

Wilson County, Texas
Annual Financial Report
For the Year Ended
September 30, 2023

Wilson County, Texas

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LEAL & CARTER, P.C.

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Independent Auditor's Report

To the Honorable County Judge and
The Commissioners Court
Wilson County, Texas

Qualified and Unmodified Opinions

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified
Emergency OPS Center Fund	Unmodified
Road & Bridge Funds	Unmodified
Aggregate Remaining Other Non-Major Funds	Unmodified
Custodial Funds	Qualified

Qualified Opinion on Custodial Funds

In our opinion, except for the possible effect of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Custodial Funds of the County, as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Major Funds and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the 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 thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion on the Custodial Funds

As indicated in the Schedule of Findings on page 63, Custodial funds' daily transactions and ending balances are not recorded in the general ledger and opening balances could not be reconciled to the previous years audited ending balances.

Emphasis of Matter – Prior Period Adjustments

As further discussed in the Note L, Prior Period Adjustments, prior period adjustments were necessary to correct balances from prior years. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 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 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 and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 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 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.

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.

Seal & Carter, P.C.

San Antonio, Texas
April 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Wilson County, Texas, we offer readers of the Wilson County, Texas' financial statements this narrative overview and analysis of the financial activities of the Wilson County, Texas for the fiscal year ended September 30, 2023.

Financial Highlights

- The assets of Wilson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$20,936,082 (net position). Of this amount, \$11,735,160 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$2,251,348. This decrease is attributable, in large part, to an increase in General Revenues – Property Taxes of \$3,463,164, an increase in Grants and Contributions of \$2,094,495, the recording of prior period adjustment of (\$5,214,522) and careful budget management.
- As of the close of the current fiscal year, Wilson County, Texas' governmental funds reported combined ending fund balances of \$20,047,287, an increase of \$3,538,662 in comparison with the prior year. Approximately 77% of this total amount, \$15,498,689, is available for spending at the government's discretion (unassigned fund balance). This increase is attributable, in large part, to an increase in General Revenues – Property Taxes of \$3,463,164, and careful budget management.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$15,498,689 or 77 percent of total general fund expenditures and the restricted fund balance for the road and bridge fund was \$1,630,166 or 33 percent of total road and bridge fund expenditures.
- Wilson County, Texas' total liabilities increased by \$7,626,451 (32 percent) during the current fiscal year. The key factor in this increase was the increase in GASB 68 & GASB 75 payable of \$5,558,767.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Wilson County, Texas' basic financial statements. Wilson County, Texas' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Wilson County, Texas' finances, in a manner like a private-sector business.

The statement of net position presents information on all of Wilson County, Texas' assets, and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Wilson County, Texas is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused comp. leave).

The government-wide financial statements distinguish functions of Wilson County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Wilson County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Wilson County, Texas include an insurance fund.

The government-wide financial statements include only Wilson County, Texas itself (known as the primary government),

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Wilson County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 fiscal year. Such information may be useful in evaluating a government'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 government'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.

Wilson County, Texas maintains fifty four (54) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, The Emergency OPS Center Special Revenue Fund, the Road and Bridge fund, and the Debt Service Fund, which are major funds. Data from the other fifty (50) governmental funds are combined into a single, aggregated presentation.

Wilson County, Texas adopts an annual appropriated budget for its general fund and road and bridge fund. A budgetary comparison statement has been provided for the general fund and the road and bridge fund.

The basic governmental fund financial statements can be found on pages 15-20 of this report. The basic fiduciary fund financial statements can be found on pages 21-22 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-54 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Wilson County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 55-58 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Wilson County, Texas, assets exceeded liabilities by \$20,847,746 at the close of the most recent fiscal year.

By far the largest portion of Wilson County, Texas' net position (56 percent) is unrestricted net position which may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Wilson County, Texas reported a positive balance in all three parts of the governmental activities net position. For the prior fiscal year, Wilson County, Texas reported a positive balance in all three parts of the governmental activities net position.

WILSON COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2023	2022	2023	2022
Current and Other Assets	\$ 34,517,769	\$ 30,743,778	\$ 34,517,769	\$ 30,743,778
Capital Assets:	10,480,323	11,575,679	10,480,323	11,575,679
Total Assets	44,998,092	42,319,457	44,998,092	42,319,457
Total Deferred Inflows of Resources	1,671,797	1,489,472	1,671,797	1,489,472
Long-Term Liabilities	11,453,273	5,594,499	11,453,273	5,594,499
Other Liabilities	12,697,073	10,929,396	12,697,073	10,929,396
Total Liabilities	24,150,346	16,523,895	24,150,346	16,523,895
Total Deferred Inflows of Resources	1,583,461	4,097,604	1,583,461	4,097,604
Invested in Capital Assets, Net of Related Debt	4,652,324	5,455,765	4,652,324	5,455,765
Restricted	4,548,598	3,058,544	4,548,598	3,058,544
Unrestricted	11,735,160	14,673,121	11,735,160	14,673,121
Total Net Position	\$ 20,936,082	\$ 23,187,430	\$ 20,936,082	\$ 23,187,430

An additional portion of Wilson County, Texas' net position (22 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (22 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Wilson County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wilson County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**WILSON COUNTY, TEXAS
CHANGE IN NET POSITION**

	Governmental		Total	
	Activities			
	2023	2022	2023	2022
Revenues:				
Program Revenues:				
Charges for Services	\$ 3,997,290	\$ 4,654,382	\$ 3,997,290	\$ 4,654,382
Operating Grants and Contributions	4,524,587	667,272	4,524,587	667,272
Capital Grants and Contributions	-	1,762,820	-	1,762,820
General Revenues:				
Property Taxes	20,516,725	17,053,561	20,516,725	17,053,561
Mixed Beverage and Occupancy Tax	346,560	156,453	346,560	156,453
Investment Earnings	1,041,529	93,523	1,041,529	93,523
Miscellaneous	452,809	1,594,020	452,809	1,594,020
Total Revenue	30,879,500	25,982,031	30,879,500	25,982,031
Expenses:				
General Administration	7,375,856	4,405,698	7,375,856	4,405,698
Judicial	2,809,614	3,681,087	2,809,614	3,681,087
Elections	378,254	-	378,254	-
Public Facilities	-	800,364	-	800,364
Public Safety	8,950,132	8,427,465	8,950,132	8,427,465
Public Works	6,432,652	4,442,871	6,432,652	4,442,871
Culture and Recreation	1,371,663	1,002,389	1,371,663	1,002,389
Health and Welfare	-	385,100	-	385,100
Conservation - Agriculture	-	191,174	-	191,174
Debt Service	191,755	206,626	191,755	206,626
Capital Outlay	406,400	-	406,400	-
Total Expenses	27,916,326	23,542,774	27,916,326	23,542,774
Increase in Net Position Before Transfers and Special Terms	2,963,174	2,439,257	2,963,174	2,439,257
Transfers	-	-	-	-
Increase in Net Position	2,963,174	2,439,257	2,963,174	2,439,257
Net Position at 9/30/2022	23,187,430	20,748,173	23,187,430	20,748,173
Prior Period Adjustment	(5,214,522)	-	(5,214,522)	-
Net Position at 9/30/2023	\$ 20,936,082	\$ 23,187,430	\$ 20,936,082	\$ 23,187,430

The government's total net position increased by \$2,963,174 during the current fiscal year. This increase is attributable, in large part, to an increase in General Revenues – Property Taxes of \$3,463,164, and careful budget management.

Expenses and Program Revenues – Governmental Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$ 7,375,856	\$ 2,398,373	\$ 1,040,655	\$ -
Judicial	2,809,614	239,838	859,672	-
Elections	378,254	-	-	-
Public Safety	8,950,132	1,079,268	2,307,539	-
Public Works	6,432,652	279,811	180,983	-
Culture and Recreation	1,371,663	-	135,738	-
Debt Service	191,755	-	-	-
Capital Outlay	406,400	-	-	-
Total Governmental Activities	\$ 27,916,326	\$ 3,997,290	\$ 4,524,587	\$ -

Revenues by Source - Governmental Activities

	Revenues	%
Charges for Services	\$ 3,997,290	13%
Operating Grants and Contributions	4,524,587	15%
Capital Grants and Contributions	-	0%
Property Taxes	20,516,725	66%
Mixed Beverage and Occupancy Tax	346,560	1%
Investment Earnings	1,041,529	3%
Miscellaneous	452,809	1%
	<u>\$ 30,879,500</u>	<u>100%</u>

For the most part, except as provided above, increases, or decreases in expenses closely paralleled inflation, growth in population, the recession, or demand for services.

Business-Type Activities

There were no business-type activities since the only internal service fund was blended into the governmental activities.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Wilson County, Texas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, Wilson County, Texas' governmental funds reported combined ending fund balances of \$20,047,287, an increase of \$3,538,662 in comparison with the prior year. Approximately 77% of this total amount, \$15,498,689, is available for spending at the government's discretion (unassigned fund balance). The remainder of fund balance is non-spendable, restricted, or committed.

