Lamar County, Texas

Annual Financial Report

For the Year Ended
September 30, 2023

Malnory, McNeal & Company, PC
Certified Public Accountants

LAMAR COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Lamar County, Texas
Annual Financial Report
For The Year Ended September 30, 2023

TABLE OF CONTENTS

Financial Section

Malnory, McNeal & COMPANY, PC
ACCOUNTING • ADVISORY • ASSURANCE

Independent Auditor's Report

Honorable County Judge of Lamar County, and Honorable Members of Lamar County Commissioners Court
Lamar County, Texas

Opinions

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

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

Emphasis of Matter

As discussed in Note A to the basic financial statements, during the year ended September 30, 2023, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Agreements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards *and Government Auditing Standards*, issued by the Comptroller General of the United States, 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, and budgetary comparison information, and schedule of the County's proportionate share of the net pension liability and schedule of County pension contributions, and schedule of the County's proportionate share of the net OPEB liability and schedule of the County OPEB contributions identified as Required Supplementary Information 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 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 response to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements fo*r *Federal Awards*, ais presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2024, on our consideration of the County's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering In the County's internal control over financial reporting and compliance.

Malnory McNeal & Company PC

Certified Public Accountants

May 13, 2024
Paris, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Lamar County's 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, which follow this section.

FINANCIAL HIGHLIGHTS

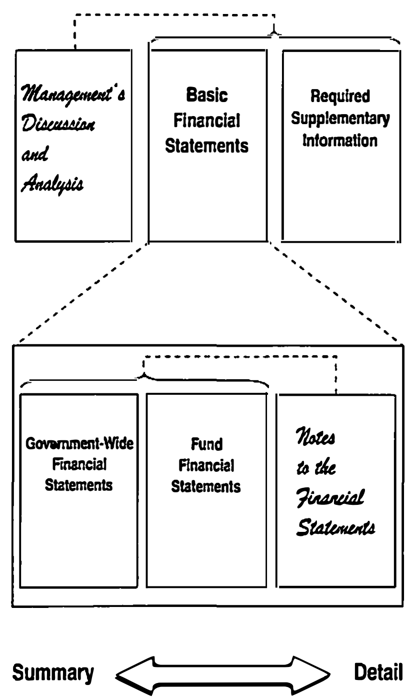
- The County's total combined Net Position was $42,373,259 at September 30, 2023.
- During the year, the County's expenses were $3,939,276 less than the $30,982,945 generated in taxes and other revenues for governmental activities.
- The total cost of the County's programs was 13% higher than last year.
- The unassigned fund balance of the general fund was $11,620,583 or 72% of total general fund expenditures, which is higher than last year.

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-1F, 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. Major Features of the County's Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Fund Statements: Governmental Funds	Fund Statements: Proprietary Funds	Fund Statements: Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the county that are not proprietary or fiduciary	Activities the county operates similar to private businesses: self insurance	Instances in which the county is the trustee or agent for someone else's resources
Required financial statements	• Statement of net assets • Statement of activities	• Balance sheet • Statement of revenues, expenditures & changes in fund balances	• Statement of net assets • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows	• Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic 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 financial and capital, and short-term and long-term	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 inflow/outflow information	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 have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County 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.

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of the net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how they have changed. Net position—The difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, public safety, legal, public transportation, culture and recreation, and interest on long-term debt. Property taxes and grants finance most of these activities.

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 accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

- The Commissioners Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. 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 and a statement of changes in fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position: The County's combined net position was $42,373,259 at September 30, 2023. (See Table A-1).

Table A-1
County's Net Position

	Governmental	
	2023	2022
Assets:		
Cash and cash equivalents	$7,062,534	$7,622,448
Investments	22,001,035	23,149,840
Receivables (net of allowances for uncollectible):		
Interest	17,784	4,358
Taxes	1,610,105	1,510,877
Accounts	2,320,539	2,272,506
Due from other funds	91,463	939,525
Due from other governments	1,028,772	1,009,426
Inventories	329,573	331,896
Prepaid Expense	286,861	294,797
Capital assets (net, where applicable, of accumulated depreciation)	29,289,329	26,576,745
Net Pension Asset	-	2,495,626
Total Assets and Other Debits	64,037,995	66,208,044
Deferred Outflows of Resources	3,562,752	2,847,502

Liabilities:		
Accounts payable and Accrued expenditures	803,010	926,962
Due to other funds	-	894,386
Unearned Revenue	6,577,162	8,411,194
Due to Other Agencies	255	-
Noncurrent Liabilities:		
Due Within One Year	896,054	705,618
Due in More than One Year	5,409,389	5,573,922
Compensated Absences Payable	763,408	701,276
Unamortized Premium on Bonds	377.048	435.668
Net Pension Liability	4,864,254	-
Total OPEB Liability	4,205,264	4,135,476
Total Liabilities	23,895,844	21,784,502
Deferred Inflows of Resources	1,331,644	8,837,061
Net Position:		
Invested in Capital Assets, Net of Related Debt	23,245,910	21,880,153
Restricted For:		
Federal and State Programs	102,503	249,492
Debt Service	48,663	30,642
Capital Projects	551,880	3,112,951
Indigent Care	1,640,046	1,643,300
Records Management	1,229,147	1,819,279
Judicial	301,011	274,074
Road and Bridge	2,511,952	3,498,935
Other Purposes	811,052	946,228
Unrestricted	11,931,095	4,978,929
Total Net Position	$42,373,259	$38,433,983

Approximately 0.45% of the County's restricted net position represents debt service funds. These funds, when spent, are restricted for the payment of the County's outstanding certificates of obligation. The $11,931,095 of unrestricted assets set represents resources available to fund the programs of the County next year.

Changes in Net Position. The County's total revenues were $30,982,945. A significant portion, 54.4%, of the County's revenue comes from property taxes. (See Figure A-3) 9.3% came from charges for services, 17.4% came from sales tax, and 3.1% from operating grants and contributions.

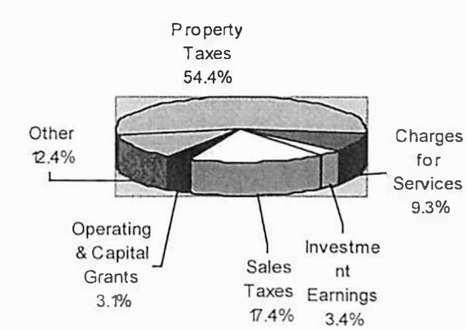
The total cost of all programs and services was $27,043,669; 30.6% of these costs are for law enforcement services.

Governmental Activities

- Property tax rates decreased 4.4% from the same as in the prior year and valuations increased 10.5%. The increase in values created an increase in tax revenues to $16,858,601.

- The County sold capital bonds of $2,500,000 in 2003. These bonds were authorized for use in the courthouse restoration project. They were refunded in 2012 and gave the county a total

Figure A-3 County Sources of Revenue for Fiscal Year 2022-2023



interest savings of $174,302. This project was completed during the fiscal year 2006. Bonds were also issued in 2011 for $2,000,000 towards capital projects performed on several county buildings. These bonds were paid off in 2021. In 2017 bonds were issued for $2,550,000 towards capital projects and capital assets and in 2021 the county issued certificates of obligation in the amount of $4,500,000 to be used for capital projects, capital assets, and road improvements.

Table A-2
Changes in County's Net Position

	Activities	
	2023	2022
Revenues :		
Program Revenues :		
Charges for Services	$2,871,894	$2,994,325
Operating Grants and Contributions	957,809	872,954
General Revenues:		
Taxes	22,259,194	20,379,382
Grants and Contributions Not Restricted to Specific	2,650,101	1,463,293
Unrestricted Investment Earnings	1,045,592	305,747
Gain (Loss) on Sale of Capitalized Assets	35,030	(11,954)
Miscellaneous	1,064,134	1,393,460
Contribution of Capital	85,362	-
Transfer	13,829	(28,936)
Total Revenues	30,982,945	27,368,271
Program Expenses:		
General Administration	5,148,638	3,890,624
Financial Administration	1,432,063	1,249,767
Judicial	2,052,922	1,779,280
Legal	856,642	818,482
Election	337,733	291,215
Public Safety	8,264,280	6,903,787
Emergency Mgt.	257,259	228,172
Public Welfare	1,983,143	1,899,427
Public Transportation	5,471,641	4,990,322
Conservation and Agriculture	125,985	122,456
Public Facilities	1,063,699	1,671,128
Interest on Long-Term Debt	49,664	106,533
Total Expenses	27,043,669	23,951,193
Change in Net Position	3,939,276	3,417,077
Net Position, October 1	38,433,983	35,016,906
Net Position, September 30	$42,373,259	$38,433,983

The Table A-3 presents the cost of each of the County's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was $27,043,669.
- However, the amount that our taxpayers paid for these activities through property taxes was only $16,858,601.
- Some of the cost was paid by those who directly benefited from the programs $2,871,894, or
- By grants and contributions of $3,607,910.

Table A-3
Net Cost of Selected County Functions

	Total Cost of Services		Net Change	
	2023	2022	2023	2022
General administration	5,148,638	3,890,624	(4,511,456)	(3,161,314)
Public safety	8,264,280	6,903,787	(7,956,510)	(6,590,927)
Public welfare	1,983,143	1,899,427	(1,891,933)	(1,827,627)
Public transportation	5,471,641	4,990,322	(4,417,958)	(3,914,630)

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Lamar County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The general governmental funds are reported in the General, Special Revenue, Debt Service, and Capital Project funds. The focus of Lamar County's governmental funds is to provide information on a near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Lamar County's annual financing and budgeting requirements. In particular, unassigned fund balances may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

Key factors that enable the County to maintain a stable level of fund balance are as follows:

- Total revenues from property taxes, increased over prior year amounts by $1,176,563. The increase was due to adopting a tax rate greater than the no new revenue rate. Sales tax revenues increased and intergovernmental revenues increased while fees and fines remained mostly unchanged. Miscellaneous revenue increased and interest revenue decreased slightly due to a increase in CD interest rates. Overall, these changes lead total revenues this year to be higher than that of the prior year.
- Expenditures in governmental funds increased $3,092,475 (13%) from prior year totals. The primary areas of increased expenditures were in general administration, public safety, and public transportation.

