -	\$ 202,212	\$ -	\$ -	\$ 1,483,365
Charge for services	-	-	-	-	-	-	190,348
Investment income	-	-	687	-	-	2,131	21,980
Other revenues	-	7,524	74,251	-	-	-	529,880
Total revenues	<u>2,420</u>	<u>7,524</u>	<u>74,938</u>	<u>202,212</u>	<u>-</u>	<u>2,131</u>	<u>2,225,573</u>
Expenditures							
Current							
General administration	-	-	-	-	-	-	3,686
Judicial	-	-	-	404	-	-	67,843
Public safety	-	-	-	690,247	-	-	1,137,434
Culture and recreation	-	-	-	-	-	-	113,244
Health and welfare	-	-	-	-	-	-	222,348
Debt service							
Principal	-	-	-	-	-	-	2,078
Interest and fiscal charges	-	-	-	-	-	-	44
Capital outlay	-	-	116,461	223,788	-	-	452,785
Total expenditures	<u>-</u>	<u>-</u>	<u>116,461</u>	<u>914,439</u>	<u>-</u>	<u>-</u>	<u>1,999,462</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,420</u>	<u>7,524</u>	<u>(41,523)</u>	<u>(712,227)</u>	<u>-</u>	<u>2,131</u>	<u>226,111</u>
Other financing sources (uses)							
Transfers in	-	-	10,425	689,592	-	15,000	863,283
Transfers (out)	-	-	-	-	-	-	(825,697)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,425</u>	<u>689,592</u>	<u>-</u>	<u>15,000</u>	<u>37,586</u>
Net change in fund balances	2,420	7,524	(31,098)	(22,635)	-	17,131	263,697
Beginning fund balances	<u>4,169</u>	<u>1,153</u>	<u>125,797</u>	<u>10,147</u>	<u>1,155</u>	<u>156,105</u>	<u>2,308,340</u>
Ending fund balances	<u>\$ 6,589</u>	<u>\$ 8,677</u>	<u>\$ 94,699</u>	<u>\$ (12,488)</u>	<u>\$ 1,155</u>	<u>\$ 173,236</u>	<u>\$ 2,572,037</u>

(Continued)

REFUGIO COUNTY, TEXAS
COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND - SUB-FUNDS
September 30, 2023

	Road and Bridge	Road and Bridge Shared Equip	Road and Bridge Special	Lateral Road	Total Road and Bridge Funds
ASSETS					
Cash and cash equivalents	\$ 397,224	\$ 18	\$ 472,606	\$ 146,336	\$ 1,016,184
Receivables, net	<u>164,650</u>	<u>-</u>	<u>1,321</u>	<u>-</u>	<u>165,971</u>
Total assets	<u><u>\$ 561,874</u></u>	<u><u>\$ 18</u></u>	<u><u>\$ 473,927</u></u>	<u><u>\$ 146,336</u></u>	<u><u>\$ 1,182,155</u></u>
LIABILITIES					
Accounts payable	\$ 123,871	\$ -	\$ -	\$ -	\$ 123,871
Total liabilities	<u>123,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,871</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	<u>56,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,048</u>
FUND BALANCES					
Restricted	<u>381,955</u>	<u>18</u>	<u>473,927</u>	<u>146,336</u>	<u>1,002,236</u>
Total fund balances	<u><u>381,955</u></u>	<u><u>18</u></u>	<u><u>473,927</u></u>	<u><u>146,336</u></u>	<u><u>1,002,236</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 561,874</u></u>	<u><u>\$ 18</u></u>	<u><u>\$ 473,927</u></u>	<u><u>\$ 146,336</u></u>	<u><u>\$ 1,182,155</u></u>

REFUGIO COUNTY, TEXAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ROAD AND BRIDGE FUND - SUB-FUNDS
For the year ended September 30, 2023