The general fund is the chief operating fund of Wilson County, Texas. At the end of the current fiscal year, unassigned fund balance and the total fund balance of the general fund was \$15,498,689. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 77 percent of total general fund expenditures, while total fund balance represents 100 percent of that same amount.

The fund balance of Wilson County, Texas' general fund increased by \$3,475,644 during the current fiscal year.

At the end of the current fiscal year, restricted fund balance and total fund balance of the road and bridge fund was \$1,630,166. As a measure of the road and bridge fund's liquidity, it may be useful to compare both restricted fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 33 percent of total road and bridge fund expenditures, while total fund balance represents 411 percent of that same amount.

The fund balance of Wilson County, Texas' road and bridge fund decreased by \$625,772 during the current fiscal year.

Budgetary Highlights

The County did amend its budget during fiscal year 2023 but there were no significant changes to the budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Wilson County, Texas’ investment in capital assets for its governmental activities as of September 30, 2023, amounts to \$10,480,323 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, vehicles, computer systems, and infrastructure items such as roads, highways, and bridges. The total decrease in Wilson County, Texas’ investment in capital assets for the current fiscal year was \$1,095,356 or 10 percent.

	Governmental		Total	
	Activities			
	2023	2022	2023	2022
Land	\$ 866,008	\$ 866,008	\$ 866,008	\$ 866,008
Buildings	20,072,339	19,994,830	20,072,339	19,994,830
Infrastructure	2,733,730	2,733,730	2,733,730	2,733,730
Machinery and Equipment	5,120,073	4,750,576	5,120,073	4,750,576
Vehicles	4,370,274	3,848,459	4,370,274	3,848,459
Computer Systems	1,166,865	1,166,865	1,166,865	1,166,865
Accumulated Depreciation	(23,848,966)	(21,784,789)	(23,848,966)	(21,784,789)
Total	\$ 10,480,323	\$ 11,575,679	\$ 10,480,323	\$ 11,575,679

Additional information on Wilson County, Texas’ capital assets can be found in Note F – Capital Assets on the notes to financial statements.

Long-Term Debt:

At the end of the current fiscal year, Wilson County, Texas had the following in bonds and notes payable.

	Beginning			Ending	Due Within	Due After
	Balance	Additions	Reductions	Balance	One Year	One Year
Governmental Activities						
General Obligation Bonds	\$ 5,650,000		\$ 380,000	\$ 5,270,000	\$ 395,000	\$ 4,875,000
Note Payable	222,240	187,289	112,705	296,824	127,928	168,896
Grand Total	\$ 5,872,240	\$ 187,289	\$ 492,705	\$ 5,566,824	\$ 522,928	\$ 5,043,896

Additional information on Wilson County, Texas’ long-term debt can be found in Note G – Long-Term Debt on the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The annual budget is developed to provide efficient, effective, and economic uses of the County's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the Commissioners Court set the direction of the county, allocate its resources, and establish its priorities.

In calculating the taxes for the fiscal year 2024 budget, as of July 25, 2023, Wilson County had a net taxable appraised value, freeze adjusted, of \$4,656,478,041 which was \$755,685,760 more than the previous year.

These indicators were taken into account when adopting the general fund budget for fiscal year 2024. The property tax rate for the fiscal year 2024 budget was set at \$0.0215 more than the No New Revenue tax rate. The tax rate adopted by the Commissioners' Court, \$.0413133 per hundred dollar valuation, was less than 1% more than the No New Revenue tax rate of \$.0391633 per hundred dollar valuation. Before the adjustment for newly added property, the effective tax rate adjusts to only allow the county to receive the same tax levy as the previous year. Therefore, additional property tax revenue is generated from new property and tax rate increases in accordance with the State of Texas' Truth-In Taxation laws.

The general operating fund budget increased in the 2023-2024 budget to \$21,257,133 from \$19,639,235 the previous year. This was a 7.61% increase. The increase in the budget was primarily due to a 5%, per employee wage increase for all county employees and elected officials due to economic inflation, as well as purchasing of new vehicles for all four precinct constables.

In order to help fund current increases, the county adopted a general operating fund budget with the intent that there would be a net decrease in estimated fund balance between budgeted revenues and budgeted expenditures. Even with the use of current fund balance, the county estimates the remaining fund balance will be above 25% of the budgeted expenditures at year end.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with an overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Auditor's Office at:

Wilson County, Texas
Office of County Auditor
1420 3rd Street, Suite 109
Floresville, Texas 78114
(830)393-7304

WILSON COUNTY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 22,091,620
Investments - Current	9,897,685
Taxes Receivable, Net	1,316,792
Accounts Receivable, Net	1,155,821
Due from Others	166
Prepaid Items	55,685
Capital Assets:	
Land Purchase and Improvements	866,008
Infrastructure, Net	128,099
Buildings, Net	7,389,240
Furniture and Equipment, Net	1,942,168
Capital Assets, Net	154,808
Total Assets	44,998,092
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	1,479,766
Deferred Outflow Related to OPEB	192,031
Total Deferred Outflows of Resources	1,671,797
LIABILITIES	
Accounts Payable	553,264
Wages and Salaries Payable	206,107
Compensated Absences Payable	117,623
Due to Others	15,737
Accrued Interest Payable	36,017
Unearned Revenues	11,085,980
Notes Payable - Current	127,928
Bonds Payable - Current	395,000
Other Current Liabilities	159,417
Noncurrent Liabilities:	
Due in More Than One Year:	
Bonds Payable - Noncurrent	5,100,158
Loans Payable - Noncurrent	168,896
Net Pension Liability	1,934,945
Net OPEB Liability	4,249,274
Total Liabilities	24,150,346
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	251,040
Deferred Inflow Related to OPEB	1,332,421
Total Deferred Inflows of Resources	1,583,461
NET POSITION	
Net Investment in Capital Assets & Lease Assets	4,652,324
Restricted for Other Purposes	4,548,598
Unrestricted	11,735,160
Total Net Position	\$ 20,936,082

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

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

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 7,375,856	\$ 2,398,373	\$ 1,040,655	\$ (3,936,828)
Judicial	2,809,614	239,838	859,672	(1,710,104)
Elections	378,254	-	-	(378,254)
Public Safety	8,950,132	1,079,268	2,307,539	(5,563,325)
Public Works	6,432,652	279,811	180,983	(5,971,858)
Culture and Recreation	1,371,663	-	135,738	(1,235,925)
Debt Service	191,755	-	-	(191,755)
Capital Outlay	406,400	-	-	(406,400)
TOTAL PRIMARY GOVERNMENT	\$ 27,916,326	\$ 3,997,290	\$ 4,524,587	(19,394,449)

General Revenues:

Taxes:	
Property Taxes, Levied for General Purposes	20,516,725
Other Taxes	346,560
Miscellaneous Revenue	452,809
Investment Earnings	1,041,529
Total General Revenues	22,357,623
Change in Net Position	2,963,174
Net Position - Beginning	23,187,430
Prior Period Adjustment	(5,214,522)
Net Position - Ending	\$ 20,936,082

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

WILSON COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Emergency OPS Center Fund	Road & Bridge Fund
ASSETS			
Cash and Cash Equivalents	\$ 12,476,208	\$ 5,035,134	\$ 1,866,356
Investments - Current	9,533,529	-	-
Taxes Receivable	1,019,229	-	236,857
Allowance for Uncollectible Taxes (credit)	(30,577)	-	(7,106)
Accounts Receivable, Net	1,155,626	-	-
Due from Others	-	-	133
Prepaid Items	55,685	-	-
Total Assets	<u>\$ 24,209,700</u>	<u>\$ 5,035,134</u>	<u>\$ 2,096,240</u>
LIABILITIES			
Accounts Payable	\$ 235,670	\$ -	\$ 204,245
Wages and Salaries Payable	156,956	-	32,078
Due to Others	450	-	-
Unearned Revenues	6,031,954	5,035,134	-
Other Current Liabilities	141,703	-	-
Total Liabilities	<u>6,566,733</u>	<u>5,035,134</u>	<u>236,323</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	988,652	-	229,751
Deferred Resource Inflow Court	1,155,626	-	-
Total Deferred Inflows of Resources	<u>2,144,278</u>	<u>-</u>	<u>229,751</u>
FUND BALANCES			
Other Assigned Fund Balance	-	-	1,630,166
Unassigned Fund Balance	15,498,689	-	-
Total Fund Balances	<u>15,498,689</u>	<u>-</u>	<u>1,630,166</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 24,209,700</u>	<u>\$ 5,035,134</u>	<u>\$ 2,096,240</u>

