

BRISCOE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

BRISCOE COUNTY, TEXAS

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Briscoe County, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Briscoe County, Texas's basic financial statements as listed in the table of contents.

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 Briscoe County, Texas 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 Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* and 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 judgement made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability (asset) and related ratios, schedule of employer contributions, and budgetary comparison information as listed in the table of contents 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

April 8, 2024

BRISCOE COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)

This section of Briscoe County's (the County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended September 30, 2023. Please read it in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

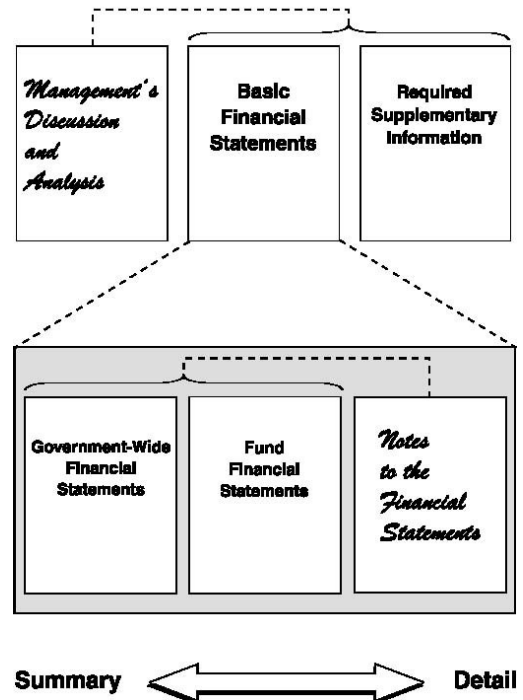
- The County's total combined net position was \$3,514,129 at September 30, 2023. Of this amount, \$2,306,267 (unrestricted net position) may be used to meet the County's ongoing obligations.
- During the year, the County's expenses were \$280,621 less than the \$2,320,899 generated in taxes and other revenues for governmental activities.
- The General Fund reported a fund balance this year of \$2,428,109, of which \$2,216,315 is the unassigned fund balance and is available for spending at the government's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are Government-Wide Financial Statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are Fund Financial Statements that focus on individual parts of the government, reporting the County's operations in more detail than the government-wide statements.
- The Governmental Funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Fiduciary Fund statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Figure A-1. Required Components of the County's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

FIGURE A-2
MAJOR FEATURES OF THE COUNTY'S GOVERNMENT-WIDE AND FUND STATEMENTS

<i>Type of Statement</i>	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire County's government (except fiduciary funds)	The activities of the County that are not proprietary or fiduciary	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	Statement of net position	Balance Sheet	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures and changes in fund balances	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of flow/outflow	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received	All revenues and expenses during year; regardless of when cash is received or paid

Government-Wide Statements

The government-wide statements are designed to provide readers with a broad overview of the County's finances, using accounting methods similar to those used by private-sector companies. The Statement of Net Position (Page 11) presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the County's financial position is improving or deteriorating when examined in conjunction with nonfinancial factors. The Statement of Activities (Page 12) presents information showing how the government's net position changed during the 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.

Both of these government-wide financial statements distinguish functions of the County 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). Governmental activities include general government, public safety, road and bridge, extension services, culture and recreation. These activities are financed primarily by property taxes and grants.

Fund Financial Statements

The Fund Financial Statements provide more detailed information about the County's most significant funds – not the County as a whole. Funds are groupings of related accounts that the County uses to keep track of specific sources of funding and spending for particular purposes. The County, like other state and local governments, uses funds to show compliance with finance-related legal requirements as well as to control and manage money for other particular purposes.

The County has two types of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on short-term inflows and outflows of available resources and the balances of these resources that are available at the end of the year. 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. These reconciliations can be found on pages 14 and 16 of the basic financial statements section.

The County maintains three individual governmental funds. Information is presented separately in the governmental fund statements for the General Fund, Road and Bridge Fund, and Jury Fund.

The County adopts an annual appropriated budget for its funds. Budgetary comparison schedules have been provided on pages 41 and 42 to demonstrate compliance with these budgets.

- *Fiduciary funds*—The County is the trustee, or fiduciary, for certain funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position on page 17 and the Statement of Changes in Fiduciary Net Position on page 18. Fiduciary funds are not reflected in the government-wide financial statements because the County cannot use these assets to finance its operations.

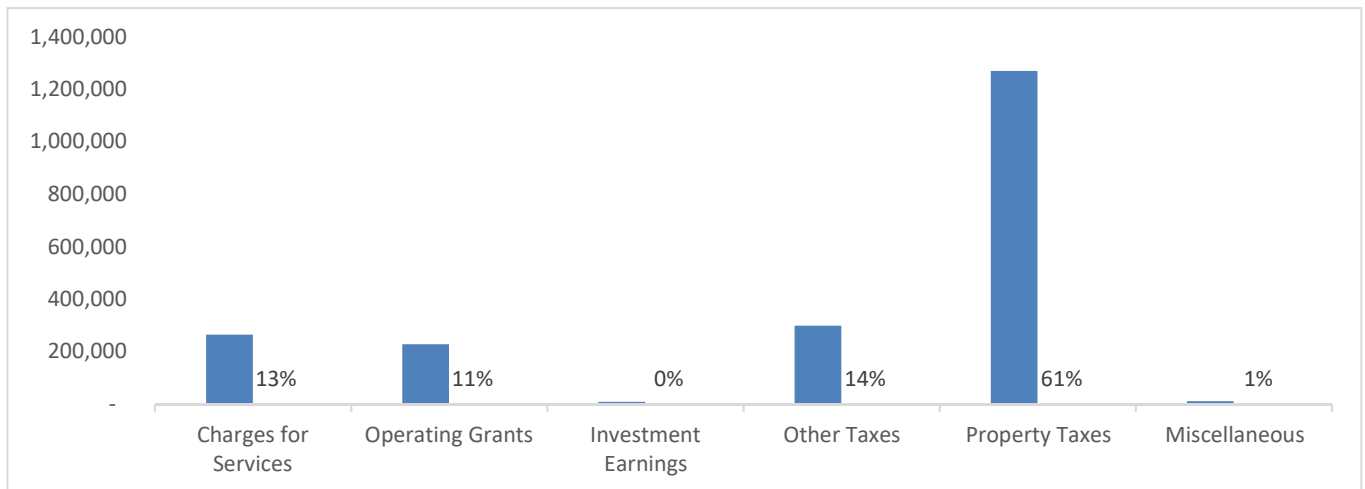
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County's combined net position was \$3,514,129 at September 30, 2023. The largest portion of the County's total assets, \$3,042,948, reflects its cash, investments, accounts receivable, and prepaid expenses, with the remainder \$565,306 reported as net pension and capital assets.