General Fund. The general fund is the chief operating fund of Lamar County. At the end of the current fiscal year, the unassigned fund balance of the general fund was $11,620,583, while the total fund balance increased to $16,249,829. 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 58% of total general fund expenditures and the total fund balance represents 60% of the same amount. The County has adopted a policy of maintaining a minimum fund balance to be used for unanticipated needs. A Fund Balance Policy adopted by the Commissioner's Court in 2011 states that the minimum level shall be approximately 25% of budgeted expenditures. The County considers a balance of less than 20% as a cause of concern and an unassigned fund balance of more than 35% as surplus for one-time expenditures that are nonrecurring in nature, capital projects, and/or to reduce the tax levy requirements.

The fund balance of Lamar County's general fund has increased by $1,864,297 during the current fiscal year. One reason for this increase is the increase in property tax and sales tax revenues.

Road and Bridge Fund. The Road and Bridge fund balance totaled $2,511,952, an increase of $100,444. The main factor in this increase is the increase in revenues received by the road and bridge fund.

Debt Service Fund. The debt service fund had a fund balance of $48,663 as of September 30, 2023.

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget thirty-four times due to the receipt of unexpected revenues. Differences between the original budget and the final amended budget in the general fund for expenses were a $847,987 increase in appropriations, and were primarily the following:

- Appropriations for capital outlay
- Appropriations for public facilities
- Appropriations for general administration

Even with these adjustments, actual expenditures were $1,750,485 below the final budget amounts. The most significant positive variance resulted from operating costs in public safety, public welfare, public facilities and general administration. Public safety savings came mainly from savings in vehicle fuel costs and other normal expense categories that just added up over all categories. Electricity and gas utility savings as well as less expenses for contract services and fewer building repairs expenses than budgeted for the year resulted in a large portion of the positive variance in the public facilities category.

On the other hand, resources available were $3,776,373 above the final budgeted amount. Due mostly to the following:

- Sales tax revenues increased above budgeted amounts due to increased collections during the COVID-19 pandemic and the conservative approach the County uses to estimate revenue.
- Property tax collections were greater than the estimated collectible amounts.
- Fees of office, intergovernmental receipts, miscellaneous revenues, and interest revenues also contributed to this increase over the budgeted revenue amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the County had invested $65,551,382 in a broad range of capital assets, including land, equipment, buildings, vehicles, and infrastructure (see Table A-4). This amount represents a net increase (including additions and deductions) of $3,642,430 or 6% from last year. This was mainly due to the replacement of older equipment with new equipment and the addition of building improvements.

Table A-4

County's Capital Assets

		Governmental Activities 2023	Governmental Activities 2022
Land	$	732,602	$ 732,602
Construction in Progress		1,704,140	340,201
Infrastructure		21,180,787	21,168,487
Vehicles and Equipment		17,954,357	16,268,370
Buildings and Improvements		25,464,339	24,472,095
Right-To-Use Subscription Assets		951,899	-
Totals at historical cost		65,551,382	62,981,755
Total accumulated depreciation		(38,698,795)	(36,405,010)
Net capital assets	$	29,289,329	$ 26,576,745

The County's fiscal year 2022-23 capital budget projects included spending an estimated $4,100,000 for improvements and equipment, principally to do upgrades and large-scale repair on county buildings, along with the purchase of additional equipment. More detailed information about the County's capital assets is presented in Note D of the notes to the financial statements.

Long Term Debt

At year-end, the County had $5,520,000 in bonds and notes outstanding as shown in Table A-5. More detailed information about the County's debt is presented in Note G in the notes to the financial statements.

Table A-5
County's Long-Term Debt

		2023		2022
Bonds and Notes Payable	$	5,520,000	$	6,200,061
Capital Lease		54,035		79,479
Compensated Absences		763,408		701,176
Subscription Liabilty		731,408		-
OPEB Obligation		4,205,264		4,135,476
Total long-term debt	$	11,274,115	$	11,116,192

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2023-24 budget preparation is up $857,169,543, or 18%.
- General operating fund spending increases in the 2023-24 budget from $19,395,282 to $21,764,979. This is an 12% increase.

These indicators were taken into account when adopting the general fund budget for 2023-24. During the current fiscal year, the unassigned fund balance in the general fund increased to $11,620,583. Lamar County appropriated $3,747,644 of this amount for spending in the 2023-24 fiscal year budget. The County will use this balance to fund the rising costs in the general fund.

In the general fund, expenditures are budgeted to rise 12% to $21,764,979. The increase is primarily due to increased operating costs and equipment. Elected officials received a 10% pay raise for the 2023-24 fiscal year, while most other employees received a base pay raise of $3,500.

If these estimates are realized, the County's budgetary general fund balance is expected to see a decrease by the close of 2024.

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. If you have questions about this report or need additional financial information, contact the Lamar County Auditor's Office.

Basic Financial Statements

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

	Governmental Activities
ASSETS	
Assets:	
Cash and cash equivalents	$ 7,062,534
Investments	22,001,035
Receivables (net of allowances for uncollectibles):	
Interest	17,784
Taxes	1,610,105
Accounts	2,320,539
Due From Other Funds	91,463
Due from other governments	1,028,772
Inventories	329,573
Prepaid Insurance	286,861
Capital assets (net, where applicable, of accumulated depreciation)	
Land	732,602
Construction in progress	1,704,140
Buildings	11,978,801
Equipment	8,127,941
Infrastructure - Roads and Bridges	6,014,738
Right to Use Subscription Asset	731,107
Total Assets	64,037,995
Deferred Outflows of Resources:	
Deferred Outflows of Resources--Pension	3,366,945
Deferred Outflows of Resources--OPEB	195,807
Total Deferred Outflows of Resources	3,562,752
LIABILITIES	
Liabilities:	
Accounts payable & Accrued expenditures	803,010
Unearned Revenue	6,577,162
Due to Other Agencies	255
Noncurrent Liabilities:	
Due Within One Year	896,054
Due in More than One Year	5,409,389
Compensated Absences Payable	763,408
Unamortized Premium on Bonds	377,048
Net Pension Liability	4,864,254
Total OPEB Liability	4,205,264
Total Liabilities	23,895,844
Deferred Inflows of Resources:	
Deferred Inflows of Resources--Pension	226,737
Deferred Inflows of Resources--OPEB	1,104,907
Total Deferred Inflows of Resources	1,331,644
NET POSITION:	
Net Investment in Capital Assets	23,245,910
Restricted For:	
State and Federal Programs	102,503
Debt Service	48,663
Capital Projects	551,880
Indigent Care	1,640,046
Records Management	1,229,147
Judicial	301,011
Road and Bridge	2,511,952
Other Purposes	811,052
Unrestricted	11,931,095
Total Net Position	$ 42,373,259

The accompanying notes are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Functions/Program Activities				
Governmental Activities:				
General Administration	$ 5,148,638	$ 507,475	$ 129,707	$ (4,511,456)
Financial Administration	1,432,063	893,647	--	(538,416)
Judicial	2,052,922	280,990	93,350	(1,678,582)
Legal	856,642	26,590	97,388	(732,664)
Elections	337,733	--	314,588	(23,145)
Public Safety	8,264,280	212,361	95,409	(7,956,510)
Emergency Management	257,259	--	33,305	(223,954)
Public Welfare	1,983,143	--	91,210	(1,891,933)
Public Transportation	5,471,641	950,831	102,852	(4,417,958)
Conservation and Agriculture	125,985	--	--	(125,985)
Public Facilities	1,063,699	--	--	(1,063,699)
Interest on Long-Term Debt	49,664	--	--	(49,664)
Total Primary Government	$ 27,043,669	$ 2,871,894	$ 957,809	(23,213,966)

General Revenues:	
Taxes	
Property Taxes	16,858,601
Sales Taxes	5,400,593
Grants and Contributions Not Restricted to Specific Programs	2,650,101
Unrestricted Investment Earnings	1,045,592
Gain (Loss) on Sale of Non-Capitalized Equipment	35,030
Miscellaneous	1,064,134
Contribution of Capital	85,362
Transfers	13,829
Total General Revenues and Transfers	27,153,242
Change in Net Assets	3,939,276
Net Position - Beginning	38,433,983
Net Assets - Ending	$ 42,373,259

The accompanying notes are an integral part of this statement.

LAMAR COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Road & Bridge Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Cash and cash equivalents	$ 527,463	$ 1,311,918
Investments	14,904,754	1,036,846
Receivables (net of allowances for uncollectibles):		
Interest	15,748	1,101
Taxes	1,143,605	321,274
Accounts	1,592,237	728,302
Due from other funds	--	--
Due from other governments	981,098	--
Inventories	--	320,705
Prepaid Insurance	286,861	--
Total Assets	19,451,766	3,720,146
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts Payable & Accrued Expenditures	$ 485,082	$ 165,686
Deferred Revenue	--	--
Due to Other Agencies	--	--
Total Liabilities	485,082	165,686
Deferred Inflows of Resources:		
Deferred Inflows of Resources--Fines	1,573,250	721,234
Deferred Inflows of Resources--Property Taxes	1,143,605	321,274
Total Deferred Inflows of Resources	2,716,855	1,042,508
Fund Balances:		
Nonspendable Fund Balances:		
Inventories	--	320,705
Prepaid Expenses	286,861	--
Restricted Fund Balances:		
Federal/State Funds Grant Restrictions	--	--
Other Restrictions of Fund Balance	--	2,191,247
Committed Fund Balances:		
SURMA	87,704	--
Other Committed Fund Balance	607,037	--
Assigned	3,647,644	--
Unassigned	11,620,583	--
Total Fund Balances	16,249,829	2,511,952
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 19,451,766	$ 3,720,146

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Functions/Program Activities				
Governmental Activities:				
General Administration	$ 5,148,638	$ 507,475	$ 129,707	$ (4,511,456)
Financial Administration	1,432,063	893,647	--	(538,416)
Judicial	2,052,922	280,990	93,350	(1,678,582)
Legal	856,642	26,590	97,388	(732,664)
Elections	337,733	--	314,588	(23,145)
Public Safety	8,264,280	212,361	95,409	(7,956,510)
Emergency Management	257,259	--	33,305	(223,954)
Public Welfare	1,983,143	--	91,210	(1,891,933)
Public Transportation	5,471,641	950,831	102,852	(4,417,958)
Conservation and Agriculture	125,985	--	--	(125,985)
Public Facilities	1,063,699	--	--	(1,063,699)
Interest on Long-Term Debt	49,664	--	--	(49,664)
Total Primary Government	$ 27,043,669	$ 2,871,894	$ 957,809	(23,213,966)

General Revenues:	
Taxes	
Property Taxes	16,858,601
Sales Taxes	5,400,593
Grants and Contributions Not Restricted to Specific Programs	2,650,101
Unrestricted Investment Earnings	1,045,592
Gain (Loss) on Sale of Non-Capitalized Equipment	35,030
Miscellaneous	1,064,134
Contribution of Capital	85,362
Transfers	13,829
Total General Revenues and Transfers	27,153,242
Change in Net Assets	3,939,276
Net Position - Beginning	38,433,983
Net Assets - Ending	$ 42,373,259

The accompanying notes are an integral part of this statement.