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

Other Funds	Total Governmental Funds
\$ 2,713,922	\$ 22,091,620
364,156	9,897,685
100,738	1,356,824
(2,349)	(40,032)
195	1,155,821
33	166
-	55,685
<u>\$ 3,176,695</u>	<u>\$ 34,517,769</u>
\$ 113,349	\$ 553,264
17,073	206,107
15,287	15,737
18,892	11,085,980
17,714	159,417
<u>182,315</u>	<u>12,020,505</u>
75,948	1,294,351
-	1,155,626
<u>75,948</u>	<u>2,449,977</u>
2,918,432	4,548,598
-	15,498,689
<u>2,918,432</u>	<u>20,047,287</u>
<u>\$ 3,176,695</u>	<u>\$ 34,517,769</u>

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

Total Fund Balances - Governmental Funds	\$	20,047,287
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.		4,183,788
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays and debt principal payments is to increase (decrease) net position.		1,545,199
Per the implementation of GASB 68 & 75 for the TCDRS Pension plans, this fiscal year required that the County report their net pension & OPEB liabilities in the Government Wide Statement of Net Position. The items reported as a result of this implementation included a net pension liability of \$1,934,945, net OPEB liability of \$4,249,274, Deferred Resource Outflows of \$1,671,797 and Deferred Resource Inflows of \$1,583,461. The net effect of these was to decrease the ending net position by \$4,921,220.		(4,921,220)
The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(1,138,482)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		1,219,510
Net Position of Governmental Activities	\$	20,936,082

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

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

	General Fund	Emergency OPS Center Fund	Road & Bridge Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 15,795,030	\$ -	\$ 3,650,934
Other Taxes	-	-	197,958
Licenses and Permits	98,398	-	15,588
Intergovernmental Revenue and Grants	4,260,977	-	-
Charges for Services	151,825	-	-
Fines	1,836,556	-	1,424,854
Investment Earnings	1,037,102	-	-
Other Revenue	314,309	-	2,443
Total Revenues	<u>23,494,197</u>	<u>-</u>	<u>5,291,777</u>
EXPENDITURES:			
Current:			
General Government	7,103,900	-	-
Judicial	2,033,448	-	-
Elections	377,247	-	-
Public Safety	7,947,592	-	-
Public Works	1,249,177	-	4,201,117
Culture and Recreation	534,690	-	-
Debt Service:			
Debt Service	7,354	-	108,802
Capital Outlay:			
Capital Outlay	861,618	-	563,895
Total Expenditures	<u>20,115,026</u>	<u>-</u>	<u>4,873,814</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,379,171</u>	<u>-</u>	<u>417,963</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	100,346	-	518,342
Transfers Out	(489,182)	-	(366,951)
Total Other Financing Sources (Uses)	<u>(388,836)</u>	<u>-</u>	<u>151,391</u>
Net Change in Fund Balances	2,990,335	-	569,354
Fund Balance - October 1 (Beginning)	12,023,045	-	1,004,395
Prior Period Adjustment	485,309	-	56,417
Fund Balance - September 30 (Ending)	<u>\$ 15,498,689</u>	<u>\$ -</u>	<u>\$ 1,630,166</u>

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

	Other Funds	Total Governmental Funds
\$	1,115,800	\$ 20,561,764
	148,602	346,560
	108,110	222,096
	263,610	4,524,587
	-	151,825
	361,956	3,623,366
	4,427	1,041,529
	136,060	452,812
	<u>2,138,565</u>	<u>30,924,539</u>
	107,509	7,211,409
	198,704	2,232,152
	-	377,247
	492,768	8,440,360
	-	5,450,294
	743,407	1,278,097
	590,820	706,976
	<u>8,362</u>	<u>1,433,875</u>
	<u>2,141,570</u>	<u>27,130,410</u>
	<u>(3,005)</u>	<u>3,794,129</u>
	237,445	856,133
	-	(856,133)
	<u>237,445</u>	-
	234,440	3,794,129
	3,481,186	16,508,626
	(797,194)	(255,468)
\$	<u>2,918,432</u>	<u>\$ 20,047,287</u>

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

Total Net Change in Fund Balances - Governmental Funds	\$	3,794,129
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2023 capital outlays and debt principal payments is to increase (decrease) the change in net position.		1,545,199
The entries required by GASB 68 & 75 resulted in adjustments to the Statement of Net Position and the Statement of Activities. For Fiscal Year 2023, the total impact to the change in net position for GASB 68 & 75 was an decrease of \$37,007.		(37,007)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(2,294,108)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.		(45,039)
Change in Net Position of Governmental Activities	\$	2,963,174

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

WILSON COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 2,350,229
Investments - Current	206,134
Total Assets	<u>2,556,363</u>
LIABILITIES	
Accounts Payable	3,477
Due to Others	2,014,107
Other Current Liabilities	135,629
Total Liabilities	<u>2,153,213</u>
NET POSITION	
Restricted for Other Purposes	403,150
Total Net Position	<u><u>\$ 403,150</u></u>

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

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

	Custodial Funds
<hr/>	
ADDITIONS:	
Charges for Services	\$ 102,892,415
Fines	373,347
Investment Earnings	215
Total Additions	103,265,977
DEDUCTIONS:	
Other Operating Costs	103,418,431
Total Deductions	103,418,431
Net Change in Fiduciary Net Position	(152,454)
Total Net Position - October 1 (Beginning)	2,547,060
Prior Period Adjustment	(1,991,456)
Total Net Position - September 30 (Ending)	\$ 403,150

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

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The more significant of the County's accounting policies are described below:

1. REPORTING ENTITY

Primary Government

Wilson County (the County) is a public corporation and political subdivision of the State of Texas. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general government (e.g. administration, judicial & legal, elections administration, and financial administration), public safety (law enforcement and corrections), infrastructure (highways and streets), social services and conservation.

In evaluating how to define the government, for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, "The Financial Reporting Entity". The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

The government-wide financial statements include the statement of net assets and the statement of activities. Government-wide statements report information on all of the activities of the County (except for County fiduciary activity). The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and charges for services.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund, Road and Bridge (Special Revenue) Fund, and Debt Service Fund meet the criteria as major governmental funds. Each major fund is reported in separate columns in the fund financial statements. Nonmajor funds include other Special Revenue funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for nonmajor funds are presented within Combining Fund Statements and Schedules.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. 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. Major revenue types, which have been accrued, are revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. However, sales tax is considered collectible for only 30 days.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured, and payment is due.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

The government reports the following major governmental funds:

The General Fund is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, social services, and capital acquisition.

Road and Bridge Fund accounts for taxes assessed, along with fines and forfeitures associated with the support of the development and maintenance of County highways, streets and bridges.

Debt Service Fund accounts for payments on outstanding debt owed by the County.

Nonmajor funds include special revenue funds.

Fiduciary fund level financial statements are used to account for resources held for others. The County's custodial funds holds property taxes for other governments, motor vehicle fees for the State and various other settlements.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business type activities subject to this same limitation. The County has elected not to follow subsequent private sector guidance.

4. CASH AND INVESTMENTS

Cash and investments include amounts in demand deposits, short-term certificates of deposit with a maturity date within three months of the date acquired by the government, and deposits in local government investment pools.

State statutes authorize the government to invest in obligations of the U.S. Government, federal agency and instrumentality obligations, and certificates of deposit collateralized by obligations of the U.S. Treasury. Investments are stated at fair market value, except for deposits in local government investment pools and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. US Treasury investments are stated at amortized cost and local government pools are stated at net asset value.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. CASH AND INVESTMENTS (Continued)

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

5. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 and become due October 1st and past due after January 31st. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred inflows of resources in the fund statements. Receivables are shown net of an allowance for uncollectibles.

6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements.

7. INVENTORIES AND PREPAID ITEMS

Inventories of consumable supplies are valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. The County does not have inventory as of September 30, 2023.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and in the fund financial statements are offset by a reservation of fund balance which indicates they do not represent "available spendable resources".

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets, such as equipment, are defined as assets with a cost of \$5,000 or more. Infrastructure assets include County owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Capital assets are depreciation using the straight-line method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Infrastructure	50 years
Computer Systems	5 years
Buildings	20-50 years
Machinery and Equipment	5 years
Vehicles	5 years

4. DEFERRED INFLOWS/OUTFLOWS

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. The County has the following items that qualify for reporting in this category: deferred pension related costs and deferred OPEB related costs which will be included in the subsequent actuarial valuation.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The County has deferred pension in OPEB related revenues which will be included in subsequent actuarial valuation. Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Unavailable revenues from property tax and court fines is deferred and recognized as an inflow of resource in the period the amounts become available.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. COMPENSATED ABSENCES

The County permits employees to accumulate earned but unused vacation pay benefits. Upon resignation or termination, a maximum of 5 days of unused accrued vacation leave will be paid. The rate of pay will be determined by the salary rate in effect at the time of separation. Employees may, however, carry over a maximum 10 days of vacation time from year to year. Unused sick leave may be accumulated to certain limits. In the event of termination, no reimbursement is made for accumulated sick leave. No liability is reported for unpaid accumulated sick leave.

Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

11. UNEARNED REVENUE

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues received in advance of expenses/expenditures are reflected as unearned revenue.