Table A-1
Briscoe County's Net Position
(in thousands)

	Governmental Activities,	
	2023	2022
Current and Other Assets	\$ 3,043	\$ 2,839
Capital and Non-Current Assets	565	1,053
Total Assets	\$ 3,608	\$ 3,892
Deferred Outflows of Resources	\$ 111	\$ 64
Current Liabilities	\$ 41	\$ 39
Non-Current Liabilities	89	112
Total Liabilities	\$ 130	\$ 151
Deferred Inflows of Resources	\$ 75	\$ 572
Net Position		
Net Investment in Capital Assets	\$ 549	\$ 607
Restricted	659	674
Unrestricted	2,306	1,953
Total Net Position	\$ 3,514	\$ 3,234

Changes in Net Position - The County's net position increased by \$280,621 during the current fiscal year.



Governmental Activities - Total revenues for the fiscal year ending September 30, 2023 were \$2,320,899. Approximately 75% of the County's revenue comes from taxes, while 13% comes from charges for services. Investment earnings, operating grants, and miscellaneous revenues account for 12% of total revenues.

Table A-2
Briscoe County Changes in Net Position
(in thousands)

	Governmental Activities,	
	2023	2022
Revenues:		
Program Revenues		
Charge for Services	\$ 316	\$ 266
Operating Grants and Contributions	230	133
General Revenues		
Property Taxes	1,326	1,272
Other Taxes	318	300
Investment Earnings	113	8
Miscellaneous	17	11
Total Revenues	<u>\$ 2,320</u>	<u>\$ 1,990</u>
Expenses:		
General Administration	\$ 598	\$ 415
County Judge	79	71
County & District Clerk	97	93
Treasurer	47	45
Tax Assessor Collector	104	81
County Attorney	50	76
Justice of Peace #1	42	39
Justice of Peace #2	48	43
County Sheriff	255	271
Extension Services	64	79
Courthouse Operations and Maintenance	88	78
Road and Bridge	535	501
District Court and Jurors	33	40
Total Expenses	<u>\$ 2,040</u>	<u>\$ 1,832</u>
Increase in Net Position	\$ 280	\$ 158
Beginning Net Position	<u>3,234</u>	<u>3,076</u>
Ending Net Position	<u>\$ 3,514</u>	<u>\$ 3,234</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of the end of the fiscal year, the County's General Fund reported a fund balance of \$2,428,109, an increase of \$234,258 over the prior year. The unassigned fund balance is \$2,216,315 and is available for spending at the government's discretion.

As a measure of the fund's liquidity, it may be useful to compare unassigned fund balances to total fund expenditures. Unassigned fund balances represent 147% of total General Fund expenditures.

General Fund Budgetary Highlights - At the end of the year, actual expenditures were \$168,057 under final budgeted amounts. Actual revenues were over final budgeted amounts by \$231,320.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets — As of September 30, 2023, the County had invested \$1.8 million in a broad range of capital assets, including buildings and improvements and machinery and equipment.

During the year ended September 30, 2023, the County purchased a 2023 Police Interceptor for \$47,053.

More detailed information about the County’s capital assets can be found on page 27.

Table A-3
Briscoe County's Capital Assets
 (in thousands)

	Governmental Activities,	
	2023	2022
Buildings and Improvements	\$ 598	\$ 598
Machinery and Equipment	1,245	1,198
Total	<u>\$ 1,843</u>	<u>\$ 1,796</u>
Total Accumulated Depreciation	<u>\$ 1,294</u>	<u>\$ 1,189</u>
Net Investment in Capital Assets	<u>\$ 549</u>	<u>\$ 607</u>

Long-Term Debt — The County had no debt at September 30, 2023.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- The appraised value used for the 2023-2024 budget preparation is estimated to be \$286,249,282, up 19.6% from 2022-2023.
- The tax rate established for 2023 is \$0.535 per \$100 evaluation.
- Inflationary trends in the region compare favorably to national indices.

These factors and others were taken into consideration when preparing the General Fund budget for the 2024 fiscal year.

Amounts available for appropriation in the General Fund budget are \$2,056,941, an increase of 22.6% over the 2022-2023 budget of \$1,591,105. The majority of the increase is related to an increase in property tax revenues and SB-22 revenue. Property tax revenue is expected to increase by \$183,761 due to an increase in taxable value and a decreased tax rate. SB-22 is a grant which the County is expecting to qualify for in the amount of \$250,000.

Budgeted expenditures are expected to increase approximately 24.1% to \$2,070,486.

If these estimates are realized, the County’s budgetary General Fund balance is expected to decrease by \$13,544.

CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County’s finances and to demonstrate the County’s accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Office of the Briscoe County Treasurer, County Courthouse, P.O. Box 674, Silverton, Texas 79257.