	Road and Bridge	Road and Bridge Shared Equip	Road and Bridge Special	Lateral Road	Total Road and Bridge Funds
Revenues					
Property taxes	\$ 303,867	\$ -	\$ -	\$ -	\$ 303,867
Intergovernmental	80,292	-	67,480	-	147,772
Licenses and permits	245,214	-	-	-	245,214
Charges for services	71,780	-	-	11,320	83,100
Fines and forfeitures	663,197	-	-	-	663,197
Interest	12,960	-	6,648	2,010	21,618
Other	2,603	-	-	-	2,603
Total revenues	<u>1,379,913</u>	<u>-</u>	<u>74,128</u>	<u>13,330</u>	<u>1,467,371</u>
Expenditures					
Current					
Public Transportation					
Road and bridge Precinct 1	206,302	-	-	-	206,302
Road and bridge Precinct 2	663,116	-	-	-	663,116
Road and bridge Precinct 3	393,598	-	-	-	393,598
Road and bridge Precinct 4	532,296	-	-	-	532,296
License and weight	5,809	-	-	-	5,809
Nondepartmental	152,413	-	-	-	152,413
Capital Outlay	<u>208,458</u>	<u>-</u>	<u>102,985</u>	<u>-</u>	<u>311,443</u>
Total expenditures	<u>2,161,992</u>	<u>-</u>	<u>102,985</u>	<u>-</u>	<u>2,264,977</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(782,079)</u>	<u>-</u>	<u>(28,857)</u>	<u>13,330</u>	<u>(797,606)</u>
Other financing (uses)					
Transfers (out)	<u>(21,794)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,794)</u>
Total other financing (uses)	<u>(21,794)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,794)</u>
Net change in fund balances	(803,873)	-	(28,857)	13,330	(819,400)
Beginning fund balances	<u>1,185,828</u>	<u>18</u>	<u>502,784</u>	<u>133,006</u>	<u>1,821,636</u>
Ending fund balances	<u>\$ 381,955</u>	<u>\$ 18</u>	<u>\$ 473,927</u>	<u>\$ 146,336</u>	<u>\$ 1,002,236</u>

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND - Sub-Fund
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Property taxes	\$ 319,518	\$ 319,518	\$ 303,867	\$ (15,651)
Intergovernmental	-	74,148	80,292	6,144
Licenses and permits	250,000	250,000	245,214	(4,786)
Charges for services	75,000	75,000	71,780	(3,220)
Fines and forfeitures	935,000	935,000	663,197	(271,803)
Interest	5,659	5,659	12,960	7,301
Other	719,442	719,442	2,603	(716,839)
Total revenues	<u>2,304,619</u>	<u>2,378,767</u>	<u>1,379,913</u>	<u>(998,854)</u>
Expenditures				
Current				
Public Transportation				
Road and bridge Precinct 1	238,397	238,397	206,302	32,095
Road and bridge Precinct 2	689,628	689,628	663,116	26,512
Road and bridge Precinct 3	430,113	430,113	393,598	36,515
Road and bridge Precinct 4	537,434	611,582	532,296	79,286
License and weight	5,300	5,810	5,809	1
Nondepartmental	403,747	403,237	152,413	250,824
Capital Outlay	-	-	208,458	(208,458)
Total expenditures	<u>2,304,619</u>	<u>2,378,767</u>	<u>2,161,992</u>	<u>216,775</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(782,079)</u>	<u>(782,079)</u>
Other financing (uses)				
Transfers (out)	-	-	(21,794)	(21,794)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(21,794)</u>	<u>(21,794)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(803,873)</u>	<u>\$ (803,873)</u>
Beginning fund balance			<u>1,185,828</u>	
Ending fund balance			<u>\$ 381,955</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND – Sub-Fund – Special
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 65,000	\$ 65,000	\$ 67,480	\$ 2,480
Interest	1,000	1,000	6,648	5,648
Other	<u>24,900</u>	<u>24,900</u>	<u>-</u>	<u>(24,900)</u>
Total revenues	<u>90,900</u>	<u>90,900</u>	<u>74,128</u>	<u>(16,772)</u>
Expenditures				
Capital outlay	<u>90,900</u>	<u>90,900</u>	<u>102,985</u>	<u>(12,085)</u>
Total expenditures	<u>90,900</u>	<u>90,900</u>	<u>102,985</u>	<u>(12,085) *</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(28,857)</u>	<u>\$ (28,857)</u>
Beginning fund balance			<u>502,784</u>	
Ending fund balance			<u>\$ 473,927</u>	

Notes to Supplementary Information:

1. *Expenditures exceeded appropriations at the legal level of control.