LAMAR COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Road & Bridge Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Cash and cash equivalents	$ 527,463	$ 1,311,918
Investments	14,904,754	1,036,846
Receivables (net of allowances for uncollectibles):		
Interest	15,748	1,101
Taxes	1,143,605	321,274
Accounts	1,592,237	728,302
Due from other funds	--	--
Due from other governments	981,098	--
Inventories	--	320,705
Prepaid Insurance	286,861	--
Total Assets	19,451,766	3,720,146
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts Payable & Accrued Expenditures	$ 485,082	$ 165,686
Deferred Revenue	--	--
Due to Other Agencies	--	--
Total Liabilities	485,082	165,686
Deferred Inflows of Resources:		
Deferred Inflows of Resources--Fines	1,573,250	721,234
Deferred Inflows of Resources--Property Taxes	1,143,605	321,274
Total Deferred Inflows of Resources	2,716,855	1,042,508
Fund Balances:		
Nonspendable Fund Balances:		
Inventories	--	320,705
Prepaid Expenses	286,861	--
Restricted Fund Balances:		
Federal/State Funds Grant Restrictions	--	--
Other Restrictions of Fund Balance	--	2,191,247
Committed Fund Balances:		
SURMA	87,704	--
Other Committed Fund Balance	607,037	--
Assigned	3,647,644	--
Unassigned	11,620,583	--
Total Fund Balances	16,249,829	2,511,952
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 19,451,766	$ 3,720,146

Coronavirus State and Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
$ 520,187	$ 4,702,966	$ 7,062,534
6,056,040	3,395	22,001,035
935	--	17,784
--	145,226	1,610,105
--	--	2,320,539
--	91,463	91,463
--	47,674	1,028,772
--	8,868	329,573
--	--	286,861
6,577,162	4,999,592	34,748,666
$ --	$ 122,524	$ 773,292
6,577,162	--	6,577,162
--	255	255
6,577,162	122,779	7,350,709
--	--	2,294,484
--	145,228	1,610,107
--	145,228	3,904,591
--	8,868	329,573
--	--	286,861
--	102,503	102,503
--	4,581,799	6,773,046
--	--	87,704
--	38,415	645,452
--	--	3,647,644
--	--	11,620,583
--	4,731,585	23,493,366
$ 6,577,162	$ 4,999,592	$ 34,748,666

LAMAR COUNTY, TEXAS

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

Total fund balances - governmental funds balance sheet	$	23,493,366
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:		
Capital assets used in governmental activities are not reported in the funds.		29,289,329
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		1,610,107
Payables for bond principal which are not due in the current period are not reported in the funds.		(5,520,000)
Payables for purchase leases which are not due in the current period are not reported in the funds.		(54,035)
Payables for right-to-use subscription liability.		(731,408)
Payables for debt interest which are not due in the current period are not reported in the funds.		(29,718)
Payables for compensated absences which are not due in the current period are not reported in the funds.		(763,408)
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.		2,294,484
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.		(4,864,254)
Deferred Resource Inflows related to the pension plan are not reported in the funds.		(226,737)
Deferred Resource Outflows related to the pension plan are not reported in the funds.		3,366,945
Bond premiums are amortized in the SNA but not in the funds.		(377,048)
Recognition of the County's proportionate share of the net OPEB liability is not reported in the funds.		(4,205,264)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.		(1,104,907)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.		195,807
Net position of governmental activities - Statement of Net Position	$	42,373,259

The accompanying notes are an integral part of this statement.

LAMAR COUNTY, TEXAS

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

	General Fund	Road & Bridge Fund
Revenue:		
Property Taxes	$ 11,941,484	$ 3,354,717
Other Taxes	5,400,593	--
Intergovernmental Receipts	491,007	102,852
Fees of Office	1,378,237	863,604
Fines	92,463	87,227
Interest	921,190	38,432
Miscellaneous	653,169	42,766
Total revenues	20,878,143	4,489,598
Expenditures:		
Current:		
General Administration	2,806,705	--
Financial Administration	1,475,437	--
Judicial	2,104,158	--
Legal	757,631	--
Elections	301,288	--
Public Safety	7,908,238	--
Public Welfare	1,341,587	--
Public Transportation	--	4,208,987
Conservation and Agriculture	129,876	--
Public Facilities	1,044,190	--
Emergency Management	140,825	--
Capital outlay	573,676	165,317
Principal	--	85,499
Interest and fees	--	5,301
Total expenditures	18,583,611	4,465,104
Excess (deficiency) of revenues (under) expenditures	2,294,532	24,494
Other financing sources (uses):		
Transfers in	20,159	--
Transfers out	(450,394)	--
Proceeds from Sales of Capital Assets	--	75,950
Total other financing sources (uses)	(430,235)	75,950
Net change in fund balances	1,864,297	100,444
Fund balances/equity, October 1	14,385,532	2,411,508
Fund balances/equity, September 30	$ 16,249,829	$ 2,511,952

The accompanying notes are an integral part of this statement.

LAMAR COUNTY, TEXAS

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

Total fund balances - governmental funds balance sheet	$ 23,493,366
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	29,289,329
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,610,107
Payables for bond principal which are not due in the current period are not reported in the funds.	(5,520,000)
Payables for purchase leases which are not due in the current period are not reported in the funds.	(54,035)
Payables for right-to-use subscription liability.	(731,408)
Payables for debt interest which are not due in the current period are not reported in the funds.	(29,718)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(763,408)
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	2,294,484
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(4,864,254)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(226,737)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	3,366,945
Bond premiums are amortized in the SNA but not in the funds.	(377,048)
Recognition of the County's proportionate share of the net OPEB liability is not reported in the funds.	(4,205,264)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(1,104,907)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	195,807
Net position of governmental activities - Statement of Net Position	$ 42,373,259

The accompanying notes are an integral part of this statement.

LAMAR COUNTY, TEXAS

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

	General Fund	Road & Bridge Fund
Revenue:		
Property Taxes	$ 11,941,484	$ 3,354,717
Other Taxes	5,400,593	--
Intergovernmental Receipts	491,007	102,852
Fees of Office	1,378,237	863,604
Fines	92,463	87,227
Interest	921,190	38,432
Miscellaneous	653,169	42,766
Total revenues	20,878,143	4,489,598
Expenditures:		
Current:		
General Administration	2,806,705	--
Financial Administration	1,475,437	--
Judicial	2,104,158	--
Legal	757,631	--
Elections	301,288	--
Public Safety	7,908,238	--
Public Welfare	1,341,587	--
Public Transportation	--	4,208,987
Conservation and Agriculture	129,876	--
Public Facilities	1,044,190	--
Emergency Management	140,825	--
Capital outlay	573,676	165,317
Principal	--	85,499
Interest and fees	--	5,301
Total expenditures	18,583,611	4,465,104
Excess (deficiency) of revenues (under) expenditures	2,294,532	24,494
Other financing sources (uses):		
Transfers in	20,159	--
Transfers out	(450,394)	--
Proceeds from Sales of Capital Assets	--	75,950
Total other financing sources (uses)	(430,235)	75,950
Net change in fund balances	1,864,297	100,444
Fund balances/equity, October 1	14,385,532	2,411,508
Fund balances/equity, September 30	$ 16,249,829	$ 2,511,952

The accompanying notes are an integral part of this statement.

Coronavirus State and Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
$ --	$ 1,463,169	$ 16,759,370
--	--	5,400,593
2,287,437	726,615	3,607,911
--	345,509	2,587,350
--	--	179,690
--	86,069	1,045,691
--	422,349	1,118,284
2,287,437	3,043,711	30,698,889
234,121	1,505,059	4,545,885
--	--	1,475,437
--	50,833	2,154,991
--	139,844	897,475
--	5,141	306,429
--	465,504	8,373,742
--	652,937	1,994,524
--	271,004	4,479,991
--	--	129,876
--	--	1,044,190
--	--	140,825
2,053,316	1,323,867	4,116,176
--	620,000	705,499
--	162,419	167,720
2,287,437	5,196,608	30,532,760
--	(2,152,897)	166,129
--	450,394	470,553
--	(6,330)	(456,724)
--	--	75,950
--	444,064	89,779
--	(1,708,833)	255,908
--	6,440,418	23,237,458
$ --	$ 4,731,585	$ 23,493,366

LAMAR COUNTY, TEXAS

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

Net change in fund balances - total governmental funds	$	255,908
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		4,116,175
Donations of capital assets increase net assets in the SOA but not in the funds.		85,362
The depreciation of capital assets used in governmental activities is not reported in the funds.		(2,179,142)
The amortization of right-to-use SBITAs used in governmental activities is not reported in the funds.		(220,792)
The gain or loss on the sale of capital assets is not reported in the funds.		35,030
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.		(75,950)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		99,230
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		620,000
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.		60,061
Repayment of lease purchase principal is an expenditure in the funds but is not an expense in the SOA.		25,444
Repayment of SBITA principal is an expenditure in the funds but is not an expense in the SOA.		220,491
(Increase) Decrease in accrued interest from beginning of period to the end.		59,541
The accretion of interest on capital appreciation bonds is not reported in the funds.		58,620
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.		(32,135)
Revenues in the SOA for court fines not providing current financial resources are not reported in the funds.		50,434
The County's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.		294,861
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.		496,138
Change in net position of governmental activities - Statement of Activities	$	3,939,276

The accompanying notes are an integral part of this statement.