BASIC FINANCIAL STATEMENTS

BRISCOE COUNTY, TEXAS

Exhibit A-1

STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	<u>Primary Government Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalents	\$ 2,914,710
Interest Receivable	29,403
Taxes and Accounts Receivables, net	10,533
Office Receivables, net	54,566
Due From Other Governments	9,846
Prepaid Expenses	23,890
Noncurrent Assets	
Net Pension Asset	16,476
Capital Assets (Net of Accumulated Depreciation):	
Buildings and Improvements	328,707
Machinery and Equipment	<u>220,123</u>
 Total Assets	 \$ <u>3,608,254</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Plan - Related Items	\$ 109,034
OPEB Plan - Related Items	<u>1,694</u>
 Total Deferred Outflows of Resources	 \$ <u>110,728</u>
LIABILITIES:	
Accounts Payable	\$ 40,955
Noncurrent Liabilities	
Total OPEB Liability	<u>89,013</u>
 Total Liabilities	 \$ <u>129,968</u>
DEFERRED INFLOWS OF RESOURCES:	
Unavailable Revenue - Unspent Grants	\$ 54,133
OPEB - Related Items	<u>20,752</u>
 Total Deferred Inflows of Resources	 \$ <u>74,885</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 548,830
Restricted For:	
Enabling Legislation	187,904
Road and Bridge	394,260
Jury Fund	60,392
Net Pension Asset	16,476
Unrestricted	<u>2,306,267</u>
 Total Net Position	 \$ <u><u>3,514,129</u></u>

The accompanying notes are an integral part of this statement.

BRISCOE COUNTY, TEXAS

Exhibit A-2

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Fines, Fees & Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Revenue and Changes in Net Position</u>
				<u>Primary Gov. Governmental Activities</u>
PRIMARY GOVERNMENT:				
Governmental Activities				
General Administration	\$ 597,594	\$	\$ 103,869	\$ (493,725)
County Judge	79,435		25,200	(54,235)
County & District Clerk	96,915	31,570		(65,345)
Treasurer	47,340			(47,340)
Tax Assessor Collector	104,442	7,842		(96,600)
County Attorney	49,950		28,000	(21,950)
Justice of Peace #1	42,254	100,498		58,244
Justice of Peace #2	47,468	54,083		6,615
County Sheriff	255,445	875	7,448	(247,122)
Extension Services	63,621			(63,621)
Courthouse Operations and Maintenance	88,393			(88,393)
Road and Bridge	534,590	121,345	59,996	(353,249)
District Court	32,483		5,700	(26,783)
Jurors	348			(348)
Total Governmental Activities	<u>\$ 2,040,278</u>	<u>\$ 316,213</u>	<u>\$ 230,213</u>	<u>\$ (1,493,852)</u>
General Revenues:				
Property Taxes				\$ 1,325,484
Other Taxes				318,000
Investment Earnings				113,201
Miscellaneous Income				17,788
Total General Revenues				<u>\$ 1,774,473</u>
Change in Net Position				\$ 280,621
Net Position - Beginning				3,233,508
Net Position - Ending				<u>\$ 3,514,129</u>

The accompanying notes are an integral part of this statement.

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BRISCOE COUNTY, TEXAS

Exhibit A-3

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Major Fund General Fund	Major Fund Road and Bridge Fund	Nonmajor Governmental Fund Jury Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 2,460,975	\$ 393,760	\$ 59,975	\$ 2,914,710
Taxes Receivable, net	10,533			10,533
Other Receivables	27,344	1,642	417	29,403
Due From Other Governments	2,301	7,545		9,846
Prepaid Expenses	23,890			23,890
Total Assets	\$ 2,525,043	\$ 402,947	\$ 60,392	\$ 2,988,382
LIABILITIES:				
Accounts Payable	\$ 32,268	\$ 8,687	\$ -	\$ 40,955
Total Liabilities	\$ 32,268	\$ 8,687	\$ 0	\$ 40,955
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Property Taxes	\$ 10,533	\$ -	\$ -	\$ 10,533
Unavailable Revenue - Grants	54,133			54,133
Total Deferred Inflows of Resources	\$ 64,666	\$ 0	\$ 0	\$ 64,666
FUND BALANCES:				
Nonspendable:				
Prepaid Expenses	\$ 23,890	\$ -	\$ -	\$ 23,890
Restricted For:				
Enabling Legislation	187,904			187,904
Road and Bridge		394,260		394,260
Jury Fund			60,392	60,392
Unassigned:				
Reported in the General Fund	2,216,315			2,216,315
Total Fund Balances	\$ 2,428,109	\$ 394,260	\$ 60,392	\$ 2,882,761
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,525,043	\$ 402,947	\$ 60,392	\$ 2,988,382

The accompanying notes are an integral part of this statement.

BRISCOE COUNTY, TEXAS

Exhibit A-4

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

Total Fund Balances - Governmental Funds Balance Sheet	\$	2,882,761
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:		
The net investment in capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		548,830
Net pension asset and deferred outflows and inflows of resources are not recognized in the governmental funds.		125,510
Total OPEB liability and deferred outflows and inflows of resources are not recognized in the governmental funds.		(108,071)
Revenues unavailable to pay for current period expenditures are deferred in the funds.		10,533
To record the Justice of the Peace and County/Dist. Clerk fines receivables.		<u>54,566</u>
Net Assets of Governmental Activities - Statement of Net Position	\$	<u><u>3,514,129</u></u>

The accompanying notes are an integral part of this statement.

BRISCOE COUNTY, TEXAS

Exhibit A-5

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

	Major Fund <u>General Fund</u>	Major Fund <u>Road and Bridge Fund</u>	Nonmajor Governmental Fund <u>Jury Fund</u>	Total Governmental Funds
Revenue:				
Property Taxes	\$ 1,032,010	\$ 291,080	\$	\$ 1,323,090
Other Taxes	248,766	69,234		318,000
License and Permits		101,307		101,307
Intergovernmental Revenue and Grants	170,218	59,996		230,214
Charges for Services		20,037		20,037
Fines and Fees	181,225			181,225
Investment Earnings	88,323	22,779	2,099	113,201
Rents and Royalties	3,000			3,000
Other Revenue	14,788			14,788
Total Revenues	<u>\$ 1,738,330</u>	<u>\$ 564,433</u>	<u>\$ 2,099</u>	<u>\$ 2,304,862</u>
Expenditures:				
Current:				
General Administration	\$ 590,642	\$	\$	\$ 590,642
County Judge	82,980			82,980
County & District Clerk	92,533			92,533
Treasurer	49,367			49,367
Tax Assessor Collector	106,728			106,728
County Attorney	51,108			51,108
Justice of Peace #1	44,162			44,162
Justice of Peace #2	49,449			49,449
County Sheriff	289,706			289,706
Extension Services	57,254			57,254
Courthouse Operations and Maintenance	57,312			57,312
Road and Bridge		518,162		518,162
District Court	32,483			32,483
Jurors	348			348
Total Expenditures	<u>\$ 1,504,072</u>	<u>\$ 518,162</u>	<u>\$ 0</u>	<u>\$ 2,022,234</u>
Net Change in Fund Balances	\$ 234,258	\$ 46,271	\$ 2,099	\$ 282,628
Fund Balances - Beginning	<u>2,193,851</u>	<u>347,989</u>	<u>58,293</u>	<u>2,600,133</u>
Fund Balances - Ending	<u><u>\$ 2,428,109</u></u>	<u><u>\$ 394,260</u></u>	<u><u>\$ 60,392</u></u>	<u><u>\$ 2,882,761</u></u>