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND – Sub-Fund - Lateral Road
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Positive
				<u>(Negative)</u>
Revenues				
Charges for services	\$ 11,300	\$ 11,300	\$ 11,320	\$ 20
Interest	500	500	2,010	1,510
Other	400	400	-	(400)
Total revenues	<u>12,200</u>	<u>12,200</u>	<u>13,330</u>	<u>1,130</u>
Expenditures				
Current				
Road and bridge	<u>12,200</u>	<u>12,200</u>	-	12,200
Total expenditures	<u>12,200</u>	<u>12,200</u>	-	12,200
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	13,330	<u>\$ 13,330</u>
Beginning fund balance			<u>133,006</u>	
Ending fund balance			<u>\$ 146,336</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AIRPORT
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Charges for services	\$ 155,700	\$ 155,700	\$ 14,254	\$ (141,446)
Investment income	<u>300</u>	<u>300</u>	<u>853</u>	<u>553</u>
Total revenues	<u>156,000</u>	<u>156,000</u>	<u>15,107</u>	<u>(140,893)</u>
Expenditures				
Current				
Culture and recreation	<u>166,000</u>	<u>166,000</u>	<u>106,759</u>	<u>59,241</u>
Total expenditures	<u>166,000</u>	<u>166,000</u>	<u>106,759</u>	<u>59,241</u>
(Deficiency) of revenues (under) expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(91,652)</u>	<u>(81,652)</u>
Other financing sources				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(91,652)</u>	<u>\$ (91,652)</u>
Beginning fund balance			<u>112,265</u>	
Ending fund balance			<u>\$ 20,613</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Charges for services	\$ 36,594	\$ 36,594	\$ 29,653	\$ (6,941)
Investment income	650	650	3,667	3,017
Total revenues	<u>37,244</u>	<u>37,244</u>	<u>33,320</u>	<u>(3,924)</u>
Expenditures				
Current				
Judicial	<u>14,680</u>	<u>14,680</u>	-	<u>14,680</u>
Total expenditures	<u>14,680</u>	<u>14,680</u>	-	<u>14,680</u>
Excess of revenues over expenditures	<u>22,564</u>	<u>22,564</u>	<u>33,320</u>	<u>10,756</u>
Other financing (uses)				
Transfers (out)	<u>(22,564)</u>	<u>(22,564)</u>	<u>(22,564)</u>	-
Total other financing (uses)	<u>(22,564)</u>	<u>(22,564)</u>	<u>(22,564)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,756	<u>\$ 10,756</u>
Beginning fund balance			<u>278,857</u>	
Ending fund balance			<u>\$ 289,613</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURTHOUSE SECURITY
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Charge for services	\$ 17,700	\$ 17,700	\$ 21,222	\$ 3,522
Investment income	275	275	1,734	1,459
Total revenues	<u>17,975</u>	<u>17,975</u>	<u>22,956</u>	<u>4,981</u>
Expenditures				
Current				
Public safety	<u>17,975</u>	<u>17,975</u>	<u>3,820</u>	<u>14,155</u>
Total expenditures	<u>17,975</u>	<u>17,975</u>	<u>3,820</u>	<u>14,155</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	19,136	<u>\$ 19,136</u>
Beginning fund balance			<u>136,750</u>	
Ending fund balance			<u>\$ 155,886</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Positive
				<u>(Negative)</u>
Revenues				
Charge for services	\$ 2,000	\$ 2,000	\$ 5,486	\$ 3,486
Investment income	50	50	158	108
Other revenue	<u>5,950</u>	<u>5,950</u>	<u>-</u>	<u>(5,950)</u>
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>5,644</u>	<u>(2,356)</u>
Expenditures				
Current				
Judicial	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	5,644	<u>\$ 5,644</u>
Beginning fund balance			<u>30,920</u>	
Ending fund balance			<u>\$ 36,564</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ELDERLY SERVICES
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Intergovernmental	\$ 154,773	\$ 154,773	\$ 183,073	\$ 28,300
Charges for services	12,000	12,000	10,753	(1,247)
Investment income	1,010	1,010	3,056	2,046
Other revenue	43,363	43,363	5,768	(37,595)
Total revenues	<u>211,146</u>	<u>211,146</u>	<u>202,650</u>	<u>(8,496)</u>
Expenditures				
Current				
Health and welfare	346,584	346,584	202,744	143,840
Debt Service				
Principal	-	-	2,078	(2,078)
Interest and fiscal charges	-	-	44	(44)
Capital Outlay	-	-	18,000	(18,000)
Total expenditures	<u>346,584</u>	<u>346,584</u>	<u>222,866</u>	<u>123,718</u>
(Deficiency) of revenues (under) expenditures	<u>(135,438)</u>	<u>(135,438)</u>	<u>(20,216)</u>	<u>115,222</u>
Other financing sources (uses)				
Transfers in	135,438	135,438	135,000	(438)
Transfers (out)	-	-	(37,853)	(37,853)
Total other financing sources (uses)	<u>135,438</u>	<u>135,438</u>	<u>97,147</u>	<u>(38,291)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	76,931	<u>\$ 76,931</u>
Beginning fund balance			<u>299,538</u>	
Ending fund balance			<u>\$ 376,469</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ELECTION ADMINISTRATION
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues				
Charge for services	\$ 1,000	\$ 1,000	\$ 4,147	\$ 3,147
Investment income	20	20	66	46
Total revenues	<u>1,020</u>	<u>1,020</u>	<u>4,213</u>	<u>3,193</u>
Expenditures				
Current				
General administration	<u>1,020</u>	<u>1,020</u>	<u>-</u>	<u>1,020</u>
Total expenditures	<u>1,020</u>	<u>1,020</u>	<u>-</u>	<u>1,020</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>4,213</u>	<u>4,213</u>
Other financing (uses)				
Transfers (out)	<u>-</u>	<u>-</u>	<u>(13,112)</u>	<u>(13,112)</u>
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(13,112)</u>	<u>(13,112)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(8,899)</u>	<u>\$ (8,899)</u>
Beginning fund balance			<u>10,723</u>	
Ending fund balance			<u>\$ 1,824</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JAIL COMMISSARY
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues				
Investment income	\$ 500	\$ 500	\$ 980	\$ 480
Other revenue	<u>19,500</u>	<u>19,500</u>	<u>53,641</u>	<u>34,141</u>
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>54,621</u>	<u>34,621</u>
Expenditures				
Current				
Public safety	<u>20,000</u>	<u>20,000</u>	<u>61,727</u>	<u>(41,727)</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>61,727</u>	<u>(41,727) *</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(7,106)	<u>\$ (7,106)</u>
Beginning fund balance			<u>110,101</u>	
Ending fund balance			<u>\$ 102,995</u>	