EXHIBIT A-7

LAMAR COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 2,403,231
Accounts receivable	3,182
Total Assets	2,406,413
LIABILITIES	
Accounts payable & accrued expenditures	$ 43,682
Due to other governmental agencies	842,052
Due to other funds	94,648
Total Liabilities	980,382
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	1,426,031
Total Net Assets	$ 1,426,031

The accompanying notes are an integral part of this statement.

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

	Custodial Funds
ADDITIONS:	
Fees collected for other governments	$ 216,615
Fines collected for other governments	4,624
Tax collected for other governments	16,475,517
Inmate deposits	440,433
Seizures by law enforcement	112,296
Held for others	327,513
Interest earnings	2,603
Total Additions	17,579,601
DEDUCTIONS:	
Payments to state	16,728,186
Payments due under judicial order/statue	157,806
Payments to individuals	230,434
Payments on behalf of inmates	381,175
Total Deductions	17,497,601
Excess (deficiency) of additions over deductions	82,000
Transfer In	3,185
Transfer Out	(13,829)
Change in Fiduciary Net Position	71,356
Net Position-Beginning of the Year	1,354,675
Net Position-End of the Year	$ 1,426,031

The accompanying notes are an integral part of this statement.

A. Summary of Significant Accounting Policies

The combined financial statements of Lamar County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- The organization is legally separate (can sue and be sued in its name)
- The County holds the corporate powers of the organization.
- The County appoints a voting majority of the organization's board.
- The County is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the County.
- There is fiscal dependency by the organization on the County.
- The exclusion of the organization would result in misleading or incomplete financial statements.
- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the County.
- The County or the component unit is entitled to or has the ability to otherwise access, a majority of the economic resources received or held by the component unit.
- The economic resources received or held by the component unit are significant to the County.

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires the inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units, or its constituents; and 2) The County or its component units is entitled to or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

Based on these criteria, the County has one component unit, Lamar County Child Welfare Board (LCCWB). The LCCWB is reported in the operations and activities of the County as a blended component unit.

Certain significant governmental and other entities providing services within the County are administered by separate boards or commissioners, are not financially accountable to the Commissioners' Court, and are responsible for their own fiscal matters. Consequently, financial information for the following entities is not included within the scope of these financial statements:

Paris Junior College	City of Paris, Texas
Paris Independent School District	City of Deport, Texas
Prairiland Independent School District	City of Reno, Texas
City of Roxton, Texas	City of Blossom, Texas
North Lamar Independent School District	Lamar County Appraisal District
Chisum Independent School District	

2. Basis of Presentation, Basis of Accounting

   a. Basis of Presentation

      Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

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

      Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The County reports the following governmental funds:

      General Fund-- This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

      Special Revenue Funds-- to account for the proceeds of specific revenue sources (other than trusts for individual, private organizations, or other governments or major capital projects) that are legally restricted to expenditure for specified purposes.

      Capital Projects Funds-- to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals other than governments).

      Debt Service Funds-- to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

      The County reports the following major governmental funds:

      General Fund-- This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

      Road and Bridge Fund-- This fund is used to account for monies designated for use in road and bridge work of the County. Primary sources of revenues for these special revenue funds included ad valorem taxes, automobile registration fees, County and District court fines, and state allotments of road funds. Revenues are used for public transportation maintenance and construction purposes.

      Coronavirus State and Local Fiscal Recovery Fund – This fund is used to account for the monies received as allocation from the American Rescue Plan Act 2021.

In addition, the County reports the following fund types:

Fiduciary Funds: The county uses fiduciary funds to account for assets held in a trustee or custodial capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. Fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

The fiduciary funds of the County consist only of custodial funds.

Custodial Funds-- The County acts in a custodial capacity for individuals, firms, and state and local governments. In its custodial capacity, custodial funds have been created and include monies placed into the registry of the county and district courts on behalf of minors or other parties involved in litigation. Also, included are child support, restitution, forfeiture accounts, court costs, and auto registration fees collected on behalf of the state and local governments.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

b. Inventories and Prepaid Items

Inventories on the balance sheet are stated at cost using the first in/ first out (FIFO) method. Inventory items are recorded as expenditures when they are consumed. The County records the purchase of supplies as expenditures, utilizing the purchases method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

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

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

d. Receivable and Payable Balances

The County reports the following receivables.

	General Fund	Road and Bridge Fund	Other Governmental	Total
Interest Receivable	$ 15,748	$ 1,101	$ 935	$ 17,784
Delinquent Tax Receivable	1,203,795	338,183	152,871	1,694,849
Less: Allowance for Uncollectible	(60,190)	(16,909)	(7,644)	(84,743)
Net Delinquent Tax Receivable	1,143,605	321,274	145,227	1,610,106
Accounts Receivable	3,000,850	1,725,250	--	4,726,100
Less: Allowance for Uncollectible	(1,408,613)	(996,948)	--	(2,405,561)
Net Fines Receivable	1,592,237	728,302	--	2,320,539
Total Net Receivables	$ 2,751,590	$ 1,050,677	$ 146,162	$ 3,948,429

There are no significant receivables which are not scheduled for collection within one year of year end.

e. Pensions

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

At September 30, 2023, the County reported the following:

Net Pension Liability	$	4,864,254
Net OPEB Liability	$	4,205,264

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

g. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

Restricted for Federal and State Programs	$	102,503
Restricted for Indigent Care		1,640,046
Restricted for Capital Projects		551,880
Restricted for Records Management		1,229,147
Restricted for Judicial		301,011
Restricted for Debt Service		48,663
Road and Bridge		2,511,952
Restricted for Other Purposes		811,052
Total	$	7,196,254

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of formal action by the County's Commissioners. Committed amounts cannot be used for any other purpose unless the Commissioners remove those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Commissioners. Commitments are typically done through the adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. At the year ended September 30, 2023, the County reports and Other Committed Fund Balance of $607,037. These funds were set aside for the County's portion of the retiree's EB expense.

Assigned Fund Balance - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners or by an official or body to which the Commissioners delegate the authority. 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 or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself. At the year ended September 30, 2023, the County reported $3,647,644 in Assigned Fund Balance. This amount is set aside for the deficient budget for the upcoming fiscal year 2023-2024.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to having been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Minimum Fund Balance: Lamar County generally aims to maintain the following minimum fund balances:

General fund's unassigned fund balance of approximately twenty-five percent (25%) of budgeted expenditures for the fiscal year, is to be used for unanticipated needs. The County considers a balance of less than twenty percent (20%) to be a cause of concern, barring unusual or deliberated circumstances. An unassigned fund balance of more than thirty-five percent (35%) will be considered a surplus for one-time expenditures that are nonrecurring in nature, capital projects, and to reduce the tax levy requirements.

Road and Bridge Fund: A fund balance between five (5%) to ten percent (10%) of budgeted expenditures to meet sufficient cash flow needs.

Debt Service Fund: A fund balance of no more than ten percent (10%) of the current period payments.

Replenishment of Minimum Fund Balance: At the completion of any fiscal year in which the fund balance is less than the minimum established by the fund balance policy, the Commissioners' Court will establish a plan to restore this balance to the target level within a specified period of time. When developing this plan, the following items should be considered in establishing the appropriate time horizon:

* The budgetary reasons behind the fund balance targets
* Recovery from an extreme event
* Financial planning time horizon
* Long-term forecasts and economic conditions
* Milestones for gradual replacement
* External financing options

Implementation and Review: Upon adoption of this policy the Commissioner Court authorizes the County Auditor to establish standards and procedures which may be necessary for its implementation. The County Auditor shall review this policy at least annually and make any recommendations for change to the Commissioners Court.

h. Compensated Absences

General leave for the County includes both vacation and sick pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued general leave earned not to exceed forty hours of vacation or forty hours of sick leave converted as set forth by personnel policy.

j. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

k. Debt Related Intangibles

Premiums and discounts are amortized over the life of the related bond using the interest method or the straight-line method if the straight-line method does not materially differ from the interest method.

l. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) 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 and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

m. Unearned Revenue

The County reports $6,159,774 in unearned revenue at the year ended September 30, 2023. The funds are from a $9.6 million allocation awarded through the Coronavirus State and Local Fiscal Recovery Funds established through the American Rescue Plan Act of 2021. In fiscal your 2021, 2022 and 2023 the County expended $50,000, $1.3 million and $2.2 million respectively, for a total of $3.6 million.

n. Subscription-Based Information Technology Arrangements (SBITA)

Effective October 1, 2022, the City implemented GASB Statement No. 96, *Subscription-Based Technology Arrangements*, which provide guidance on the accounting and financial reporting of contractual arrangements. It required the recognition of certain right-to-use subscription assets and corresponding liabilities.

The County contracts with SBITA vendors for right-to-use information technology software, alone or in combination with tangible capital assets. The County recognizes subscription liabilities, reported with long-term debt, and right-to-use subscription assets, reported with the other capital assets, in the government-wide financial statements.

At implementation of GASB Statement No. 96 and the commencement of SBITAs beginning after October 1, 2022, the County initially measured the subscription liabilities at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liabilities are reduced by the principal portion of the SBITA payments made. The right-to-use subscription assets are initially measured as the initial amount of the subscription liabilities, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

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

- The County uses the interest rate charged by the SBITA vendor as the discount rate.

- The subscription term includes the noncancellable period of the SBITA.

- Subscription payments included in the measurement of the subscription liabilities are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable for the SBITA vendor and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The County monitors changes in circumstances that would require a measurement of its SBITAs and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

4. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at September 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

The County had no outstanding end-of-year encumbrances.

5. Implementation of New Standards

In the current fiscal year, the County implemented the following new standards. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 94, - *Public-Private and Public-Private Partnerships and Availability Payment Arrangements*

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-private partnerships arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPP's meet the definition of a service concession arrangement (SCA), which the Board defines in the Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in the Statement, and APA is an arrangement in which a government compensates an operator for services that may include designed, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District implemented this Statement during the current year.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government and users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SIBTA is defines as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District implemented this Statement during the current year, and there was no impact on the amounts previously reported as a result of the implementation of this standard.