12. INTERFUND TRANSFERS

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

13. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. On new bond issues, bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt 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.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. PENSIONS

The net pension liability, deferred outflows and deferred inflows related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS), and additions to and deductions from TCDRS' fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. OTHER POST EMPLOYMENT BENEFIT (OPEB)

The Total Other Post Employment Benefit (OPEB), deferred OPEB related inflows and outflows, insurance expense and information on the Retiree Health Insurance fiduciary net position, and additions and deductions have been determined on assumptions in Note J. For this purpose, insurance payments and refunds are recognized when due and payable according to the actuarial study.

16. FUND EQUITY

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - pre-paid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either externally by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Commissioners' Court - the government'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 (by adoption of another resolution) to remove or revise the limitation.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. FUND EQUITY (Continued)

Assigned fund balance. This classification reflects the amounts constrained by the County's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. Assigned fund balances are established by the County commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of property and equipment, construction, debt service or other purposes.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the County's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

17. NET POSITION

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

18. USE OF ESTIMATES

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

WILSON COUNTY, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NOTE B - DEPOSITS AND INVESTMENTS

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledge securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

State statutes authorize the County to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d).

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has an investment policy for custodial credit risk. As of September 30, 2023, the government's bank balance of \$22,660,990 was not exposed to custodial credit risk; The FDIC insures the first \$250,000 of checking accounts for each bank. As of September 30, 2023, the government's deposits were fully collateralized. The collateral is securities held by the pledging financial institution's trust department or agent, in the government's name. The book balance of the deposits was \$22,091,620.

Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. Investments in local government investment pools are reported at share price, which approximates fair value. All investments are valued using prices quoted in active markets for those securities (Level 1). The County investments are as follows:

	Fair Value
Money Market Accounts	249,589
TexPool (Local Government Investment Pool)	9,083,940
Certificate of Deposits	564,156
Total	9,897,685

Investment Rate Risk. The County manages investment rate risk by limiting the weighted average maturity of its investments to less than one year.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk. The County's investment policy limits investments to obligations of the United States or its instrumentalities; direct obligation of the State of Texas, the principle and interest that are unconditionally guaranteed or insured by this state or state rated as to investment quality of not less than AAA by a nationally recognized investment rating firm.

The County may also invest its funds in state law authorized government investment pools provided the pool maintains an AAA rating, the pool maintains a stable asset value, and the average dollar weighted maturity does not exceed 90 days, and Commissioners' Court must approve of the investment. As of September 30, 2023, the investment in TexPool was rated AAAM.

The County may also invest in certificates of deposit, money markets or share certificates issued by a depository institution which has its main office or a branch office in this state and is guaranteed or insured by FDIC or the NCUSIC, or is secured by collateral or other method provided for by state law.

Custodial Credit Risk- Investment. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2023, the County's investments were held in government investment pools.

NOTE C - RECEIVABLES

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

	General	Road and Bridge	Other Governmental Funds	Total
<u>Receivables</u>				
Taxes	\$ 1,019,229	\$ 236,857	\$ 100,738	\$ 1,356,824
Court Fines and Receivables	6,815,906	-	-	6,815,906
Other	-	-	195	195
Total Receivables	<u>7,835,135</u>	<u>236,857</u>	<u>100,933</u>	<u>8,172,925</u>
Less: Allowance for Uncollectibles	<u>5,690,857</u>	<u>7,106</u>	<u>2,349</u>	<u>5,700,312</u>
Net Total Receivables	<u>\$ 2,144,278</u>	<u>\$ 229,751</u>	<u>\$ 98,584</u>	<u>\$ 2,472,613</u>

WILSON COUNTY, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2023

NOTED - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers at September 30, 2023 consisted of the following:

	<u>Tranfers In</u>	<u>Trasnfers Out</u>	
General Fund	\$ 100,346	\$ 489,182	Budgeted Transfers
Road and Bridge	518,342	366,951	Budgeted Transfers
Other nonmajor funds	<u>237,445</u>	-	Budgeted Transfers
	<u>\$ 856,133</u>	<u>\$ 856,133</u>	

NOTE E - PROPERTY TAX CALENDAR

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are payable in full by the following January 31. The County bills and collects its own property taxes and also the taxes for several other taxing agencies. The County acts only as an intermediary in the collection and distribution of property taxes to other entities. Tax collections deposited for the County are distributed as collected to the General, Road and Bridge, Library and Debt Service Funds of the County. The distribution is based upon the tax rate established for each fund by Commissioners' Court for the tax year for which the collections are made.

The County is authorized by the tax laws for the State of Texas to levy taxes up to .80 per \$100 of the assessed valuation for general government invoices and the payment of principal and interest on certain permanent improvement long-term debt. Taxes may be levied in unlimited amounts for the payment of principal and interest on road bond long-term debt issued under article 3, Section 52 of the Texas Constitution. Net taxes receivable at the end of the fiscal year are treated as deferred outflows of resources.

The combined tax rate assessed on the 2022 tax roll (Wilson County, Lateral Road, and Library) to finance operations and debt service for the fiscal year ended September 30, 2022, was \$.4302 per \$100 assessed valuation. The total tax levy for the fiscal year 2022 was \$20,965,157 of which \$414,847 remained outstanding in delinquent taxes as of September 30, 2023.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

	Balance 10/1/2022	Additions/ Transfers	Disposals/ Transfers	Balance 9/30/2023
Capital assets not being depreciated:				
Land	\$ 866,008	-	-	\$ 866,008
Construction in Progress	-	-	-	-
Total capital assets not being depreciated:	<u>866,008</u>	-	-	<u>866,008</u>
Capital assets being depreciated:				
Buildings	19,994,830	77,509	-	20,072,339
Infrastructure	2,733,730	-	-	2,733,730
Machinery and Equipment	4,750,576	369,497	-	5,120,073
Vehicles	3,848,459	767,758	(245,943)	4,370,274
Computer Systems	1,166,865	-	-	1,166,865
Total Depreciable Assets	<u>32,494,460</u>	<u>1,214,764</u>	<u>(245,943)</u>	<u>33,463,281</u>
Less: Accumulated depreciation for:				
Buildings	(11,500,853)	(1,182,246)	-	(12,683,099)
Infrastructure	(2,602,871)	(2,760)	-	(2,605,631)
Machinery and Equipment	(4,069,749)	(361,739)	-	(4,431,488)
Vehicles	(2,711,176)	(635,446)	229,931	(3,116,691)
Computer Systems	(900,140)	(111,917)	-	(1,012,057)
Total Accumulated Depreciation	<u>(21,784,789)</u>	<u>(2,294,108)</u>	<u>229,931</u>	<u>(23,848,966)</u>
Total Capital Assets Depreciated, Net	<u>10,709,671</u>	<u>(1,079,344)</u>	<u>(16,012)</u>	<u>9,614,315</u>
Governmental Activities capital assets, Net	<u>\$ 11,575,679</u>	<u>\$ (1,079,344)</u>	<u>\$ (16,012)</u>	<u>\$ 10,480,323</u>

Land is not depreciated.

Depreciation was charged to the governmental functions as follows:

General Administration	\$ 183,156
Administration of Justice	573,570
Public Safety	476,010
Public Works	971,815
Culture and Recreation	89,541
Conservation - Agriculture	16
Total Depreciation Expense - Government Activities	<u>\$ 2,294,108</u>

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE G - LONG-TERM DEBT

The County had the following changes in long-term debt outstanding for the year ended September 30, 2023:

	Balance			Balance		
	Outstanding 10/1/2022	Additions	Reductions	Outstanding 9/30/2023	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
General Obligation Bonds	5,650,000	-	(380,000)	5,270,000	395,000	4,875,000
Bond Issuance Premium	247,674	-	(22,516)	225,158	22,516	202,642
Note Payable	222,240	187,289	(112,705)	296,824	127,928	168,896
Compensated Absences	136,138	117,623	(136,138)	117,623	117,623	-
Total Government Long Term Debt	<u>6,256,052</u>	<u>304,912</u>	<u>(651,359)</u>	<u>5,909,605</u>	<u>663,067</u>	<u>5,246,538</u>

The annual requirements for principal and interest on the outstanding certificates obligation and tax notes are as follows broken down between debt with and without private borrowings or placement:

	Balance at 9/30/2023	Due Within One Year
Certificates of Obligation		
Tax & Revenue Note, Series 2014		
Original issue amount of \$8,215,000,		
interest rate varies between 2.50-4.00%,		
with final maturity date of February 1, 2034	\$ 5,270,000	\$ 395,000
Total Certificates of Obligation	<u>\$ 5,270,000</u>	<u>\$ 395,000</u>

September 30,	Principal	Interest	Annual Requirements
2024	\$ 395,000	\$ 197,788	\$ 592,788
2025	405,000	183,787	588,787
2026	420,000	169,350	589,350
2027	440,000	153,200	593,200
2028	455,000	135,300	590,300
2029-2033	2,575,000	381,500	2,956,500
2034	580,000	11,600	591,600
	<u>\$ 5,270,000</u>	<u>\$ 1,232,525</u>	<u>\$ 6,502,525</u>

WILSON COUNTY, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2023

NOTE G - LONG-TERM DEBT (Continued)

The County has entered into several notes payable to finance the acquisition of machinery and equipment and vehicles for the public transportation department.