The accompanying notes are an integral part of this statement.

BRISCOE COUNTY, TEXAS

Exhibit A-6

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

Net Change in Fund Balances - Total Governmental Funds	\$	282,628
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:		
Current year capital outlay payments are expenditures in the Fund Financial Statements, but they should be shown as increases in capital assets in the Government-Wide Financial Statements. The net effect of removing the current year capital outlay is an increase to net position.		47,053
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 a decrease to net position.		(105,370)
Net change in pension expense to convert amounts paid in for the governmental funds to accrued pension expense for governmental activities.		46,947
Net change in OPEB expense to convert amounts paid in for the governmental funds to accrued OPEB expense for governmental activities.		(6,674)
To record the change in the Justice of the Peace and County/Dist. Clerk fines receivable.		13,643
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		<u>2,394</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$	<u><u>280,621</u></u>

The accompanying notes are an integral part of this statement.

BRISCOE COUNTY, TEXAS

Exhibit A-7

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

ASSETS:

Current Assets

Cash and Cash Equivalents

\$ 40,075

Total Current Assets

\$ 40,075

LIABILITIES:

Total Liabilities

\$ 0

NET POSITION:

Unrestricted Net Position

\$ 40,075

The accompanying notes are an integral part of this statement.

BRISCOE COUNTY, TEXAS

Exhibit A-8

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

ADDITIONS

Fines and Fees Collected	\$	402,960
Other		41
	\$	<u>403,001</u>

DEDUCTIONS

Fines and Fees Distributed	\$	404,508
	\$	<u>404,508</u>

Change in Net Position	\$	(1,507)
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NET POSITION

October 1, 2022 (Beginning)		<u>41,582</u>
September 30, 2023 (Ending)	\$	<u><u>40,075</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The authority of county governments and their specific functions and responsibilities are created by and are dependent upon laws and legal regulations of the Texas State Constitution and V.A.C.S. Briscoe County, Texas (the County) operates under a county judge/commissioners' court type of government as provided by state statute.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2023.

The County is a body, corporate and political, which performs all local government functions within its jurisdiction. The County is governed by an elected County Judge and four County Commissioners elected from individual precincts. The Judge and four Commissioners form the governing body, the Commissioners' Court. Various branches of the County government are led by duly elected officials who serve in their positions. These other elected officials are responsible only to the voters for their performance and for the operations of their individual offices but must seek budget approval from the Commissioners' Court. There are no component units (other governmental entities) over which the County exercises significant controls or has oversight responsibility.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are Government-Wide Financial Statements. They report information on all of the County's non-fiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, fines and fees, grants, and other intergovernmental revenues.

The Statement of Activities presents a comparison between expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include a) fees, fines, and charges paid by the recipients of goods or services offered by the program, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

The fund financial statements provide reports on the financial condition and results of operations for two fund categories – governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for the County operations, they are not included in the Government-Wide Financial Statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column.

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

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

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

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

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

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

D. FUND ACCOUNTING

The County applies GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for the fiscal year ended September 30, 2023. This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which the amounts in the funds may be spent. Application of the Statement requires the County to classify and report amounts in the appropriate fund balance classifications. The County's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned. From interpretation of the adopted policy, the County will spend its fund in the following order: Committed, Assigned, and Unassigned, if more than one classification of fund balance is available.

The County reports the following classifications:

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

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

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

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

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

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

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

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

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

The County maintains the following funds:

Major Governmental Fund:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund – The Road and Bridge Fund is a special revenue fund that is used to account for the operation, repair and maintenance of roads and bridges within the County.

Non-Major Governmental Funds:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes, or designated to finance particular functions or activities of the County.

Fiduciary Funds:

Fiduciary Funds, which include funds held by County offices, also are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other government, and/or other funds. These include Custodial Funds.

E. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Balance Sheet/Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance/net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

F. OTHER ACCOUNTING POLICIES

1. The County considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.
2. Capital assets include buildings and improvements and machinery and equipment and are reported in the applicable governmental activities columns in the Government-Wide Financial Statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	100-15
Machinery and Equipment	7-10

- The County provides statutory workers' compensation insurance for its employees through Texas Association of Counties (TAC), a risk management pool.

II. PROPERTY TAX

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

The appraisal of property within the County is the responsibility of the Briscoe County Appraisal District, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the County must be reviewed every three years by the appraisal district unless the County, at its own expense, requires more frequent views. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County continue to set tax rates on county property.

The tax rates assessed for the year ended September 30, 2023 were \$.56288 per \$100 valuation

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

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

At September 30, 2023, the carrying amount of the County's deposits was \$2,914,710 and the bank balance was \$2,985,089.

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

The Public Funds Investment Act (Government Code Chapter 2256) (the Act) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

The carrying value of investments (certificates of deposit), included in the County's deposits above, at September 30, 2023 was \$1,089,354.

Policies Governing Deposits and Investments:

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy.

The policy does not address the following risk:

Custodial Credit Risk – Deposits: This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2023 were covered by depository insurance or by pledged collateral held by the County's agent bank.