Notes to Supplementary Information:

1. *Expenditures exceeded appropriations at the legal level of control.

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JURY
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Intergovernmental	\$ 550	\$ 550	\$ 2,686	\$ 2,136
Charge for services	1,400	1,400	1,349	(51)
Investment income	-	-	6	6
Other revenue	1,000	1,000	380	(620)
Total revenues	<u>2,950</u>	<u>2,950</u>	<u>4,421</u>	<u>1,471</u>
Expenditures				
Current				
Judicial	<u>7,950</u>	<u>7,950</u>	<u>7,095</u>	<u>855</u>
Total expenditures	<u>7,950</u>	<u>7,950</u>	<u>7,095</u>	<u>855</u>
(Deficiency) of revenues (under) expenditures	<u>(5,000)</u>	<u>(5,000)</u>	<u>(2,674)</u>	<u>2,326</u>
Other financing sources				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total other financing sources	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,674)</u>	<u>\$ (2,674)</u>
Beginning fund balance			<u>20,496</u>	
Ending fund balance			<u>\$ 17,822</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY FUND
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Positive
				<u>(Negative)</u>
Revenues				
Charge for services	\$ 21,480	\$ 21,480	\$ 13,282	\$ (8,198)
Investment income	120	120	256	136
Total revenues	<u>21,600</u>	<u>21,600</u>	<u>13,538</u>	<u>(8,062)</u>
Expenditures				
Current				
Judicial	<u>21,600</u>	<u>21,600</u>	<u>18,567</u>	<u>3,033</u>
Total expenditures	<u>21,600</u>	<u>21,600</u>	<u>18,567</u>	<u>3,033</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(5,029)	<u>\$ (5,029)</u>
Beginning fund balance			<u>42,532</u>	
Ending fund balance			<u>\$ 37,503</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Intergovernmental	\$ -	\$ -	\$ 10,000	\$ 10,000
Investment income	150	150	522	372
Other revenue	<u>40,000</u>	<u>40,000</u>	<u>77,400</u>	<u>37,400</u>
Total revenues	<u>40,150</u>	<u>40,150</u>	<u>87,922</u>	<u>47,772</u>
Expenditures				
Current				
Culture and recreation	150	150	6,485	(6,335)
Capital outlay	<u>-</u>	<u>-</u>	<u>234</u>	<u>(234)</u>
Total expenditures	<u>150</u>	<u>150</u>	<u>6,719</u>	<u>(6,569) *</u>
Excess of revenues over expenditures	<u>40,000</u>	<u>40,000</u>	<u>81,203</u>	<u>41,203</u>
Other financing (uses)				
Transfers (out)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total other financing (uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>41,203</u>	<u>\$ 41,203</u>
Beginning fund balance			<u>42,510</u>	
Ending fund balance			<u>\$ 83,713</u>	