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

September 30,	Principal	Interest	Annual Requirements
2024	\$ 127,928	\$ 11,977	\$ 139,905
2025	102,917	7,483	110,400
2026	65,980	3,826	69,806
	\$ 296,824	\$ 23,287	\$ 320,111

NOTE H - EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The County provides retirement, disability, death and survivor benefits for all of its eligible employees through a nontraditional defined benefit pension plan in the statewide Texas County and County Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system which consists of 850 nontraditional defined benefit pension plans. TCDRS, in the aggregate, issues a Comprehensive Annual Financial Report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted and may be amended by the governing body of the County within the options available in the Texas State statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight or more years of service, with 20 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 deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum and who are not eligible to retire are not entitled to any amounts contributed by their employer.

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

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	130
Inactive employees entitled to but not yet receiving benefits	295
Active employees	210

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Funding Policy

The County has elected the Annually Determined Contribution Rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 10.42% of covered payroll for the months of the calendar year in 2022, and 11.34% of covered payroll for the months of the calendar year in 2023.

The deposit rate payable by all employee members for the calendar years 2022 and 2023 is 7% as adopted by the governing body of the County. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Methodology For Determining Employer Contributions Rates

The TCDRS board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following:

1. Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments.
2. Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits.
3. Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy

Brief Description of Benefit Terms

- 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
- 2) The plan provides retirement, disability, and survivor benefits.
- 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 180%) and is then converted to an annuity.
- 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
- 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Net Pension Liability / (Asset)

	<u>December 31, 2022</u>
Total pension liability	35,713,536
Fiduciary net position	33,778,593
Net pension liability/ (asset)	1,934,943
Fiduciary net position as a % of total pension liability	94.58%
Pensionable covered payroll	9,169,033
Net pension liability/ (asset) as a % of covered payroll	21.10%

Actuarial Assumptions

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

Inflation	2.50%
Overall Payroll Growth	3.25% to 8.41%
Investment Rate of Return	7.50%

The County's net pension liability (NPL) was measured as of December 31, 2022 and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions.

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

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17.3 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.70% average over career including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, Both projected with 1--% of the MP-2021 Ultimate scale after 2010
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2022: New investment return and inflations assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2022: Employer contributions reflect that 30% CPI COLA was adopted

WILSON COUNTY, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2023

NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Discount Rate

	<u>December 31, 2022</u>
Discount Rate	7.60%
Long-Term expected rate of return, net of investment expense	7.60%
Municipal Bond Rate	Does not apply

Other Key Actuarial Assumptions

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2022. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

	Beginning Date	Ending Date
Valuation Date	December 31, 2021	December 31, 2022
Measurement Date	December 31, 2021	December 31, 2022
Employer's fiscal Year	October 1, 2022	September 30, 2023

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Long-Term Expected Rate of Return

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

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay 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 (4)	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%
		100.00%	

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

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

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

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

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

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Discount Rate/Depletion of Plan Assets

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) Pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected

benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer, TCDRS used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the County's funding policy and the legal requirements under the TCDRS Act

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Discount Rate/Depletion of Plan Assets (continued)

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 7.60% was used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in Net Pension Liability / (Asset)

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/ (Asset)
	(a)	(b)	(a) - (b)
Balance at December 31, 2021	\$ 34,035,598	\$ 36,169,360	\$ (2,133,762)
Changes for the year:			-
Service Cost	1,291,003	-	1,291,003
Interest on total pension liability (1)	2,612,334	-	2,612,334
Effect of plan changes (2)	-	-	-
Effect on economic/demographic gains or losses	(282,260)	-	(282,260)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(194,829)	(194,829)	-
Benefit payments	(1,748,310)	(1,748,310)	-
Administrative expense	-	(19,795)	19,795
Member contributions	-	641,832	(641,832)
Net investment income	-	(2,097,608)	2,097,608
Employer contributions	-	1,035,184	(1,035,184)
Other (3)	-	(7,242)	7,242
Net Changes	1,677,938	(2,390,768)	4,068,706
Balance at December 31, 2022	\$ 35,713,536	\$ 33,778,592	\$ 1,934,944

- (1) Reflects the change in the liability due to the time value of money. TCDRS does charge fees or interest.
(2) No plan changes valued.
(3) Relates to allocation of system-wide items.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total pension liability	\$ 40,134,050	\$ 35,713,536	\$ 32,011,682
Fiduciary net position	\$ 33,778,593	\$ 33,778,593	\$ 33,778,593
Net pension liability / (asset)	\$ 6,355,457	\$ 1,934,943	\$ (1,766,911)

Pension Expense/(Income)

	<u>January 1, 2022 to December 31, 2022</u>
Service Cost	1,291,003
Interest on Total Pension Liability (1)	2,612,334
Effect of Plan Changes	-
Administrative Expenses	19,795
Member Contributions	(641,832)
Expected Investment Return Net of Investment Expenses	(2,737,935)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/ demographic gains or losses	(40,608)
Recognition of assumption changes or inputs	539,857
Recognition of investments gains or losses	74,971
Other (2)	7,242
Pension Expense/ (Income)	<u>\$ 1,124,827</u>

(1) Reflects the change in the liability due to the time value of money. TCDRS does charge fees or interest.

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

Deferred Inflows /Outflows of Resources

As of December 31, 2022, the deferred inflows and outflows of resources are as follows

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences Between Expected and Actual Experience	\$ 41,452	\$ 211,695
Changes in Assumptions	-	39,345
Net Difference Between Projected and Actual Earnings	675,906	-
Contributions made subsequent to the Measurement Date	762,408	-
Totals	<u>\$ 1,479,766</u>	<u>\$ 251,040</u>

WILSON COUNTY, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2023

NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)

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

Year Ended		
December 31:		
2023	\$	(463,427)
2024		(78,082)
2025		407,109
2026		967,108
2027		-
Thereafter		-
	\$	832,708

NOTE I – OTHER POST-EMPLOYMENT BENEFITS - GROUP TERM LIFE FUND

a. Plan Description

Wilson County participates in the retiree Group Term Life program for the Texas County & District Retirement System (TCDRS), which is a statewide, multiple-employer, public employee retirement system.

b. A brief description of the benefit terms:

- 1) All full-time and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the OPEB Plan.
- 2) The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees of employers that have elected participation in the retiree GTL program.
- 3) The OPEB benefit is a fixed \$5,000 lump-sum benefit.
- 4) No future increases are assumed in the \$5,000 benefit amount.
- 5) Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 of each year.

c. Membership information is shown in the chart below.

d. Contributions made to the retiree GTL Program are held in the GTL Fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB Statement 75, as the assets of the GTL fund can be used to pay GTL benefits which are not a part of the OPEB Plan.

e. Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out (or opt into) coverage as of January 1 each year. The county's contribution rate for the entire GTL program is calculated on an actuarial basis and is equal to the cost of providing a one-year death benefit equal to \$5,000.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE I – OTHER POST-EMPLOYMENT BENEFITS - GROUP TERM LIFE FUND (Continued)

Membership Information

	December 31, 2021	December 31, 2022
Number of inactive employees entitled to but not yet receiving benefits (i)	43	52
Number of active employees	224	210
Average age of active employees	44.04	46.81
Average length of service in years for active employees	8.82	8.21
Inactive Employees Receiving Benefits (i)	-	-
Number of Benefit Recipients	97	112

(i)– “Receiving benefits” indicates the member is retired and receiving monthly pension benefits, and his or her beneficiary is eligible for the \$5,000 lump sum upon the retiree’s death.

	<u>Changes in Total OPEB Liability</u>
Balance at December 31, 2021	\$ 625,452
Changes for the year:	
Service Cost	28,184
Interest on Total OPEB Liability (1)	13,286
Change of Benefit Terms (2)	-
Effect of Economic/ Demographic Experience	25,216
Effect of Assumptions Changes or Inputs (3)	(164,943)
Benefit Payments	(17,421)
Other Changes	-
Balance at December 31, 2022	<u>\$ 509,774</u>

- (1) Reflects the change in the liability due to the time value of money. TCDRS does charge fees or interest.
- (2) No plan changes valued.
- (3) Relates to change in discount rate.