The County's investments are certificates of deposits covered by pledged securities.

B. FAIR VALUE MEASUREMENT AND APPLICATION

The County categorizes fair value measurements of investment assets and liabilities within the fair value hierarchy established by generally accepted accounting principles as mandated by GASB Statement No. 72. These investments are valued through industry standard practices for the respective type of security at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The hierarchy classifications are based on the transparency of inputs to the valuation techniques used and should not be perceived as the particular investment's risk. These classifications are summarized into three broad levels, arranged from highest to lowest:

Level 1 – Unadjusted inputs using quoted prices in active markets or exchanges for identical investments.

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Level 2 – Other significant observable inputs including quoted prices of securities that are comparable in coupon, rating, maturity and industry. Inputs other than quoted prices that are observable take into account operational, market, financial and non-financial factors (interest rates, yield curves, credit risk, and default rates) or other market corroborated inputs that are observable at commonly quoted intervals for the full term of the investment.

Level 3 – Significant inputs that are not observable and cannot be corroborated by observable market data (assumptions, cash flows or earnings multiples). In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The assessment of the significance of particular inputs to their fair value measurements requires judgment and considers factors specific to each asset.

The County's certificates of deposit are measured at cost and are considered Level 1 investments.

C. DISAGGREGATION OF RECEIVABLES AND PAYABLES

In the Government-Wide Statement of Net Position, the County reported the following receivables:

	<u>Balance</u>	<u>Allowance</u>	<u>Net</u>
Taxes and Accounts Receivables	\$ 26,057	\$ 15,525	\$ 10,532
Interest Receivable	29,403		29,403
Office Receivables	107,346	52,780	54,566
Due From Other Governments	9,846		9,846
	<u>\$ 172,652</u>	<u>\$ 68,305</u>	<u>\$ 104,347</u>

Payables at September 30, 2023 were as follows:

	<u>Accounts Payable</u>
General Fund	\$ 32,269
Road and Bridge	8,686
	<u>\$ 40,955</u>

BRISCOE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

D. CAPITAL ASSET ACTIVITY

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

	Balance October 1, 2022	Additions	Retirements	Balance September 30, 2023
Depreciable Assets				
Buildings and Improvements	\$ 597,807	\$	\$	\$ 597,807
Machinery and Equipment	1,197,632	47,053		1,244,685
Total Depreciable Assets	\$ 1,795,439	\$ 47,053	\$ 0	\$ 1,842,492
Less Accumulated Depreciation				
Buildings and Improvement	\$ 230,635	\$ 38,465	\$	\$ 269,100
Machinery and Equipment	957,657	66,905		1,024,562
Total Accumulated Depreciation	\$ 1,188,292	\$ 105,370	\$ 0	\$ 1,293,662
Governmental Activities Capital Assets, Net	\$ 607,147	\$ (58,317)	\$ 0	\$ 548,830

Current year depreciation expense was charged to governmental functions as follows:

General Administration	\$ 6,952
County & District Clerk	8,201
County Sheriff	20,955
Extension Services	7,580
Courthouse Operations and Maintenance	31,513
Road and Bridge	30,169
Total Depreciation Expense	\$ 105,370

E. RISK MANAGEMENT

Workers' Compensation

During the year ended September 30, 2023, employees of the County were covered by a workers' compensation plan administered by TAC. The County paid a contribution of \$8,167 for the year ended September 30, 2023. These figures are subject to change based upon actual payroll figures.

Health Care

During the year ended September 30, 2023, employees of the County were covered by a health insurance plan (the Plan). The County paid 100% of each employee's monthly premium. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to TAC. The cost to the County for the year ended September 30, 2023 was \$136,285.

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

F. RETIREMENT PENSION PLAN

Plan Description:

The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 848 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an Annual Comprehensive Financial Report (ACFR) on a calendar basis. The ACFR is available upon written request from the Board of Trustees at Barton Oaks Plaza IV, Suite 500, 901 Mopac S., Austin, Texas 78746.

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

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

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

Pension Plan Fiduciary Net Position:

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

The information provided by TCDRS shows the following information regarding the Pension Plan fiduciary net position for the County as of December 31, 2022.

<u>Net Pension Liability (Asset)</u>	<u>Total</u>
Total Pension Liability	\$ 3,312,514
Less: Plan Fiduciary Net Position	<u>(3,328,989)</u>
Net Pension Liability (Asset)	<u>\$ (16,476)</u>
Net Position as Percentage of Total Pension Liability	100.50%

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Benefits Provided:

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

Contributions:

The plan is funded by monthly contributions from employee deposits and from employer contributions based on the covered payroll of employee members. Under the variable rate plan provisions, the contribution rate of the employer is actuarially determined annually. The required contribution was determined as part of the December 31, 2022 actuarial valuation using the entry age actuarial cost method.

The actuarial assumptions at December 31, 2022 included (a) an 7.5% investment rate of return (net of administrative expenses), and (b) a projected salary increase of 4.7%. Both (a) and (b) included an inflation component of 2.50%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The employer contribution rate was 8.93% for 2022. The deposit rate payable by employee members is the rate of seven percent as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the Texas state statutes governing TCDRS.

	Contribution Rates	
	2023	2022
Member	7.00%	7.00%
Employer	7.51%	8.93%
2022 Employer Contributions	\$	60,062
2022 Member Contributions	\$	53,367

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Actuarial Assumptions:

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Smoothing Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Remaining Amortization Period	18.5 years
Discount Rate	7.60%
Long-Term Expected Investment	
Rate of Return*	7.50%
Salary Increases*	4.70%
Payroll Growth Rate	0.50%

**Includes Inflation of 2.50%*

The actuarial methods and assumptions are primarily based on a study of the County's workforce and estimate of benefits it will pay its employees. The economic and demographic assumptions have been established based on the 2022 experience study for TCDRS, details of which can be found in the 2021 Investigation and Experience Report on the TCDRS website.