6. Future Implementation of New Standards

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – should not be recognized until the leave commences. A liability for specific types of compensated absences should not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and for all reporting periods thereafter.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation	Action Taken
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Fund Name	Deficit Amount	Remarks
None reported	Not applicable	Not applicable

C. 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 pledged 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.

Cash Deposits:

At September 30, 2023, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $29,021,400 and the bank balance was $37,970,903. The County's cash deposits at September 30, 2023, and during the year ended September 30, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of the highest deposit:

a. Depository: Farmer's Bank and Trust
b. The market value of securities pledged as of the date of the highest combined balance on deposit was $24,000,000.
c. The highest combined balances of cash, savings, and time deposit accounts amounted to $37,790,903. and occurred during the month of March.
d. Total amount of FDIC coverage at the time of the largest combined balance was $14,940,400.

The County entered into a depository contract with Farmer's Bank June 1, 2021. At September 30, 2023 the County had some remaining funds at Guaranty Bond Bank. Those funds were fully insured at year end and at the date of the highest cash balance. At year end those funds totaled $12,840 in cash and an additional $303,976 in certificate of deposits.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize the safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general-purpose financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, the investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (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 County's investments at September 30, 2023, are shown below.

Investment or Investment Type	Maturity		Fair Value
Tex Pool	N/A	$	40,830
Certificate of Deposits	Varying 12 months		22,623,248
Total Investments		$	22,664,078

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

At September 30, 2023, the County's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows: Aa2

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to a concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at the time of purchase. The term "nonparticipating" means that the investment's value does not *vary* with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas *Government* Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The County's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in *a:* manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

TexPool

The County invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas *Government* Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise with respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAm by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average of $1.00 per unit net asset value; however, the $1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

D. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 732,602	$ --	$ --	$ 732,602
Construction in Progress	340,201	1,564,265	200,326	1,704,140
Total capital assets not being depreciated	1,072,803	1,564,265	200,326	2,436,742
Capital assets being depreciated:				
Road Network	21,168,487	12,300	--	21,180,787
Building and Improvements	24,472,095	992,244	--	25,464,339
Equipment	16,268,370	1,833,055	147,068	17,954,357
Right-To-Use Subscription Assets	--	951,899	--	951,899
Total capital assets being depreciated	61,908,952	3,789,498	147,068	65,551,382
Less accumulated depreciation and amortization for:				
Road Network	(14,700,948)	(465,101)	--	(15,166,049)
Buildings and Improvements	(12,994,256)	(491,282)	--	(13,485,538)
Equipment	(8,709,805)	(1,222,759)	106,148	(9,826,416)
Right-To-Use Subscription Assets	--	(220,792)	--	(220,792)
Total accumulated depreciation	(36,405,009)	(2,399,934)	106,148	(38,698,795)
Total capital assets being depreciated and amortized, net	25,503,942	1,389,564	253,216	26,852,587
Governmental activities capital assets, net	$ 26,576,745	$ 2,953,829	$453,542	$29,289,329

Depreciation was charged to functions as follows:

General Government	$	685,373
Judicial		3,214
Legal		511
Election		39,328
Finance		170,144
Facilities		42,199
Safety		374,974
Transportation		1,084,191
	$	2,399,934

E. Interfund Balances and Activity

Transfers To and From Other Funds

Transfers From	Transfers To	Amount	Reason
Estray & Jury	General Fund	$ 6,330	Funds no longer payable to jurors
General Fund	Unclaimed Money	13,829	Fund to be sent to the state
General Fund	Permanent Improvement	333,316	Reimburse capital expenditures
General Fund	Victims Coordinator	20,797	Reimburse expenditures not covered by grant.
General Fund	Sheriff Post Forfeiture	14,612	Auction proceeds
General Fund	Lamar County Child Welfare	57,000	Reimburse expenditures related to salaries
General Fund	Auto Theft Task Force	24,669	Reimburse expenditures not covered by grant
County Attorney- Hot Check	Unclaimed Money	3,185	Funds to be sent to the state
	Total	$ 473,738	

F. Short-Term Debt Activity

The County accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources. There were no short-term loans.

G. Long-Term Obligations

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the County.

1. Long-term Obligation Activity

   Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
2012 Tax Refunding Bonds	$ 85,000	$ --	$ 85,000	$ --	$ --
2017 Certificate of Obligation	2,490,000	--	250,000	2,240,000	540,000
2021 Certificate of Obligation	3,565,000	--	285,000	3,280,000	100,000
Government Capital Note 2020	15,559	--	15,559	--	--
Government Capital Note 2019	44,502	--	44,502	--	--
Total	6,200,061	--	680,061	5,520,000	640,000
Premium 2021 Certificate of Obligation	424,182	--	47,131	377,051	--
Premium 2012 Refunding Bonds	11,486	--	11,486	--	--
Total	435,668	--	58,617	377,051	--
Amount Payable Under:					
Purchase Lease	79,479	--	25,444	54,035	28,486
Subscription Liability	--	951,899	220,491	731,408	227,565
Compensated Absences *	701,176	62,232	--	763,408	--
OPEB Obligations	4,135,476	69,788	--	4,205,264	--
Total	4,916,131	1,083,919	245,935	5,745,115	256,051
Total Governmental Activities	$11,551,860	$1,083,919	$ 984,613	$ 11,651,166	$ 896,051

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2023, are as follows:

	Governmental Activities			
	Bonds		Notes from Direct Borrowing	
Year ending September 30,	Principal	Interest	Principal	Interest
2024	$ 640,000	$ 146,794	$ --	$ --
2025	655,000	129,970	--	--
2026	670,000	112,687	--	--
2027	690,000	94,998	--	--
2028	685,000	68,225	--	--
2029-2031	2,180,000	80,675	--	--
	$ 5,520,000	$ 633,349	$ --	$ --

3. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment for minimum future rental payments as of September 30, 2023.

Year Ending September 30,	Principal	Interest	Total
2024	26,386	2,103	28,489
2025	27,649	840	28,489
Total	$ 54,035	$ 2,943	56,978

4. Subscription-Based Information Technology Arrangement (SBITA)

The County has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The County is required to make scheduled payments at its incremental borrowing rate, or the interest rate stated or implied within the SBITAs. Effective October 1, 2022, the County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* At implantation of this statement and the commencement of arrangement beginning after October 1, 2022, the County measured the subscription liabilities at the present value of payments expected to be made during the subscription term.

	Interest Rate	Liability at Commencement	Lease Terms in Months	Ending Balance
Governmental activities:				
Subscription-based information technology agreements	3.1% to 3.2%	951,899	32 to 59	731,408

	Governmental Activities					
Year Ended September 30		Principal		Interest		Total
2024	$	227,565	$	20,660	$	258,225
2025		200,226		13,443		213,669
2026		171,423		7,659		179,082
2027		132,194		2,117		134,311
Total	$	731,408	$	43,879	$	775,287

H. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2019, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

Pension Plan

1. Plan Description: The District provides pension, disability, and death benefits for all of its full-time employees through a statewide, agent multiple-employer, public-employee retirement system through the Texas County District Retirement System (the "TCDRS"). The system serves 738 actively participating counties and districts throughout Texas. Each employer has its own defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401 (a) of the Internal Revenue Code. All employees (except

temporary staff) of a participating employer must be enrolled in the plan. The TCDRS 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.

2. Benefits Terms

   a. 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 temporary positions are not eligible for membership.

   b. The plan provides retirement, disability, and survivor benefits.

   c. 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 220%) and is then converted to an annuity.

   d. 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.

   e. Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year but must remain in conformity with the Act.

3. Contributions

The County's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Lamar County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2023 and 2022 are as follows:

Contribution Rates	2023	2022
Employee	7%	7%
Employer	14.45%	14.45%
Fiscal year contributions:		
Employer	$ 1,584,587	$ 1,297,077

The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

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	151
Inactive employees entitled to but not yet receiving benefits	179
Active Employees	200
Total covered employees	530

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The following are the key assumptions and methods used in this GASB analysis.

Actuarial assumptions:	
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 percentage of pay)(1)
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing Period	5 Years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.60 % (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Lamar County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement is 61.
Mortality	
Depositing members	135% 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 Retirees Amount-Weighted Mortality table for males and 120% Pub-2010 General 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 makes 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.

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The discount rate was determined using an alternative method of determining the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

a. 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.

b. Under the TCDRS Act, the County is legally required to make the contribution specified in the funding policy.

c. The County's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the County is still required to contribute at least the normal cost.

d. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

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 the future year.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefits in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long- term assumed rate of return on investments. This long-term assumed rate should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.60%. 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.

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

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

Asset Class	Target Allocation	Geometric Real Rate of Return
U.S. Equities	11.50%	4.95%
Private Equity	25.00%	7.95%
Global Equities	2.50%	4.95%
International Equities – Developed Markets	5.00%	4.95%
International Equities – Emerging Markets	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%
Hedge Funds	6.00%	2.90%
Cash Equivalents	2.00%	0.20%

Changes in Net Pension Liability / (Asset)	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2021	$ 55,595,431	$ 58,091,057	$ (2,495,626)
Changes for the year			
Service cost	1,313,716	--	1,313,716
Interest	4,221,617	--	4,221,617
Effect of plan changes	--	--	--
Difference between expected/actual experiences	530,886	--	530,886
Changes of assumptions	--	--	--
Contributions - employer	--	1,435,266	(1,435,266)
Contributions - employee	--	695,287	(695,287)
Net investment income	--	(3,350,522)	3,350,522
Benefit payments	(2,630,301)	(2,630,301)	--
Refund of contributions	(143,605)	(143,605)	--
Administrative expense	--	(31,659)	31,659
Other changes	--	(42,033)	42,033
Net changes	$ 3,292,313	$ (4,067,567)	$ 7,359,8 80
Balance at 12/31/2022	$ 58,887,744	$ 54,023,490	$ 4,864,254

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate 7.60%, as well as what the County's 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	Discount Rate	1 % Increase in Discount Rate
County's net pension liability	$ 12,455,356	$ 4,864,254	$ (1,508,003)

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the County recognized pension expense of $1,345,464.