The total OPEB liability as of December 31, 2022, was \$509,774 and was determined by an annual valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Discount Rate

	<u>December 31, 2021</u>	<u>December 31, 2022</u>
Discount Rate	2.06%	3.72%
Long-Term expected rate of return, net of investment expense	Does not apply	Does not apply
Municipal Bond Rate	2.06%	3.72%

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE I – OTHER POST-EMPLOYMENT BENEFITS - GROUP TERM LIFE FUND (Continued)

All actuarial assumptions that the total OPEB liability as December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 75. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

	Beginning Date	Ending Date
Valuation Date	December 31, 2021	December 31, 2022
Measurement Date	December 31, 2021	December 31, 2022
Employer’s fiscal Year	October 1, 2022	September 30, 2023

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported
Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method	
Recognition of economic/ demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Note, salary increases do not affect benefits but are used in the allocation of costs under the actuarial cost method.
Investment Rate of Return (Discount rate)	3.72% 20 Year Bond GO index published by the bondbuyer.com as of December 31, 2022.
Cost of Living Adjustment	Does not apply
Disability	The rates of disability used in this valuation were based on a custom table based on TCDRS experience.
Mortality	
Depositing members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries	
Non-depositing members	135% of the Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010
Disabled Retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Retirement	Members eligible for service retirement are assumed to retire at rates based on TCDRS experience as compiled in its customized Table.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE I – OTHER POST-EMPLOYMENT BENEFITS - GROUP TERM LIFE FUND (Continued)

GASB Discount Rate

The TCDRS GTL program is treated as unfunded OPEB plan because the GTL trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 3.72% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2022.

Employer OPEB Contributions to the Plan

Employers in the TCDRS Group Term Life (GTL) Program make a combined contribution for both the active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only the contributions associated with retiree covered are included under GASB 75. For GASB 75 purposes, the OPEB plan is not a cost sharing plan as the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions.

2022 Employer OPEB Contributions and Benefit Payments

The following shows a breakdown of the employer's contributions to the GTL program for the calendar year 2022. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown on the exhibit on the next page. The contributions for active coverage are not considered an OPEB benefit under GASB 75.

Coverage Type	2022 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.21%	\$19,255	No Change from prior year
Retiree GTL Benefit	0.19%	\$17,421	GASB 75

Employer OPEB Contributions made Subsequent to Measurement Date

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2022 should be reflected as a deferred outflow. As previously noted, only contributions to the GTL program for retiree coverage should be included under GASB 75. Therefore, once the total GTL contributions made subsequent to the measurement date have been determined, this amount should be multiplied by the portion attributable to retiree coverage to determine the OPEB contributions made subsequent to the measurement date that should be reported under GASB 75. This proportion is 45.16129, allocated as follows:

Coverage Type	2022 GTL Rate	Proportion	Financial Reporting
Active Member GTL Benefit	0.17%	54.83871%	No Change from prior year
Retiree GTL Benefit	0.14%	45.16129%	GASB 75

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE I – OTHER POST-EMPLOYMENT BENEFITS - GROUP TERM LIFE FUND (Continued)

Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 3.72%, as well as what the Wilson County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.72%) or 1 percentage point higher (4.72%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown:

	1% Decrease in Discount Rate (2.72%)	Discount Rate (3.72%)	1% Increase in Discount Rate (4.72%)
Total OPEB Liability	\$ 600,629	\$ 509,774	\$ 438,596

	January 1, 2022 to December 31, 2022
Service Cost	28,184
Interest on Total OPEB Liability (1)	13,286
Effect of Plan Changes	-
Recognition of deferred inflows/outflows of resources	
Recognition of economic/ demographic gains or losses	(697)
Recognition of assumption changes or inputs	(3,069)
Other	-
OPEB Expense/ (income)	\$ 37,704

(1) Reflects the change in the liability due to the time value of money. TCDRS does charge fees or interest.

The total OPEB Expense for September 30, 2023 was \$41,470.

As of December 31, 2022, the deferred inflows and outflows of resources are as follows:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences Between Expected and Actual Experience	\$ 22,278	\$ 9,302
Changes in Assumptions	73,851	144,797
Contributions made subsequent to the Measurement Date	23,382	-
Totals	\$ 119,511	\$ 154,099

Contributions subsequent to the measurement date of \$23,382 reported as deferred outflows of resources related to OPEB will be recognized as a reduction of the OPEB liability for the year ending September 30, 2023.

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

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE I – OTHER POST-EMPLOYMENT BENEFITS - GROUP TERM LIFE FUND (Continued)

Year Ended	
December 31:	
2023	\$ (3,768)
2024	4,094
2025	(11,721)
2026	(23,288)
2027	(23,287)
Thereafter	-
	\$ (57,970)

NOTE J - WILSON COUNTY RETIREE HEALTH OTHER POST-EMPLOYMENT BENEFIT PLAN

In addition to the TCDRS OPEB, The County administers a single-employer defined benefit healthcare plan for retirees, established under legal authority of the County Charter. The County is the only employer participating in the Plan. The Plan does not issue a publicly available financial report.

The County provides certain health care benefits through a single employer defined benefit OPEB plan. Permanent full-time employees who retire under TCDRS eligibility rules are eligible to participate in the County’s health care plan as a retiree at their own expense. The retiree pays 100% of the premiums for the insurance. Members are eligible at any age with 20 years of service or at age 60 with 8 years of service or when the retirees age plus years of service equals 75. Spouses and dependents of retirees are also eligible. As of the date of the latest actuarial valuation, the County has 143 active employees and 19 retirees participating in the plan.

When a regular, full-time employee retires and is currently enrolled in the health care plan, they are eligible to continue to participate in the County’s group health insurance and prescription plans. Members who terminate employment prior to retirement are not eligible for retiree health care benefits. Texas Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to the Commissioners Court. The plan is not administered by a trust and there are no assets accumulated in a trust.

Contributions

The funding policy of the plan is to ensure that adequate resources are available to meet the required insurance premiums for the upcoming year. It is not the intent of the funding policy to pre-fund retiree health insurance during employees’ entire careers.

Benefits Provided

Retirees may purchase retiree health care coverage through the County’s health care plan as a retiree and for eligible spouses and dependents at their own expense. Surviving spouses and dependents of deceased retired members may continue retiree health care coverage up to age 65 for spouses and to age 25 for dependents. Spouse and/or dependent must be on the plan prior to retirement of the employee. Retirees are required to enroll in Medicare Parts A and B once eligible.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

**NOTE J - WILSON COUNTY RETIREE HEALTH OTHER POST-EMPLOYMENT BENEFIT PLAN
(Continued)**

Inactive Employees or Beneficiaries Currently Receiving Benefits	19
Inactive Employees Entitled but Not Yet Receiving Benefits	0
Active Employees	143
	162
	162

Plan Provisions

Medical Benefits

Eligibility

Retirement through TCDRS at the earlier of (a) age 60 with 8 years of service or (b) have at least 20 years of service or (c) the sum of age plus service equals 75.

Dependent Eligibility

Spouse covered at time of retirement for at least one year.

Postretirement Contributions

The retiree pays the full contribution for additional dependent coverage. The County pays for 100% of the active individual base plan premium rate for retirees. The retiree pays any extra premium for the buy up plan.

Medical Plan Benefit

Schedule – Base Plan

Medical	Network	Non-Network
Deductible	\$2,000	50%
Copayment	80%	50%
OOP	\$6,000	50%

Other Benefits

The retiree pays the full cost of dependent coverage plus any extra cost of the buy up plan. These benefits continue to age 65.

Change in Plan Provisions

Added buy up plan. Coverage through Aetna.

Methods and Assumptions

Actuarial Method

Individual Entry Age Normal Cost Method- Level Percentage of Projected Salary

Service Cost

Determined for each employee as the actuarial present value of benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan’s benefit formula. This allocation is based on each participants service between date of hire and date of expected termination.

Total OPEB Liability

The actuarial present value of benefits allocated to all periods prior to the valuation year.

Discount Rate

4.87 (2.37% real rate of return plus 2.50% inflation) Level 4.50%

WILSON COUNTY, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2023

**NOTE J - WILSON COUNTY RETIREE HEALTH OTHER POST-EMPLOYMENT BENEFIT PLAN
 (Continued)**

Health Care Cost Trend	
Mortality	RPH- 2014 Total Table with Projection MP-2021
Turnover	Rates vary based on gender, age and select and ultimate at 15 years. Rates are based on the TCDRS actuarial assumptions from the 2017 retirement plan valuation report.
Disability	None assumed.
Retiree Contributions	The termination rates were developed from the withdrawal assumption used in the 2017 actuarial report for TCDRS. The rates are a 15 year select and ultimate table and are sex specific.
Salary Scale	3.50%

Data Assumptions

Coverage	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 100% of all actives who currently have healthcare coverage with employee only coverage upon retirement.
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Valuation Methodology and Terminology

Valuation Date	September 30, 2023
Measurement Date	September 30, 2023

Net OPEB Liability (NOL)

The Net OPEB Liability is the difference between the Total OPEB liability and the Plan Fiduciary Net Position. The Plan Fiduciary Net Position is zero for plans with no dedicated plan assets. To be included as assets of the plan the assets must be held in irrevocable trust for the exclusive purpose of providing postretirement benefits. Changes in benefit terms are recognized immediately. Changes in assumptions and experience gains/losses are amortized over the average remaining service of active employees and inactive participants. Investment gains/losses are amortized over five years.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE J - WILSON COUNTY RETIREE HEALTH OTHER POST-EMPLOYMENT BENEFIT PLAN (Continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Total OPEB Liability October 1, 2022	\$ 4,429,566	\$ -	\$ 4,429,566
Changes for the year:			-
Service Cost	338,314	-	338,314
Interest Cost	105,275	-	105,275
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(583,552)	-	(583,552)
Changes in Assumptions	(330,687)	-	(330,687)
Other Changes	-	-	-
Contributions- Employer	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(219,416)	-	(219,416)
Administrative Expense	-	-	-
Net Change in Total OPEB Liability	(690,066)	-	(690,066)
Total OPEB Liability September 30, 2023	\$ 3,739,500	\$ -	\$ 3,739,500

Total OPEB Expense

This expense includes the service cost, interest cost and amortized amount of each basis required by GASB 75.