Discount Rate:

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.60%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

BRISCOE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation **	Long-Term Expected Portfolio Real Rate of Return*
US Equities	11.50%	4.95%
Global Equities	2.50%	4.95%
International Equities - Developed	5.00%	4.95%
International Equities - Emerging	6.00%	4.95%
Investment-Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.95%
Hedge Funds	6.00%	2.90%
Cash Equivalents	2.00%	0.20%
Total	100.00%	

* - Geometric real rates of return in addition to assumed inflation of 2.3%, per Cliffwater's 2023 capital market assumptions

** - Target asset allocation adopted at the March 2023 TCDRS Board Meeting.

Discount Rate Sensitivity Analysis:

The following schedule shows the impact of the net pension asset if the discount rate used was one percent less than and one percent greater than the discount rate that was used (7.60%) in measuring the 2022 net pension asset.

	1% Decrease in Discount Rate (6.6%)	Discount Rate (7.6%)	1% Increase in Discount Rate (8.6%)
Total Pension Liability	\$ 3,642,215	\$ 3,312,514	\$ 3,025,979
Fiduciary Net Position	(3,328,989)	(3,328,989)	(3,328,989)
Net Pension Liability / (Asset)	\$ 313,226	\$ (16,476)	\$ (303,010)

BRISCOE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

At December 31, 2022, the County reported an asset of \$16,476 for its proportionate share of the TCDRS net pension asset.

The net pension asset was measured as of December 31, 2022 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The employer's proportion of the net pension asset was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period January 1, 2022 through December 31, 2022.

For the plan year ended December 31, 2022, there were no changes in assumptions and plan provisions.

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

	<u>Deferred Outflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 1,129
Net Difference Between Projected and Actual Earnings	65,491
Contributions Paid to TCDRS Subsequent to the Measurement Date	<u>42,414</u>
Total	<u>\$ 109,034</u>

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

	<u>Pension Expense Amount</u>
2023	\$ 3,675
2024	(681)
2025	10,710
2026	95,330
2027	0
Thereafter	0

BRISCOE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

At December 31, 2022, the County reported deferred resource outflows and inflows for the TCDRS pension plan as follows:

	Deferred Outflows (Inflows) of Resources
Total Net Amounts as of December 31, 2021 Measurement Date	\$ (367,651)
Contributions Made Subsequent to the Measurement Date	42,414
Contributions Made Prior to the Measurement Date	(49,850)
Net Deferred Outflows/(Inflows) related to the year ending December 31, 2022	478,339
Amortization of Deferred Outflows/(Inflows)	5,782
Total Net Amounts as of December 31, 2022 Measurement Date	\$ <u>109,034</u>

Pension Expense/(Income):

Pension expense for the plan for the year ended December 31, 2022 was \$13,115 and was calculated as follows:

	Pension Expense
Service Cost	\$ 99,347
Interest on Total Pension Liability	239,259
Administrative Expenses	1,951
Member Contributions	(52,910)
Expected Investment Return Net of Investment Expenses	(269,994)
Amortization of Deferred Inflows and Outflows of Resources	(5,782)
Other	1,244
Total Net Amounts as of December 31, 2022	\$ <u>13,115</u>

Employees Covered by Benefit Terms:

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	26
Inactive Employees Entitled to but not Yet Receiving Benefits	37
Active Employees	25
Total Plan Employees	<u>88</u>

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

G. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description:

The County participates in the Group Term Life (GTL) program for the TCDRS, which is a statewide, multiple-employer, public employee retirement system. 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 to participate in the GTL program are included in the OPEB plan.

Benefits Provided:

The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the GTL program. The OPEB benefit is a fixed \$5,000 lump-sum benefit and no future increases are assumed in the benefit amount.

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 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown in the changes in the total OPEB liability.

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 each year. The County's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000.

Employees Covered by Benefit Terms:

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	17
Inactive Employees Entitled to but not Yet Receiving Benefits	9
Active Employees	25
Total Plan Employees	<u>51</u>

Total OPEB Liability:

The County's total OPEB liability of \$89,013 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Actuarial Assumptions:

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method	
Recognition of economic/demographic gains and losses and assumptions changes or inputs	Straight-Line Amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	3.72%

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.

Mortality rates were based on the following criteria:

Depositing Members	135% of 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 and Non-Depositing Members	135% of 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 Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total OPEB liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

BRISCOE COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Changes in the Total OPEB Liability:

Balance as of December 31, 2021	\$ 111,820
Changes for the year:	
Service Cost	5,254
Interest on Total OPEB Liability	2,380
Effect of Economic/Demographic Experience	(1,814)
Effect of Assumptions Changes or Inputs	(25,528)
Benefit Payments	<u>(3,099)</u>
Balance as of December 31, 2022	<u>\$ 89,013</u>

Changes of assumptions or other inputs reflect a change in the discount rate from 2.06% in 2021 to 3.72% in 2022.

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

Sensitivity Analysis:

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 2.06%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.06%) or 1 percentage point higher (3.06%) 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	\$ <u>103,230</u>	\$ <u>89,013</u>	\$ <u>77,569</u>

BRISCOE COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2023, the County recognized OPEB expense of \$9,178. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$	\$ 3,106
Changes in Assumptions		17,646
Contributions Made Subsequent to Measurement Date	<u>1,694</u>	
	<u>\$ 1,694</u>	<u>\$ 20,752</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

	<u>Amortization of Deferred Resources</u>
2023	\$ (903)
2024	(4,484)
2025	(4,557)
2026	(4,557)
2027	(4,557)
Thereafter	0

H. LITIGATION AND COMMITMENTS

There is no pending litigation against the County at September 30, 2023, that would have a material effect on the financial statements.

I. TAX ABATEMENTS

The County has entered into two separate ten year agreements allowed for under Texas State Law for the abatement of property taxes related to a wind farm operation within the County's jurisdiction.

One abatement runs through the 2025 tax year. The County has abated taxes in the amount of \$405,795 on taxable values of \$72,092,680 related to the 2022 tax levy.