At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 398,164	$ 216,436
Changes in actuarial assumptions	746,063	10,301
Difference between projected and actual investment earnings	1,003,810	--
Contributions subsequent to the measurement date	1,218,908	N/A
Total	$ 3,366,945	$ 226,737

The $1,921,300 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec. 31:	
2024	$ (28,393)
2025	99,878
2026	302,078
2027	1,547,737
2028	--
Thereafter	--

I. Other Postemployment Benefits

Plan Description: The County sponsors and administers Lamar County Retiree Health Care Plan. It is a single employer defined benefit health care plan. The County Commissioners have the authority to establish and amend benefit provisions of the Plan. The Plan does not issue a separate, publicly available report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The Plan pays a portion of the health care insurance premiums for eligible retired employees. Retirement eligibility is determined based on the Texas County and District Retirement System (TCDRS) definition. Employees are eligible to retire at age 60 and above with 8 years of service in TCDRS, with 30 years' service in TCDRS at any age, or when the sum of his or her age and years of service in TCDRS equals 75. Spouses and dependents are eligible for coverage. Coverage ceases upon reaching Medicare eligibility. There are no automatic post-employment benefit changes, including automatic COLAs.

Contributions

Employees and dependents continue to pay the employee or dependent share of the premiums charged to active members. Spouses/dependents are eligible for coverage. Any spouse already covered on the plan when the retiree reaches the age of 65 or surviving spouses of retirees may continue coverage by continuing to pay the retiree and spouse premium less the amount for the retiree. Only dependents covered by the employee on the county's insurance plan at the time of retirement are eligible. Members who retired before October 1, 2016, can receive coverage for their spouse by paying half the dependent premium.

The premium rates for the health care insurance for 2021-2022 fiscal year for retirees is as follows:

	Monthly Health Care Plan Premium Rates			
	Base Plan 1500		Buy UP Plan 1200	
	Employer	Retiree	Employer	Retiree
Retiree	$ 686	$ 37	$ 788	$ 37
Retiree and Spouse	788	792	788	1,026
Retiree and Children	788	542	788	737
Retiree and Family	788	1,506	788	1,850

Employees covered by benefit terms, at September 30, 2023, based on data provided by the client.

Membership*	
Number of:	
Retirees and Beneficiaries	20
Inactive, Nonretired Members	--
Active Members	175
Total	195

* Adjusted for terminations during the fiscal year ending September 30, 2023. Excludes employees and retirees 65 or older.

Actuarial Assumptions and Other Inputs:

Actuarial Assumptions:

Valuation Date:	September 30, 2022 rolled forward to September 30, 2023.
Measurement Date of the Total OPEB Liability	September 30, 2023
Methods and Assumptions:	
Actuarial Cost Method	Entry Age based on a level percentage of projected salary
Discount Rate	4.77%
Inflation	2.50%
Salary Increases	3.50%
Demographic Assumptions	Based on data provided by the County as of January 2023. Appropriate adjustments in this data were made for the actuarial valuation. There is no assumption for future hires.
Mortality	RPH-2014 Total Table with Projection MP-2021
Health Care Trend Rates	Level 4.50% for medical and level 1.50% for dental/vision.

Discount Rate

The GASB statement requires that the discount rate used to determine the plan liabilities for retiree healthcare benefits is based on the earnings rate of the plan assets if the projected assets are sufficient to cover the projected benefit payments. If the projected assets are not sufficient then a municipal bond index rate must be used for discounting benefits not covered by the projected assets. Since there are no plan assets held in trust the S&P Municipal Bond 20 Year High Grade Rate Index is used for determining the discount rate of 4.77%.

Changes in the Total OPEB Liability

Total OPEB liability		
Service Cost	$	220,328
Interest on the total OPEB liability		199,425
Difference between expected and actual experience		--
Changes of assumptions		--
Benefit payments		(349,965)
Net change in total OPEB liability		69,788
Total OPEB liability--beginning		4,135,476
Total OPEB liability--ending	$	4,205,264

The mortality assumption for this valuation was updated using the RPH-2014 Total table with Projection MP-2021. The discount rate was raised from 2.41% to 4.77% to conform with the discount selection requirements of GASB 75.
No changes in benefit terms from previous actuarial valuation.

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 4.77%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1 % Decrease	Current Discount Rate Assumption	1 % Increase
3.77%	4.77%	5.77%
$ 3,874,351	$ 4,205,264	$ 4,571,799

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	Current Healthcare Cost	
1% Decrease	Trend Rate Assumption	1% Increase
3.50%	4.50%	5.50%
$ 3,769,301	$ 4,205,264	$ 4,725,983

Deferred outflows and Deferred Inflows Related to OPEB

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	$ 82,363	$ (394,458)
Changes in assumptions	113,444	(710,449)
Contributions subsequent to the measurement date	--	--
Total	$ 195,807	$ (1,104,907)

Year Ending September 30	Net Deferred Outflows/Inflows
2024	$ (484,281)
2025	(179,388)
2026	(120,558)
2027	(124,873)
2028	--
Thereafter	--

J. Health Care Coverage

Beginning October 1, 2013, the County has health care coverage with Blue Cross Blue Shield of Texas. The Lamar County Employee Health Plan participants are fully insured. The County contributed up to $788 per month per employee and dependents to the Plan. The County paid up to $1,157 for retirees and their dependents. A total of $2,199,499 was the County's portion of cost of the health insurance for the fiscal year September 30, 2023. Employees at their option, authorized payroll withholdings for contributions for dependents. All contributions were paid to the administrator of the Plan. The contract between the County and the Plan is renewable November 1st, of each year, and the annual financial statements have been filed with the Texas State Board of Insurance. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by Contractual agreement.

K. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

From time to time, the County is involved in litigation that arises in the ordinary course of business. At this time, the outcome of the outstanding litigations is unknown. The County plans to vigorously defend itself against any litigation.

L. Subsequent Events

Management has evaluated subsequent events through May 13, 2024, the date the financials were available to be distributed and noted the following events. In December 2023, the County paid $100,000 for 24 portable radios for the Sheriff's Department from the General Fund. The County has also entered into a contract with Western Specialty Contractors for repairs to the parapet wall in the amount of $786,000, and a contract with North Texas Fab for a roof replacement in the amount of $669,000. The County has entered into a contract with WA Civil, LLC for the construction of a building with an estimated cost of $4 to $5 million is planned to be constructed within the next two years. The County also put out a Request for Proposal for a Communication Tower with an estimated cost of $1 million which is planned to be constructed within the 23-24 fiscal year. In addition, in March 2024 the County received $500,000 in funds from SB22 for the Sheriff's Department and is expecting an additional $275,000 to arrive for the County Attorney's office.

M. Sulphur River Region Mobility Interlocal Cooperative Agreement

Lamar County, Texas entered into an Interlocal Cooperative Agreement with the Sulphur River Region Mobility Authority ("SURRMA") effective October 10, 2012, and with other governmental entities in the area for upgrading and widening State Highway 24. The SURRMA has secured a State Infrastructure Bank Loan (SIB) for the project with Lamar County's share of the local participation being $1,426,813. The County's payment obligations pursuant to the SIB Loans shall become due and payable not later than March 29 each year in accordance with the schedule below at a rate of 3.68% per annum. Agreement such as this are not reported as debt in the financials, but appropriately disclosed in the notes to the financial statements in accordance with Governmental Accounting Standards.

Years of Stated Maturity	Principal Amounts ($)	Interest Amounts ($)	Interest Rates (%)
2024	87,704	3,228	3.68%
	87,704	3,228	

N. Tax Abatements

The County enters into property tax abatement agreements with local businesses under the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code. Under the Act, localities may grant property tax abatements of up to 100 percent of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County.

For the fiscal year ended September 30, 2023, the County abated property taxes totaling $2,574,752 under this program, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

*A 100 percent property tax abatement for a local company for the construction of a solar farm. The abatement amounted to $591,797.

*A 100 percent property tax abatement for a local company for the construction of a solar farm. The abatement amounted to $576,576.

*A 100 percent property tax abatement for a local company for the construction of a solar farm. The abatement amounted to $487,387.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

LAMAR COUNTY, TEXAS

EXHIBIT B-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenue:				
Property Taxes	$ 11,501,508	$ 11,790,172	$ 11,941,484	$ 151,312
Other Taxes	3,250,000	3,250,000	5,400,593	2,150,593
Intergovernmental Receipts	294,200	301,558	491,007	189,449
Fees of Office	1,106,500	1,106,500	1,378,237	271,737
Fines	80,000	80,000	92,463	12,463
Interest	80,000	80,000	921,190	841,190
Miscellaneous	132,500	493,540	653,169	159,629
Total revenues	16,444,708	17,101,770	20,878,143	3,776,373
Expenditures:				
Current:				
General Administration	2,816,503	3,328,468	2,806,705	521,763
Financial Administration	1,592,338	1,586,038	1,475,437	110,601
Judicial	2,201,376	2,199,360	2,104,158	95,202
Legal	875,305	875,870	757,631	118,239
Elections	305,498	305,498	301,288	4,210
Public Safety	8,169,142	8,176,075	7,908,238	267,837
Public Welfare	1,664,694	1,667,534	1,341,587	325,947
Conservation and Agriculture	147,880	159,511	129,876	29,635
Public Facilities	1,095,319	1,237,138	1,044,190	192,948
Emergency Management	158,815	158,815	140,825	17,990
Capital outlay	469,239	639,789	573,676	66,113
Total expenditures	19,496,109	20,334,096	18,583,611	1,750,485
Excess (deficiency) of revenues (under) expenditures	(3,051,401)	(3,232,326)	2,294,532	5,526,858
Other financing sources (uses):				
Transfers in	--	--	20,159	20,159
Transfers out	(1,560,439)	(1,560,439)	(450,394)	(1,110,045)
Total other financing sources (uses)	(1,560,439)	(1,560,439)	(430,235)	(1,130,204)
Net change in fund balances	(4,611,840)	(4,792,765)	1,864,297	6,657,062
Fund balances/equity, October 1	14,385,532	14,385,532	14,385,532	--
Fund balances/equity, September 30	$ 9,773,692	$ 9,592,767	$ 16,249,829	$ 6,657,062