	FY 2023
Service Cost as of October 1, 2022	338,314
Interest Cost	105,275
Changes of Benefit Terms	-
Current Recognized Deferred Outflows/ (Inflows)	
Difference Between Expected and Actual Experience	(192,431)
Changes in Assumptions or Other Inputs	(70,653)
Other Changes, if significant	-
Difference of Projected Investment Earnings	
Total OPEB Expense as of September 30, 2023	<u>\$ 180,505</u>

For the year ended September 30, 2023, the County recognized OPEB expense of \$180,505.

Also, as of September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

**NOTE J - WILSON COUNTY RETIREE HEALTH OTHER POST-EMPLOYMENT BENEFIT PLAN
(Continued)**

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 766,519
Changes in Assumptions	72,520	411,803
Net Difference between Projected and Actual Investments	-	-
Totals	\$ 72,520	\$ 1,178,322

Projection of Net Outflows (Inflows)

Year Ended		
December 31:		
2023	\$	(263,084)
2024		(272,922)
2025		(249,958)
2026		(177,754)
2027		(142,084)
Thereafter		-
	\$	(1,105,802)

Sensitivity Analysis of the Trend and Discount Rate

The sensitivity is plus or minus 1% from the base rates used in the valuation. The values shown are as of September 30, 2023.

Trend	Total OPEB Liability	% Difference
1% Decrease (3.50%)	3,329,695	-11.0%
Current Trend 4.50%	3,739,500	
1% Increase (5.50%)	4,226,413	13.0%
Trend	Total OPEB Liability	% Difference
1% Increase (5.87%)	3,405,774	-8.90%
Current Trend 4.87%	3,739,500	
1% Decrease (3.87%)	4,112,678	10.0%

NOTE K - COMMITMENTS AND CONTINGENCIES

Litigation

The County is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the County's liability in these cases, if decided adversely to the County, will not have a material effect on the County's financial position.

WILSON COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE K - COMMITMENTS AND CONTINGENCIES (cont.)

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. The County carries commercial insurance for all such risks. During the year ended September 30, 2023, settled claims resulting from these risks did not exceed commercial insurance coverage.

NOTE L – PRIOR PERIOD ADJUSTMENTS

The beginning balance of the Net Position reported within the accompanying Government-wide Statement of Net Position was revised downward by a net \$5,214,522. This net amount was attributable to the following:

\$ (255,468)	Elimination of Old, Prior Year Receivables
(74,841)	Adjust Pension Plan Deferred Inflows & Outflows to agree to TCDRS
<u>(4,884,213)</u>	Include Counties Other Post Benefit Retiree Health Plan Liability
<u>\$ (5,214,522)</u>	Total Downward Adjustment

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

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 15,089,352	\$ 15,089,352	\$ 15,795,030	\$ 705,678
Licenses and Permits	64,500	64,500	98,398	33,898
Intergovernmental Revenue and Grants	1,213,152	1,213,152	4,260,977	3,047,825
Charges for Services	164,900	164,900	151,825	(13,075)
Fines	1,722,875	1,722,875	1,836,556	113,681
Investment Earnings	75,000	75,000	1,037,102	962,102
Other Revenue	216,531	216,531	314,309	97,778
Total Revenues	18,546,310	18,546,310	23,494,197	4,947,887
EXPENDITURES:				
Current:				
General Government	7,483,758	7,483,758	7,103,900	379,858
Judicial	1,162,759	1,162,759	2,033,448	(870,689)
Elections	471,856	471,856	377,247	94,609
Public Safety	8,146,433	8,146,433	7,947,592	198,841
Public Works	1,182,586	1,182,586	1,249,177	(66,591)
Culture and Recreation	98,918	98,918	534,690	(435,772)
Debt Service:				
Debt Service	-	-	7,354	(7,354)
Capital Outlay:				
Capital Outlay	-	-	861,618	(861,618)
Total Expenditures	18,546,310	18,546,310	20,115,026	(1,568,716)
Excess (Deficiency) of Revenues Over Expenditures	-	-	3,379,171	3,379,171
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	100,346	100,346
Transfers Out	-	-	(489,182)	(489,182)
Total Other Financing Sources (Uses)	-	-	(388,836)	(388,836)
Net Change	-	-	2,990,335	2,990,335
Fund Balance - October 1 (Beginning)	12,023,045	12,023,045	12,023,045	-
Prior Period Adjustment	-	-	485,309	485,309
Fund Balance - September 30 (Ending)	\$ 12,023,045	\$ 12,023,045	\$ 15,498,689	\$ 3,475,644

Wilson County, Texas
Schedule of Changes in Net Pension Liability and Related Ratios
Texas County & District Retirement System

	Year Ended December 31								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability									
Service Cost	\$ 743,968	\$ 782,314	\$ 906,702	\$ 862,352	\$ 949,458	\$ 991,370	\$ 1,056,860	\$ 1,128,715	\$ 1,291,003
Interest on the total pension liability	1,419,549	1,530,935	1,644,965	1,804,050	2,019,137	2,166,931	2,306,549	2,447,420	2,612,334
Effect of plan changes	-	(109,795)	-	1,122,366	-	-	-	288,057	-
Effect of assump. changes or inputs	-	231,245	-	137,325	-	-	1,737,609	(118,037)	-
Effect of economic/demographic (gains) or losses	31,027	(41,228)	73,163	(191,506)	115,576	(149,031)	77,288	124,356	(282,260)
Benefit payments/ refunds	(828,175)	(970,097)	(1,004,855)	(1,155,345)	(1,177,711)	(1,430,132)	(1,268,872)	(1,785,489)	(1,943,139)
Net change in total pension liability	1,366,369	1,423,374	1,619,975	2,579,242	1,906,460	1,579,138	3,909,434	2,085,022	1,677,938
Total pension liability - beginning	17,566,585	18,932,954	20,356,328	21,976,303	24,555,545	26,462,004	28,041,142	31,950,576	34,035,598
Total pension liability - ending (a)	\$ 18,932,954	\$ 20,356,328	\$ 21,976,303	\$ 24,555,545	\$ 26,462,005	\$ 28,041,142	\$ 31,950,576	\$ 34,035,598	\$ 35,713,536
Fiduciary net position									
Employer contributions	\$ 560,772	\$ 600,753	\$ 620,359	\$ 638,007	\$ 770,869	\$ 788,264	\$ 871,008	\$ 862,960	\$ 1,035,184
Member contributions	424,827	472,503	487,923	501,804	540,692	571,349	608,488	624,041	641,832
Investment income net of inv exp	1,187,034	(12,710)	1,400,245	3,003,556	(437,254)	3,815,758	2,785,709	6,543,045	(2,097,608)
Benefit payments/ refunds	(828,175)	(970,097)	(1,004,855)	(1,155,345)	(1,177,711)	(1,430,132)	(1,268,872)	(1,785,489)	(1,943,139)
Administrative expenses	(13,880)	(13,548)	(15,240)	(15,662)	(18,663)	(20,545)	(21,911)	(19,568)	(19,795)
Other	37,144	155,307	154,763	(356)	6,355	1,340	8,905	(210)	(7,242)
Net change in plan fiduciary net position	1,367,722	232,208	1,643,195	2,972,004	(315,712)	3,726,034	2,983,327	6,224,779	(2,390,768)
Fiduciary net position - beginning	17,335,803	18,703,525	18,935,733	20,578,928	23,550,932	23,235,220	26,961,254	29,944,581	36,169,360
Fiduciary net position - ending (b)	\$ 18,703,525	\$ 18,935,733	\$ 20,578,928	\$ 23,550,932	\$ 23,235,220	\$ 26,961,254	\$ 29,944,581	\$ 36,169,360	\$ 33,778,592
Net pension liability = (a) - (b)	\$ 229,429	\$ 1,420,595	\$ 1,397,375	\$ 1,004,613	\$ 3,226,785	\$ 1,079,888	\$ 2,005,995	\$ (2,133,762)	\$ 1,934,944
Fiduciary net position as a percentage of the total pension liability	98.79%	93.02%	93.64%	95.91%	87.81%	96.15%	93.72%	106.27%	94.58%
Pensionable covered payroll	\$ 6,068,967	\$ 6,750,040	\$ 6,970,323	\$ 7,168,622	\$ 7,724,177	\$ 8,162,135	\$ 8,692,692	\$ 8,914,878	\$ 9,169,033
Net pension liability as a percentage of covered payroll	31.50%	21.05%	20.05%	14.01%	41.78%	13.23%	23.08%	-23.93%	21.10%

Note: Only nine years of data is presented in accordance with GASBS #68, paragraph 138, since this is the only information available that is measurable in accordance with this statement.