The other abatement also runs through the 2025 tax year. The County has abated taxes in the amount of \$179,331 on taxable values of \$57,926,340 related to the 2022 tax levy.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
TOTAL PENSION LIABILITY / (ASSET)									
Service Cost	\$ 58,605	\$ 66,138	\$ 74,568	\$ 70,554	\$ 78,565	\$ 81,376	\$ 84,086	\$ 89,966	\$ 99,347
Interest Cost	132,136	145,023	156,602	169,538	184,412	198,785	216,504	228,138	239,259
Effect of Plan Changes		(6,315)							
Effect of Economic/Demographic Changes	21,292	(7,282)	(14,393)	4,246	(9,262)	23,390	8,476	2,230	1,693
Effect of Assumptions Changes or Inputs		23,625		24,148			140,470	(29,232)	
Benefit Payments/Refunds of Contributions	(59,151)	(71,291)	(76,595)	(106,124)	(79,080)	(79,087)	(96,259)	(157,734)	(150,425)
Net Change in Total Pension Liability	\$ 152,882	\$ 149,898	\$ 140,182	\$ 162,362	\$ 174,635	\$ 224,464	\$ 353,277	\$ 133,368	\$ 189,874
Total Pension Liability, Beginning	1,631,571	1,784,453	1,934,351	2,074,533	2,236,895	2,411,530	2,635,994	2,989,271	3,122,639
Total Pension Liability, Ending	\$ 1,784,453	\$ 1,934,351	\$ 2,074,533	\$ 2,236,895	\$ 2,411,530	\$ 2,635,994	\$ 2,989,271	\$ 3,122,639	\$ 3,312,513
FIDUCIARY NET POSITION									
Employer Contributions	\$ 37,105	\$ 37,241	\$ 39,086	\$ 38,837	\$ 41,975	\$ 46,015	\$ 50,780	\$ 57,079	\$ 67,498
Member Contributions	36,480	40,044	43,087	44,349	46,787	50,094	51,367	56,196	52,910
Benefit Payments/Refunds of Contributions	(59,151)	(71,291)	(76,595)	(106,124)	(79,080)	(79,087)	(96,259)	(157,734)	(150,425)
Investment Income, Net of Expenses	121,318	(2,517)	141,734	299,516	(43,285)	376,750	277,593	646,970	(206,652)
Administrative Expenses	(1,418)	(1,376)	(1,539)	(1,549)	(1,843)	(2,048)	(2,172)	(1,931)	(1,951)
Other	9,178	(1,044)	(4,233)	(320)	522	958	441	(441)	(1,244)
Net Change in Fiduciary Net Position	\$ 143,512	\$ 1,057	\$ 141,540	\$ 274,709	\$ (34,924)	\$ 392,682	\$ 281,750	\$ 600,139	\$ (239,864)
Fiduciary Net Position, Beginning	1,768,388	1,911,900	1,912,957	2,054,497	2,329,206	2,294,282	2,686,964	2,968,714	3,568,853
Fiduciary Net Position, Ending	\$ 1,911,900	\$ 1,912,957	\$ 2,054,497	\$ 2,329,206	\$ 2,294,282	\$ 2,686,964	\$ 2,968,714	\$ 3,568,853	\$ 3,328,989
NET PENSION LIABILITY / (ASSET)	\$ (127,447)	\$ 21,394	\$ 20,036	\$ (92,311)	\$ 117,248	\$ (50,970)	\$ 20,557	\$ (446,214)	\$ (16,476)
Fiduciary Net Position as a % of Total Pension Liability	107.14%	98.89%	99.03%	104.13%	95.14%	101.93%	99.31%	114.29%	100.50%
County's Covered-Employee Payroll	\$ 521,140	\$ 572,054	\$ 615,533	\$ 633,562	\$ 668,388	\$ 715,632	\$ 733,815	\$ 802,800	\$ 755,858
Net Pension Asset as a % of Covered Payroll	-24.46%	3.74%	3.26%	-14.57%	17.54%	-7.12%	2.80%	-55.58%	-2.18%

Note: Only nine years of data is presented in accordance with GASBS #68, paragraph 138. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

The accompanying notes are an integral part of this statement.

BRISCOE COUNTY, TEXAS

Exhibit B-2

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2015	\$ 37,605	\$ 37,605	\$ -	\$ 562,854	6.68%
2016	38,959	38,959	-	609,308	6.39%
2017	38,843	38,843	-	627,439	6.19%
2018	40,975	40,975	-	656,755	6.24%
2019	44,708	44,708	-	699,758	6.39%
2020	49,474	49,474	-	729,590	6.78%
2021	55,383	55,383	-	784,591	7.06%
2022	66,159	66,159	-	787,636	8.40%
2023	60,062	60,062	-	761,699	7.89%

Note: Only nine years of data are presented in accordance with GASBS #68, paragraph 138. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

The accompanying notes are an integral part of this statement.

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 2,234	\$ 4,178	\$ 3,855	\$ 5,204	\$ 4,648	\$ 5,254
Interest	2,926	2,801	3,127	2,693	2,344	2,380
Benefit Payments	(2,724)	(3,075)	(3,220)	(2,495)	(2,730)	(3,099)
Differences between Expected and Actual Experience	(2,649)	(1,276)	(1,038)	(3,058)	(1,663)	(1,814)
Changes in Assumptions	<u>2,464</u>	<u>(7,412)</u>	<u>17,601</u>	<u>10,596</u>	<u>1,958</u>	<u>(25,528)</u>
Net Change	\$ 2,251	\$ (4,784)	\$ 20,325	\$ 12,940	\$ 4,557	\$ (22,807)
Beginning Balance	<u>76,531</u>	<u>78,782</u>	<u>73,998</u>	<u>94,323</u>	<u>107,263</u>	<u>111,820</u>
Ending Balance	\$ <u>78,782</u>	\$ <u>73,998</u>	\$ <u>94,323</u>	\$ <u>107,263</u>	\$ <u>111,820</u>	\$ <u>89,013</u>
Total OPEB Liability	\$ <u>78,782</u>	\$ <u>73,998</u>	\$ <u>94,323</u>	\$ <u>107,263</u>	\$ <u>111,820</u>	\$ <u>89,013</u>
Covered Employee Payroll	\$ 633,562	\$ 668,388	\$ 715,632	\$ 733,815	\$ 802,800	\$ 755,858
Total OPEB Liability as a Percentage of Covered Employee Payroll	12.43%	11.07%	13.18%	14.62%	13.93%	11.78%