LAMAR COUNTY, TEXAS

EXHIBIT B-2

ROAD & BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenue:				
Property Taxes	$ 3,215,948	$ 3,297,034	$ 3,354,717	$ 57,683
Intergovernmental Receipts	--	--	102,852	102,852
Fees of Office	832,000	832,000	863,604	31,604
Fines	100,000	100,000	87,227	(12,773)
Interest	8,000	8,000	38,432	30,432
Miscellaneous	--	22,949	42,766	19,817
Total revenues	4,155,948	4,259,983	4,489,598	229,615
Expenditures:				
Current:				
Public Transportation	5,424,073	5,602,659	4,208,987	1,393,672
Capital outlay	625,000	610,258	165,317	444,941
Principal	67,893	85,501	85,499	2
Interest and fees	6,778	5,311	5,301	10
Total expenditures	6,123,744	6,303,729	4,465,104	1,838,625
Excess (deficiency) of revenues (under) expenditures	(1,967,796)	(2,043,746)	24,494	2,068,240
Other financing sources (uses):				
Proceeds from Sales of Capital Assets	--	75,950	75,950	--
Total other financing sources (uses)	--	75,950	75,950	--
Net change in fund balances	(1,967,796)	(1,967,796)	100,444	2,068,240
Fund balances/equity, October 1	2,411,508	2,411,508	2,411,508	--
Fund balances/equity, September 30	$ 443,712	$ 443,712	$ 2,511,952	$ 2,068,240

LAMAR COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year Ended December 31,		
	2022	2021	2020
Total Pension Liability			
Service cost	$ 1,313,716	$ 1,312,547	$ 1,189,653
Interest (on the total pension liability)	4,221,617	4,041,304	3,873,182
Changes of benefit terms	-	230,380	-
Difference between expected and actual experience	530,886	(440,667)	(278,194)
Change of assumptions		(30,901)	2,984,258
Benefit payments, including refunds of employee contributions	(2,773,907)	(2,709,852)	(2,361,406)
Net Change in Total Pension Liability		2,402,811	5,407,493
Total Pension Liability - Beginning	55,595,432	53,192,621	47,785,128
Total Pension Liability - Ending (a)	$ 58,887,744	$ 55,595,432	$ 53,192,621
Plan Fiduciary Net Position			
Contributions - employer	$ 1,435,266	$ 1,252,268	$ 1,220,267
Contributions - employee	695,287	646,455	629,932
Net investment income	(3,350,522)	10,538,842	4,583,524
Benefit payments, including refunds of employee contributions	(2,773,907)	(2,709,852)	(2,361,406)
Administrative expense	(31,659)	(31,428)	(35,418)
Other	(42,033)	(9,650)	(10,698)
Net Change in Plan Fiduciary Net Position		9,686,635	4,026,201
Plan Fiduciary Net Position - Beginning	58,091,058	48,404,423	44,378,222
Plan Fiduciary Net Position - Ending (b)	$ 54,023,490	$ 58,091,058	$ 48,404,423
Net Pension Liability - Ending (a) - (b)	$ 4,864,254	$ (2,495,626)	$ 4,788,198
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.74%	104.49%	91.00%
Covered Payroll	$ 9,932,667	$ 9,235,067	$ 8,999,034
Net Pension Liability as a Percentage of Covered Payroll	48.97%	-27.02%	53.21%

LAMAR COUNTY, TEXAS

EXHIBIT B-2

ROAD & BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenue:				
Property Taxes	$ 3,215,948	$ 3,297,034	$ 3,354,717	$ 57,683
Intergovernmental Receipts	--	--	102,852	102,852
Fees of Office	832,000	832,000	863,604	31,604
Fines	100,000	100,000	87,227	(12,773)
Interest	8,000	8,000	38,432	30,432
Miscellaneous	--	22,949	42,766	19,817
Total revenues	4,155,948	4,259,983	4,489,598	229,615
Expenditures:				
Current:				
Public Transportation	5,424,073	5,602,659	4,208,987	1,393,672
Capital outlay	625,000	610,258	165,317	444,941
Principal	67,893	85,501	85,499	2
Interest and fees	6,778	5,311	5,301	10
Total expenditures	6,123,744	6,303,729	4,465,104	1,838,625
Excess (deficiency) of revenues (under) expenditures	(1,967,796)	(2,043,746)	24,494	2,068,240
Other financing sources (uses):				
Proceeds from Sales of Capital Assets	--	75,950	75,950	--
Total other financing sources (uses)	--	75,950	75,950	--
Net change in fund balances	(1,967,796)	(1,967,796)	100,444	2,068,240
Fund balances/equity, October 1	2,411,508	2,411,508	2,411,508	--
Fund balances/equity, September 30	$ 443,712	$ 443,712	$ 2,511,952	$ 2,068,240

LAMAR COUNTY, TEXAS

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

	Measurement Year Ended December 31,		
	2022	2021	2020
Total Pension Liability			
Service cost	$ 1,313,716	$ 1,312,547	$ 1,189,653
Interest (on the total pension liability)	4,221,617	4,041,304	3,873,182
Changes of benefit terms	-	230,380	-
Difference between expected and actual experience	530,886	(440,667)	(278,194)
Change of assumptions		(30,901)	2,984,258
Benefit payments, including refunds of employee contributions	(2,773,907)	(2,709,852)	(2,361,406)
Net Change in Total Pension Liability		2,402,811	5,407,493
Total Pension Liability - Beginning	55,595,432	53,192,621	47,785,128
Total Pension Liability - Ending (a)	$ 58,887,744	$ 55,595,432	$ 53,192,621
Plan Fiduciary Net Position			
Contributions - employer	$ 1,435,266	$ 1,252,268	$ 1,220,267
Contributions - employee	695,287	646,455	629,932
Net investment income	(3,350,522)	10,538,842	4,583,524
Benefit payments, including refunds of employee contributions	(2,773,907)	(2,709,852)	(2,361,406)
Administrative expense	(31,659)	(31,428)	(35,418)
Other	(42,033)	(9,650)	(10,698)
Net Change in Plan Fiduciary Net Position		9,686,635	4,026,201
Plan Fiduciary Net Position - Beginning	58,091,058	48,404,423	44,378,222
Plan Fiduciary Net Position - Ending (b)	$ 54,023,490	$ 58,091,058	$ 48,404,423
Net Pension Liability - Ending (a) - (b)	$ 4,864,254	$ (2,495,626)	$ 4,788,198
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.74%	104.49%	91.00%
Covered Payroll	$ 9,932,667	$ 9,235,067	$ 8,999,034
Net Pension Liability as a Percentage of Covered Payroll	48.97%	-27.02%	53.21%

EXHIBIT B-3

	Measurment Year Ended December 31,				
2019	2018	2017	2016	2015	2014
$ 1,125,083	$ 1,100,424	$ 1,140,140	$ 1,170,681	$ 1,062,160	$ 1,027,821
3,650,137	3,442,075	3,259,731	3,045,080	2,896,381	2,706,809
-	-	-	-	(198,814)	-
228,894	178,518	(188,689)	(228,202)	(560,951)	19,162
-	-	124,585	-	384,372	-
(2,270,447)	(2,087,137)	(2,004,256)	(1,807,060)	(1,615,856)	(1,430,157)
2,733,667	2,633,880	2,331,511	2,180,499	1,967,292	2,323,635
45,051,461	42,417,581	40,086,070	37,905,571	35,938,279	33,614,644
$ 47,785,128	$ 45,051,461	$ 42,417,581	$ 40,086,070	$ 37,905,571	$ 35,938,279
$ 1,112,874	$ 1,067,907	$ 100,311	$ 972,762	$ 954,993	$ 902,168
616,795	588,614	568,363	560,589	540,420	511,356
6,343,066	(747,013)	5,128,005	2,446,067	(193,371)	2,132,136
(2,270,447)	(2,087,137)	(2,004,256)	(1,807,060)	(1,615,856)	(1,430,157)
(33,818)	(31,021)	(26,495)	(26,560)	(23,928)	(24,985)
(12,333)	(8,827)	(6,087)	8,375	(109,588)	4,777
5,756,137	(1,217,477)	3,759,841	2,154,173	(447,330)	2,095,295
38,622,085	39,839,563	35,179,721	33,025,548	33,472,878	31,377,582
$ 44,378,222	$ 38,622,086	$ 38,939,562	$ 35,179,721	$ 33,025,548	$ 33,472,877
$ 3,406,906	$ 6,429,375	$ 3,478,019	$ 4,906,349	$ 4,880,023	$ 2,465,402
92.87%	85.73%	91.80%	87.76%	87.13%	93.14%
$ 8,811,354	$ 8,408,765	$ 8,119,472	$ 7,966,912	$ 7,720,291	$ 7,305,090
38.66%	76.46%	42.84%	61.58%	63.21%	33.75%

LAMAR COUNTY, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year Ended September 30,			
	2022	2021	2020	2019
Actuarially determined contribution	$ 1,435,266	$ 1,244,887	$ 1,220,267	$ 1,112,874
Contributions in relation to actuarially determined contribution	(1,435,266)	(1,252,268)	(1,220,267)	(1,112,874)
Contribution deficiency (excess)	$ -	$ (7,381)	$ -	$ -
Covered payroll	$ 9,932,667	$ 9,235,067	$ 8,999,034	$ 8,811,354
Contributions as a percentage of covered payroll	14.40%	13.60%	13.60%	12.60%

Measurment Year Ended December 31,					
2019	2018	2017	2016	2015	2014
$ 1,125,083	$ 1,100,424	$ 1,140,140	$ 1,170,681	$ 1,062,160	$ 1,027,821
3,650,137	3,442,075	3,259,731	3,045,080	2,896,381	2,706,809
-	-	-	-	(198,814)	-
228,894	178,518	(188,689)	(228,202)	(560,951)	19,162
-	-	124,585	-	384,372	-
(2,270,447)	(2,087,137)	(2,004,256)	(1,807,060)	(1,615,856)	(1,430,157)
2,733,667	2,633,880	2,331,511	2,180,499	1,967,292	2,323,635
45,051,461	42,417,581	40,086,070	37,905,571	35,938,279	33,614,644
$ 47,785,128	$ 45,051,461	$ 42,417,581	$ 40,086,070	$ 37,905,571	$ 35,938,279
$ 1,112,874	$ 1,067,907	$ 100,311	$ 972,762	$ 954,993	$ 902,168
616,795	588,614	568,363	560,589	540,420	511,356
6,343,066	(747,013)	5,128,005	2,446,067	(193,371)	2,132,136
(2,270,447)	(2,087,137)	(2,004,256)	(1,807,060)	(1,615,856)	(1,430,157)
(33,818)	(31,021)	(26,495)	(26,560)	(23,928)	(24,985)
(12,333)	(8,827)	(6,087)	8,375	(109,588)	4,777
5,756,137	(1,217,477)	3,759,841	2,154,173	(447,330)	2,095,295
38,622,085	39,839,563	35,179,721	33,025,548	33,472,878	31,377,582
$ 44,378,222	$ 38,622,086	$ 38,939,562	$ 35,179,721	$ 33,025,548	$ 33,472,877
$ 3,406,906	$ 6,429,375	$ 3,478,019	$ 4,906,349	$ 4,880,023	$ 2,465,402
92.87%	85.73%	91.80%	87.76%	87.13%	93.14%
$ 8,811,354	$ 8,408,765	$ 8,119,472	$ 7,966,912	$ 7,720,291	$ 7,305,090
38.66%	76.46%	42.84%	61.58%	63.21%	33.75%