Notes to Supplementary Information:

1. *Expenditures exceeded appropriations at the legal level of control.

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NARCOTICS
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Investment income	\$ 300	\$ 300	\$ 2,239	\$ 1,939
Other revenue	<u>26,200</u>	<u>26,200</u>	<u>308,259</u>	<u>282,059</u>
Total revenues	<u>26,500</u>	<u>26,500</u>	<u>310,498</u>	<u>283,998</u>
Expenditures				
Current				
Public Safety	<u>26,500</u>	<u>26,500</u>	<u>78,420</u>	<u>(51,920)</u>
Total expenditures	<u>26,500</u>	<u>26,500</u>	<u>78,420</u>	<u>(51,920) *</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>232,078</u>	<u>232,078</u>
Other financing sources (uses)				
Transfers in	-	-	3,266	3,266
Transfers (out)	<u>-</u>	<u>-</u>	<u>(4,859)</u>	<u>(4,859)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,593)</u>	<u>(1,593)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>230,485</u>	<u>\$ 230,485</u>
Beginning fund balance			<u>235,680</u>	
Ending fund balance			<u>\$ 466,165</u>	

Notes to Supplementary Information:

1. *Expenditures exceeded appropriations at the legal level of control.

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PRETRIAL DIVERSION
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Charge for services	\$ 65,000	\$ 65,000	\$ 77,908	\$ 12,908
Investment income	450	450	1,423	973
Other revenue	<u>9,370</u>	<u>4,294</u>	<u>-</u>	<u>(4,294)</u>
Total revenues	<u>74,820</u>	<u>69,744</u>	<u>79,331</u>	<u>9,587</u>
Expenditures				
Current				
Judicial	<u>74,820</u>	<u>69,744</u>	<u>41,777</u>	<u>27,967</u>
Total expenditures	<u>74,820</u>	<u>69,744</u>	<u>41,777</u>	<u>27,967</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>37,554</u>	<u>37,554</u>
Other financing (uses)				
Transfers (out)	<u>-</u>	<u>-</u>	<u>(21,697)</u>	<u>(21,697)</u>
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(21,697)</u>	<u>(21,697)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	15,857	<u>\$ 15,857</u>
Beginning fund balance			<u>167,128</u>	
Ending fund balance			<u>\$ 182,985</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECORDS MANAGEMENT AND PRESERVATION
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Positive
				<u>(Negative)</u>
Revenues				
Charge for services	\$ 3,200	\$ 3,200	\$ 264	\$ (2,936)
Investment income	<u>300</u>	<u>300</u>	<u>1,047</u>	<u>747</u>
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>1,311</u>	<u>(2,189)</u>
Expenditures				
Current				
General administration	<u>3,500</u>	<u>3,500</u>	<u>3,061</u>	<u>439</u>
Total expenditures	<u>3,500</u>	<u>3,500</u>	<u>3,061</u>	<u>439</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,750)	<u>\$ (1,750)</u>
Beginning fund balance			<u>72,254</u>	
Ending fund balance			<u>\$ 70,504</u>	

REFUGIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VEHICLE REPLACEMENT
For the year ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues				
Investment income	\$ -	\$ -	\$ 687	\$ 687
Other revenue	<u>40,000</u>	<u>40,000</u>	<u>74,251</u>	<u>34,251</u>
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>74,938</u>	<u>34,938</u>
Expenditures				
Capital Outlay	<u>40,000</u>	<u>40,000</u>	<u>116,461</u>	<u>(76,461)</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>116,461</u>	<u>(76,461) *</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(41,523)</u>	<u>(41,523)</u>
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>10,425</u>	<u>10,425</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>10,425</u>	<u>10,425</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(31,098)</u>	<u>\$ (31,098)</u>
Beginning fund balance			<u>125,797</u>	
Ending fund balance			<u>\$ 94,699</u>	

Notes to Supplementary Information:

1. *Expenditures exceeded appropriations at the legal level of control.

REFUGIO COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2023

	Juvenile <u>Fee</u>	State <u>Fee</u>	Cash <u>Bond</u>	County <u>Officer</u>	Juvenile <u>Services</u>	Total Custodial <u>Funds</u>
ASSETS						
Cash and cash equivalents	\$ 18,131	\$ 90,384	\$ 65,411	\$ 658,576	\$ 175,146	\$ 1,007,648
Accounts receivable	-	-	-	-	25,851	25,851
Due from others	-	256,458	-	-	-	256,458
	<u>-</u>	<u>256,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,458</u>
Total assets	<u>\$ 18,131</u>	<u>\$ 346,842</u>	<u>\$ 65,411</u>	<u>\$ 658,576</u>	<u>\$ 200,997</u>	<u>\$ 1,289,957</u>
LIABILITIES						
Accounts payable	\$ -	\$ 326,056	\$ -	\$ -	\$ 12,829	\$ 338,885
Due to others	-	21,499	-	-	-	21,499
	<u>-</u>	<u>21,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,499</u>
Total liabilities	<u>-</u>	<u>347,555</u>	<u>-</u>	<u>-</u>	<u>12,829</u>	<u>360,384</u>
NET POSITION						
Restricted for						
Individuals, organizations,						
or other governments	18,131	(713)	65,411	658,576	188,168	929,573
	<u>18,131</u>	<u>(713)</u>	<u>65,411</u>	<u>658,576</u>	<u>188,168</u>	<u>929,573</u>
Total net position	<u>\$ 18,131</u>	<u>\$ (713)</u>	<u>\$ 65,411</u>	<u>\$ 658,576</u>	<u>\$ 188,168</u>	<u>\$ 929,573</u>

REFUGIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the year ended September 30, 2023

	Juvenile <u>Fee</u>	State <u>Fee</u>	Cash <u>Bond</u>	County <u>Officer</u>	Juvenile <u>Services</u>	Total Custodial <u>Funds</u>
Additions						
Taxes collected	\$ -	\$ -	\$ -	\$ 25,537,574	\$ -	\$ 25,537,574
State fees	-	509,715	-	-	-	509,715
Court fees	157	-	-	-	-	157
Intergovernmental	-	-	-	-	72,429	72,429
Other revenue	-	-	-	1,897,057	-	1,897,057
Interest	-	-	944	620	1,153	2,717
Total additions	<u>157</u>	<u>509,715</u>	<u>944</u>	<u>27,435,251</u>	<u>73,582</u>	<u>28,019,649</u>
Deductions						
Distribution to State	-	510,428	-	2,022,026	-	2,532,454
Criminal departments	-	-	-	-	51,231	51,231
Distribution to others	-	-	-	25,535,345	-	25,535,345
Total deductions	<u>-</u>	<u>510,428</u>	<u>-</u>	<u>27,557,371</u>	<u>51,231</u>	<u>28,119,030</u>
Changes in net position	157	(713)	944	(122,120)	22,351	(99,381)
Beginning net position	<u>17,974</u>	<u>-</u>	<u>64,467</u>	<u>780,696</u>	<u>165,817</u>	<u>1,028,954</u>
Ending net position	<u>\$ 18,131</u>	<u>\$ (713)</u>	<u>\$ 65,411</u>	<u>\$ 658,576</u>	<u>\$ 188,168</u>	<u>\$ 929,573</u>