Note: Only six years of GASB 75 Data Available as of 12/31/2022. The remaining four years of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

BRISCOE COUNTY, TEXAS

Exhibit B-4

BUDGETARY COMPARISON - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	(Unaudited) Budgeted Amounts		Actual	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenue:				
Taxes:				
Property Taxes	\$ 1,051,185	\$ 1,051,185	\$ 1,032,010	\$ (19,175)
Other Taxes	242,757	242,757	248,766	6,009
Intergovernmental Revenue and Grants	54,436	54,436	170,218	115,782
Fines and Fees	141,647	141,647	181,225	39,578
Investment Earnings	5,485	5,485	88,323	82,838
Rents and Royalties	3,000	3,000	3,000	0
Other Revenue	8,500	8,500	14,788	6,288
Total Revenues	<u>\$ 1,507,010</u>	<u>\$ 1,507,010</u>	<u>\$ 1,738,330</u>	<u>\$ 231,320</u>
Expenditures:				
Current:				
General Administration	\$ 582,506	\$ 581,583	\$ 590,642	\$ (9,059)
County Judge	83,198	83,198	82,980	218
County & District Clerk	107,426	107,426	92,533	14,893
Treasurer	52,393	52,393	49,367	3,026
Tax Assessor Collector	108,948	108,948	106,728	2,220
County Attorney	91,649	91,649	51,108	40,541
Justice of Peace #1	48,425	48,425	44,162	4,263
Justice of Peace #2	49,825	49,825	49,449	376
County Sheriff	350,252	350,252	289,706	60,546
Extension Services	89,896	89,886	57,254	32,632
Courthouse Operations and Maintenance	72,296	74,519	57,312	17,207
District Court	29,925	30,363	32,483	(2,120)
Jurors	4,100	3,662	348	3,314
Total Expenditures	<u>\$ 1,670,839</u>	<u>\$ 1,672,129</u>	<u>\$ 1,504,072</u>	<u>\$ 168,057</u>
Excess of Revenues Over Expenditures	<u>\$ (163,829)</u>	<u>\$ (165,119)</u>	<u>\$ 234,258</u>	<u>\$ 399,377</u>
Other Financing Sources:				
Transfers In	\$ 84,095	\$ 84,095	\$	\$ (84,095)
Total Other Financing Sources	<u>\$ 84,095</u>	<u>\$ 84,095</u>	<u>\$ 0</u>	<u>\$ (84,095)</u>
Net Change in Fund Balances	\$ (79,734)	\$ (81,024)	\$ 234,258	<u>\$ 315,282</u>
Fund Balances - Beginning	<u>2,193,851</u>	<u>2,193,851</u>	<u>2,193,851</u>	
Fund Balances - Ending	<u>\$ 2,114,117</u>	<u>\$ 2,112,827</u>	<u>\$ 2,428,109</u>	

BRISCOE COUNTY, TEXAS

Exhibit B-5

BUDGETARY COMPARISON - ROAD AND BRIDGE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	(Unaudited) Budgeted Amounts		Actual	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenue:				
Taxes:				
Property Taxes	\$ 296,488	\$ 296,488	\$ 291,080	\$ (5,408)
Other Taxes	56,939	56,939	69,234	12,295
License and Permits	101,137	101,137	101,307	170
Intergovernmental Revenue and Grants	38,947	38,947	59,996	21,049
Charges for Services	5,927	5,927	20,037	14,110
Investment Earnings	2,050	2,050	22,779	20,729
Total Revenues	<u>\$ 501,488</u>	<u>\$ 501,488</u>	<u>\$ 564,433</u>	<u>\$ 62,945</u>
Expenditures:				
Current:				
Road and Bridge	\$ 654,537	\$ 654,537	\$ 518,162	\$ 136,375
Total Expenditures	<u>\$ 654,537</u>	<u>\$ 654,537</u>	<u>\$ 518,162</u>	<u>\$ 136,375</u>
Excess of Revenues Over Expenditures	<u>\$ (153,049)</u>	<u>\$ (153,049)</u>	<u>\$ 46,271</u>	<u>\$ 199,320</u>
Net Change in Fund Balances	\$ (153,049)	\$ (153,049)	\$ 46,271	<u>\$ 199,320</u>
Fund Balances - Beginning	<u>347,989</u>	<u>347,989</u>	<u>347,989</u>	
Fund Balances - Ending	<u>\$ 194,940</u>	<u>\$ 194,940</u>	<u>\$ 394,260</u>	

BRISCOE COUNTY, TEXAS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

A. PENSION PLAN

CHANGES OF BENEFIT TERMS

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

CHANGES OF ASSUMPTIONS

There were inflation, mortality, and other assumption changes that affected measurement of the total pension liability during the measurement period.

B. BUDGETARY DATA

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

1. Prior to October 1st, the budget is legally enacted through adoption of an order by the Commissioners' Court.
2. Any amendments altering expenditures of any department must be approved by the Commissioners' Court. There must be an emergency condition existing in order for the Court to increase the total budget.
3. Budgets for the General Fund, Road and Bridge Fund, and Jury Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget and actual amounts are recorded on the same basis.
4. Expenditures in excess of appropriations are required by state statutes to be reported down to the department classification.
5. The budgeted amounts presented in these statements are as originally adopted, or as amended by, the Commissioners' Court during the year ended September 30, 2023.

C. EXCESS EXPENDITURES OVER APPROPRIATIONS

The excess expenditures over appropriations for General Fund district court were covered by available unassigned fund balance.

OTHER INFORMATION REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

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

Independent Auditor's Report

To the Honorable Judge and
Members of the Commissioners' Court of
Briscoe 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 Briscoe County, Texas (the County) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 8, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. However, material weaknesses and significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

April 8, 2024