Wilson County, Texas
 Schedule of Employer Contributions
 Texas County & District Retirement System

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 464,000	\$ 547,421	\$ 573,753	\$ 572,264	\$ 536,930	\$ 770,869	\$ 786,014	\$ 871,008	\$ 862,960	\$ 1,035,184
Contributions in relation to the actuarially determined contribution	473,036	560,772	600,753	620,359	638,007	770,869	788,264	871,008	862,960	1,035,184
Contribution Deficiency (Excess)	\$ (9,036)	\$ (13,351)	\$ (27,000)	\$ (48,095)	\$ (101,077)	\$ -	\$ (2,250)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 5,315,008	\$ 6,068,964	\$ 6,750,040	\$ 6,970,323	\$ 7,168,622	\$ 7,724,177	\$ 8,162,135	\$ 8,692,692	\$ 8,914,878	\$ 9,169,033
Contributions as a Percentage of Covered Employee Payroll	8.90%	9.20%	8.90%	8.90%	8.90%	10.00%	9.70%	10.00%	9.70%	11.30%

Wilson County, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios
Texas County & District Retirement System

	Year Ended December 31					
	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service Cost	\$ 13,945	\$ 16,405	\$ 14,742	\$ 24,250	\$ 26,836	\$ 28,184
Interest on the total OPEB liability	16,128	14,843	16,725	14,437	12,972	13,286
Effect of plan changes	-	-	-	-	-	-
Effect of assump. changes or inputs	16,865	(44,075)	99,823	61,404	12,439	(164,943)
Effect of economic/demographic (gains) or losses	(29,319)	7,600	(4,955)	(1,843)	(4,230)	25,216
Benefit payments	(14,337)	(16,221)	(17,140)	(16,516)	(15,155)	(17,421)
Net change in total OPEB liability	3,282	(21,448)	109,195	81,732	32,862	(115,678)
Total OPEB liability - beginning	419,829	423,111	401,663	510,858	592,590	625,452
Total OPEB liability - ending	<u>\$ 423,111</u>	<u>\$ 401,663</u>	<u>\$ 510,858</u>	<u>\$ 592,590</u>	<u>\$ 625,452</u>	<u>\$ 509,774</u>
Pensionable covered payroll	\$ 7,168,622	\$ 7,724,177	\$ 8,162,135	\$ 8,692,692	\$ 8,914,878	\$ 9,169,033
Total OPEB liability/ (asset) as a percentage of covered payroll	5.90%	5.20%	6.26%	6.82%	7.02%	5.56%

Note: Only six years of data is presented in accordance with GASBS #75, since this is the only information available that is measurable in accordance with this statement.

LEAL & CARTER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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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 Judge and Commissioner's Court
Wilson 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 the Wilson County, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which comprise the Wilson County, Texas' basic financial statements, and have issued our report thereon dated April 30, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. (Findings 2023-01)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wilson County, Texas' 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*.

Wilson County's Response to Findings

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

Purpose of This Report

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

Seal & Carter, P.C.

San Antonio, Texas

April 30, 2024

LEAL & CARTER, P.C.

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By The State of Texas Single Audit Circular and Uniform Grant Management Standards

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Wilson County, Texas' compliance with the types of compliance requirements identified as subject to audit in the State of Texas Audit Circular and Uniform Grant Management Standards (UGMS) that could have a direct and material effect on each of the Wilson County, Texas' major state programs for the year ended September 30, 2023. The Wilson County, Texas' major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Wilson County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the State of Texas Audit Circular and Uniform Grant Management Standards (UGMS). Our responsibilities under those standards and the State of Texas Audit Circular and Uniform Grant Management Standards (UGMS) 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 Wilson County, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Wilson County, Texas' 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 Wilson County, Texas' state 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 Wilson County, Texas' 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 generally accepted

auditing standards, *Government Auditing Standards*, and the State of Texas Audit Circular and Uniform Grant Management Standards (UGMS) 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 Wilson County, Texas' compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State of Texas Audit Circular and Uniform Grant Management Standards (UGMS), 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 Wilson County, Texas' 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 Wilson County, Texas' 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 State of Texas Audit Circular and Uniform Grant Management Standards (UGMS) but not for the purpose of expressing an opinion on the effectiveness of the Wilson County, Texas' 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 state 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 state 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 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.

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 were not identified.

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

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 State of Texas Audit Circular and Uniform Grant Management Standards (UGMS). Accordingly, this report is not suitable for any other purpose.

San Antonio, Texas
April 30, 2024

Seal & Carter, P.C.

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

Section I - Summary of Auditors Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Wilson County, Texas were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Wilson County, Texas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major state award programs disclosed during the audit.
5. The auditor's report on compliance for the major state award programs for Wilson County, Texas expresses an unmodified opinion on all major state programs.
6. The audit did not disclose audit findings that are required to be reported in accordance with the State of Texas Single Audit Circular and Uniform Grant Management Standards (UGMS).
7. The programs tested as major programs:

State Major Programs

<u>Grant Number</u>	<u>Name of State Program</u>
4385201/4385202	BD- Operation Lone Star Grant Program

8. The threshold used for distinguishing between Type A and B state programs was \$300,000.
9. Wilson County did not qualify as a low-risk auditee.

Section II-Findings Related to Financial Statement Audit

Finding 2023-01 Custodial Fund accounting procedures

It appears some of the Custodial funds' daily transactions and ending balances are not recorded in the general ledger. The resulting activity, related to receipts, to the County's governmental funds is recorded in the general ledger, however reconciliation's of the transfers from the Custodial funds is not reflected in the general ledger.

Finding 2023-01 Custodial Fund accounting procedures (cont.)

Due to the significant amount of funds processed through these accounts we recommend the County improve controls over these funds by recording Custodial fund transactions in the general ledger on a regular and current basis as transactions occur.

Status: Corrective action is in progress in Fiscal Year 2023.

Section III- Findings and Questioned Costs – Major State Awards Program Audit

None

WILSON COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

No findings in prior year audit.

WILSON COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

STATE GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER (ALN)	GRANT NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS- THROUGH TO SUB- RECIPIENTS	TOTAL STATE EXPENDI- TURES
NON-FEDERAL					
TEXAS OFFICE OF THE GOVERNOR					
Passed Through					
Homeland Security Grants Division (HSGD)					
BD- Operation Lone Star Grant Program	N/A	4385201; 4385202	N/A	N/A	399,245.00
Total Texas Office of the Governor					<u>399,245.00</u>
TEXAS OFFICE OF THE ATTORNEY GENERAL					
Passed Through					
Statewide Automated Victim Notification Service (SAVNS)	N/A	20222344900-527-01	N/A	N/A	17,777.00
Total Texas Office of the Attorney General					<u>17,777.00</u>
OFFICE OF COURT ADMINISTRATION					
Passed Through					
Texas Indigent Defense Commission					
Indigent Defense Coordinator Program	N/A	212-23-N03	N/A	N/A	37,969.00
Indigent Defense Improvement Grant (Coordinator/Techshare)	N/A	212-21-247	N/A	N/A	46,119.00
Total Office of Court Administration					<u>84,088.00</u>
TEXAS DEPARTMENT OF TRANSPORTATION					
2020 TxDOT County Transportation Infrastructure Fund	N/A	CTIF-02-247	N/A	N/A	211,486.00
Total Texas Department of Transportation					<u>211,486.00</u>
TEXAS STATE LIBRARY AND ARCHIVES COMMISSION					
Texas Digital Navigators Grant Program	N/A	TDN-22009	N/A	N/A	53,968.00
Total Texas State Library and Archives Commission					<u>53,968.00</u>
TOTAL NON-FEDERAL ASSISTANCE					<u><u>766,564.00</u></u>

See Accompanying Notes to Schedule of Expenditures of State Awards

WILSON COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE A-BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards (the Schedule) includes the state grant activity of Wilson County, Texas. The information in this Schedule is presented in accordance with the requirements of the *State of Texas Single Audit Circular* and Uniform Grant Management Standards (UGMS). Because the Schedule presents only a selected portion of the operations of Wilson County, Texas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Wilson County, Texas.

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *State of Texas Single Audit Circular* and Uniform Grant Management Standards (UGMS) wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C-INDIRECT COST RATE

Wilson County, Texas has not elected to use the 10% de minimis indirect cost rate as allowed under the *State of Texas Single Audit Circular* and Uniform Grant Management Standards (UGMS).

NOTE D-SUBRECIPIENTS

During the year ending September 30, 2023, the County did not provide any state awards to subrecipients.