REFUGIO COUNTY, TEXAS

SINGLE AUDIT REPORTS

September 30, 2023

REFUGIO COUNTY, TEXAS

SINGLE AUDIT REPORTS
September 30, 2023

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Refugio County, 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 and have issued our report thereon dated December 12, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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 did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

County's Response to Finding

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

Purpose of this Report

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

Crowe LLP

Houston, Texas
December 12, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Refugio County, Texas' (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the County's major federal program for the year ended September 30, 2023. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2023.

Basis for Opinion on Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

REFUGIO COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2023

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of 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. We have issued our report thereon dated December 12, 2024 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Crowe LLP

Houston, Texas
December 12, 2024

REFUGIO COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal AL Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through Coastal Bend Council of Governments			
Special programs for Aging - Title III, Part B	AAA-1048-11B	93.044	\$ 40,941
Special programs for Aging - Title III, Part C	AAA-1048-11	93.045	12,676
Texas Department & Human Service Commission (TXXS)	170500	93.053	32,624
Texas Department & Human Service Commission (CBA)	170500	93.053	1,303
Total U.S. Department of Health and Human Services			<u>87,544</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-Through Texas General Land Office			
Community Development Block Grant - DR	20-065-110-C306	14.228	4,601,863
Community Development Block Grant - MIT	22-085-038-D286	14.228	188,788
			<u>4,790,651</u>
Pass-Through Texas Department of Agriculture			
Texas Community Development Block Grant (TxCDBG)	7219351	14.228	3,300
Texas Community Development Block Grant (TxCDBG)	CVD21-0192	14.228	74,000
			<u>77,300</u>
Pass-Through Texas Department of Housing and Community Affairs			
HOME Investment Partnership Program	2018-0017	14.239	13,248
Total U.S. Department of Housing and Urban Development			<u>4,881,199</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Pass-Through Texas Department of Public Safety Division of Emergency Management			
Disaster Grant - Hurricane Harvey	4332DRTXP0000001	97.036	202,212
			<u>202,212</u>
Pass-Through Texas Office of the Governor Homeland Security Grants Division			
Operation Stonegarden Program (OPSG) 2022	EMW-2022-SS-0021	97.067	344,626
Operation Stonegarden Program (OPSG) 2021	EMW-2021-SS-0062	97.067	265,390
			<u>610,016</u>
Total U.S. Department of Homeland Security			<u>812,228</u>
U.S. DEPARTMENT OF TREASURY			
Direct Award			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	153,903
Total U.S. Department of Treasury			<u>153,903</u>

(Continued)

REFUGIO COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal AL Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF INTERIOR			
Direct Award			
Gulf of Mexico Energy Security Act (GoMESA) and Revived Economies of the Gulf Coast States	N/A	15.435	\$ 196,589
Total U.S. Department of Interior			<u>196,589</u>
 Total Federal Expenditures			 <u>\$ 6,131,463</u>

REFUGIO COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the activity of all federal programs of Refugio County, Texas (the "County"), for the year ended September 30, 2023, and is presented on the accrual basis of accounting. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included in the accompanying Schedule.

The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Expenditures are recognized following cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The County did not receive any non-cash assistance, including Federal Insurance, during the fiscal year.

NOTE 2 - NEGATIVE EXPENDITURES

Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

REFUGIO COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

<u>Federal Awards</u>	<u>Name of Program or Cluster</u>
AL Number 14.228	COMMUNITY DEVELOPMENT BLOCK GRANT

Dollar threshold used to distinguish between Type A and Type B programs/projects:	
Federal	\$750,000
Auditee qualified as low-risk auditee?	No

(Continued)

REFUGIO COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2023-001 – Account Reconciliations and Adjustments

Audit Finding: Material Weakness

Criteria:	Management is responsible for ensuring that account balances are properly closed, rolled forward, reconciled and adjusted in a timely manner.
Condition:	<p>The County lacked a formal process for closing the books at the end of each month. During the audit, it was noted that management did not have adequate controls in place to allow for timely and accurate financial reporting, resulting in several audit adjustments. Audit adjustments were due to the following:</p> <ul style="list-style-type: none">• Beginning fund balance did not agree to the prior year audited fund balance,• Accounts receivable and accounts payable balances were not properly accrued,• Amounts reported on the schedule of expenditures of federal awards were not reported on an accrual basis,• Grant revenue was not properly recognized in accordance with the period of availability,• Transfers between funds were not recorded in both funds.• The County does not document the review and approval of journal entries.
Cause:	The County does not have formal procedures in place to reconcile all significant accounts to supporting documents and the general ledger at month and fiscal year end. As a result, amounts do not agree to the underlying financial records and necessary adjustments have not been made.
Context:	<p>Audit procedures performed that identified differences that required adjustments included the following:</p> <ul style="list-style-type: none">• After calculating the beginning fund balance for each fund and comparing to the prior year audited financial statements, it was noted the prior year audit adjustments were entered into the financial reporting system after the general ledger had been closed and rolled forward to the next year. In addition, some of the adjustments were incorrect as a result.• Reconciliation of the detailed listing of transactions for accounts payable and accounts receivable aging did not agree to the trial balance. The prior year audit adjustments were not reversed in the current year as items were paid or received.

(Continued)

REFUGIO COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2023

- Reconciliation of the schedule of grant expenditures to each grant account identified incorrect amounts recorded in unearned grant revenue and grant revenues.
- Traced each transfer transaction between funds to ensure that the balances agreed and noted that corresponding fund amounts did not agree.

Effect:

As a result of the above:

- Beginning fund balance did not agree to the prior year audited balances.
- Accounts payable and accounts receivable amounts were misstated.
- Unearned grant revenue and grant revenue were misstated.
- Transfers in and corresponding transfers out amounts were misstated.
- Several misstatements were noted during the audit.

Repeat Finding:

No

Recommendation:

Crowe recommends that management:

1. Establish Reconciliation Procedures: Develop and document formal reconciliation procedures for all financially significant account cycles. These procedures should define the reconciliation process, identify the accounts to be reconciled, specify the frequency of reconciliations, and outline the review and approval process.
2. Documentation of Reconciliations: Ensure that all reconciliations are properly documented and maintained, including evidence of who performed and reviewed the reconciliation, the date it was completed, and any discrepancies identified and resolved.
3. Review and Approval: Implement a process for independent review and approval of reconciliations by personnel other than those who perform the reconciliations. This review should be documented, indicating the reviewer's name, the date of review, and any follow-up actions taken.
4. The County should implement procedures to formally document the review and approval of all journal entries.

Views of responsible officials: See Corrective Action Plan.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No items noted.

REFUGIO COUNTY, TEXAS
SUMMARY OF PRIOR AUDIT FINDINGS
Year ended September 30, 2023

SUMMARY OF PRIOR AUDIT FINDINGS

There were no prior audit findings.

REFUGIO COUNTY, TEXAS
CORRECTIVE ACTION PLAN
Year ended September 30, 2023



REFUGIO COUNTY AUDITOR'S OFFICE

December 12, 2024

Rachel A. Elizondo
County Auditor

Priscilla Zuniga
First Assistant

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Assistant Auditor

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Houston, Texas 77046

A Corrective Action Plan for the single audit will be formalized in response to the finding on account reconciliation. The County will institute a year-end reconciliation process for financial statement accounts.

The County will ensure that there is a formal process for closing the books at the end of each month, making sure the beginning fund balance agrees with the prior year audited balances. Also, the County will establish reconciliation procedures for all financially significant accounts.

Although our software system does not have a place to check off Journal Entries, Priscilla Zuniga (1st Asst. Auditor) and myself (County Auditor) will keep Journal Entries in a file to review and initial each other's work. Any follow-up documents will also be reviewed and signed off on.

The County will ensure that expenditures do not exceed budget appropriations for Road and Bridge Special Fund, Jail Commissary Fund, Library Fund, Narcotics Fund and Vehicle Replacement Fund.

The County will monitor Covid 19 Fund and Hurricane Harvey Fund and cover those deficit funds through general fund.

Anticipated Completion Date: March 1, 2025


Refugio County Auditor