LAMAR COUNTY, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year Ended September 30,			
	2022	2021	2020	2019
Actuarially determined contribution	$ 1,435,266	$ 1,244,887	$ 1,220,267	$ 1,112,874
Contributions in relation to actuarially determined contribution	(1,435,266)	(1,252,268)	(1,220,267)	(1,112,874)
Contribution deficiency (excess)	$ -	$ (7,381)	$ -	$ -
Covered payroll	$ 9,932,667	$ 9,235,067	$ 8,999,034	$ 8,811,354
Contributions as a percentage of covered payroll	14.40%	13.60%	13.60%	12.60%

EXHIBIT B-4

Measurement Year Ended September 30,					
2018	2017	2016	2015	2014	2013
$ 1,067,907	$ 1,000,311	$ 972,762	$ 954,993	$ 902,168	$ 811,901
(1,067,907)	(1,000,311)	(972,762)	(954,993)	(902,168)	(811,901)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,408,765	$ 8,119,472	$ 7,966,912	$ 7,720,291	$ 7,305,090	$ 7,059,992
12.70%	12.30%	12.21%	12.40%	12.30%	11.50%

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

	Plan Year Ended December 31,					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	$ 220,328	$ 317,329	$ 317,329	$ 337,130	$ 337,130	$ 337,130
Interest (on the total OPEB liability)	199,425	112,541	117,360	131,246	212,461	229,662
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	112,352	-	(75,140)	(2,141,614)	26,352
Change of assumptions	-	(901,505)	-	(328,790)	223,335	252,165
Benefit payments, including refunds of employee contributions	(349,965)	(349,965)	(284,662)	(284,662)	(270,322)	(301,400)
Net Change in Total OPEB Liability	69,788	(709,248)	150,027	(220,216)	(1,639,010)	543,909
Total OPEB Liability - Beginning	4,135,476	4,844,724	4,694,697	4,914,913	6,553,923	6,010,014
Total OPEB Liability - Ending	$ 4,205,264	$ 4,135,476	$ 4,844,724	$ 4,694,697	$ 4,914,913	$ 6,553,923
Covered Payroll	$ 7,897,815	$ 7,897,815	$ 7,442,832	$ 7,442,832	$ 7,333,173	$ 7,765,303
Total OPEB Liability as a Percentage of Covered Payroll	53.25%	52.36%	65.09%	63.08%	67.02%	84.40%

Budgetary Data

The official budget was prepared for adoption for the General Fund and the Road and Bridge Fund, which is included within the Special Revenue Funds. The following procedures are followed in establishing the budgetary data reflected in financial statements.

a. Prior to beginning of the fiscal year, the County prepares a budget for the next succeeding fiscal year beginning. The operating budget includes proposed expenditures and the means of financing them. b. A meeting of the Commissioners' Court is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must have been given.

c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the Commissioner's Court.

Once a budget is approved, it can be amended only by approval of a majority of the Commissioners' Court. Amendments are presented to the Commissioners' Court at its regular meetings. Each amendment must have the Commissioners' Court approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Commissioners' Court and are not made after fiscal year end. During the year, the budget was amended as necessary. There were no significant amendments passed during the fiscal year. The budget is prepared on the modified accrual basis.

The legal *level* of budgetary control *(level* at which the governing body must approve any *over* expenditure) is at the category *level.* Categories are defined as: Personal Services, Supplies & Materials, Other Services & Charges, and Capital Outlay. Budget to actual comparisons are presented in the financial statements at the function *level;* however, a budget to actual comparison by category is available from the Lamar County Auditor's office at 119 North Main Street, Room 202, Paris, Texas 75462.

Excess of Expenditures *Over* Appropriations in Major Governmental Funds: The County expenditures did not exceed appropriations.

The following funds had legally adopted budgets:

General
Road and Bridge
Estray and Jury
State Aid Grant
Lateral Road
Law Library
County Clerk Records Management
Indigent Health Care
Court House Security
County Records Management
County Clerk Records Archive
District Clerk Records Technology
Court Records Preservation
Mental Health Services Grant
TXDOT TAP Lamar Chaparral Trail Fund
TDEM Coronavirus Relief Grant
Help America Vote Act Grant
Justice Assistance Grant
American Rescue Plan Grant
Auto Theft Task Force
Alternative Dispute Resolution
District Clerk Records Management
Victims Coordinator Grant
State Homeland Security Grant
Juvenile Probation Title IV
Justice Court Technology and Assistance
Community Programs Grant
Juvenile Delinquency Prevention
Permanent Improvement
Commitment Reduction Grant
Certificates of Obligation 2021
Judicial District Fund
County and District Court Technology
Certificates of Obligation 2011
Certificates of Obligation 2016
Regionalization Grant
Certificate of Obligations – Debt Service Fund
BJA Cares Supplemental Grant
Texas SAVNS Grant

Budgets for the funds listed *above* are adopted on a basis consistent with generally accepted accounting principles (GAAP) on the modified accrual basis of accounting.

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	14.3 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.5%, net of 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 Retiress Table for males and 120% of the Pub-2010 General Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: Employer contributions reflect that a 1% flat COLA was adopted.

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

LAMAR COUNTY, TEXAS
NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Valuation Date:	September 30, 2022 rollforward using a measurement date of September 30, 2023

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Straight-line amortization of expected working life
Asset Valuation Method	NA
Inflation	2.50%
Salary Increases	3.50%
Investment Rate of Return	4.77%, based on Municipal Bond 20 Year High Grade Rate Index.
Retirement Age	The average age at service retirement for recent retirees is 61.
Mortality	RPH-2014 Total Table with Projection MP-2019
Other Information:	There were no benefit changes during the year.

Malnory, McNeal & COMPANY, PC

ACCOUNTING • ADVISORY • ASSURANCE

Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable County Judge of Lamar County, and Honorable Members of the Lamar County Commissioners Court
Lamar 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 Lamar County, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Lamar County, Texas' basic financial statements, and have issued our report thereon dated May 13, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lamar County, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lamar County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Lamar 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 that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lamar 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 determination of financial statement amounts. 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 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.

Malnory, McNeal & Company, PC

Certified Public Accountants

May 13, 2024
Paris, Texas

Malnory, McNeal & COMPANY, PC

ACCOUNTING • ADVISORY • ASSURANCE

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required *by* the Uniform Guidance

Honorable County Judge of Lamar County, and Honorable Members of the Lamar County Commissioners Court
Lamar County Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lamar County, Texas ("the County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion of Each Major Federal Program

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 Uniform Guidance. Accordingly, this report is not suitable for any purpose.

Malnory, McNeal & Company, PC
Certified Public Accountants

May 13, 2024
Paris, Texas

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

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
One or more material weaknesses identified?	___ Yes	X No
One or more significant deficiencies identified that are not considered to be material weaknesses?	___ Yes	X None Reported
Noncompliance material to financial statements noted?	___ Yes	X No

2. Federal Awards

Internal control over major programs:		
One or more material weaknesses identified?	___ Yes	X No
One or more significant deficiencies identified that are not considered to be material weaknesses?	___ Yes	X None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Version of compliance supplement used in audit:	May 2023	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)?	___ Yes	X No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	___ Yes	X No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

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

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
2022-001 Criteria All funds for which the County is responsible should be recorded to the general ledger, reconciled on a regular basis and the activity verified for reasonableness. Interanl control over these funds should be designed, implemented and tested. These steps are required to prepare accurate financial statements as well as to prevent, detect and correct errors in the financial reporting. The County Auditor's Office is to perform periodic (at least twice per fiscal year) internal audits of all County Offices to assure compliance with internal controls as designed.	Completed	

LAMAR COUNTY, TEXAS **EXHIBIT D-1**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Federal Expenditures
OTHER PROGRAMS:			
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
~~Passed Through Texas Department of Housing and Community Af~~faris			
Home Housing Rehabilitiation Assistance	14.239	RSP 2018-0037	1,700
Total U.S. Department of Housing and Urban Development			1,700
U. S. DEPARTMENT OF JUSTICE			
~~Passed Through the Bureau of Jus~~tice Assitance			
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA22GG02713JAGX	18,731
State Criminal Alien Assistance Program	16.606	15PBJA22RR05231SCAA	9,025
State Criminal Alien Assistance Program	16.606	15PBJA21RR05019SCAA	4,569
State Criminal Alien Assistance Program	16.606	15PBJA20RR00351SCAA	3,262
Total U.S. Department of Justict			35,587
U. S. Department of the Interior			
Payments in Lieu of Taxes	15.226	N/A	60,647
Passed through the Office of Fish and Wildlife Services:			
National Wildlife Refuge Fund	15.659	N/A	246
Total U. S. Department of the Interior			60,893
U. S. Department of the Treasury			
American Rescue Plan Coronavirus			
State and Local Recovery Funds	21.027	N/A	$ 2,230,266
Local Assistance and Tribal Consistency Fund	21.032	N/A	57,171
Total U. S. Department of the Treasury			2,287,437
U. S. Department of Health and Human Services			
Passed Through Texas Department of Protective and Regulatory Services:			
Foster Care Maintenance Title IV-5 - ARRA	93.658	27100	6,974
Total U. S. Department of Health and Human Services			6,974
U. S. DEPARTMENT OF HOMELAND SECURITY			
~~Passed Through Texas Office of the Governor - H~~omeland Security Grants Division:			
Homeland Security Grant Program	97.067	4531901	29,910
Homeland Security Grant Program	97.067	4654601	72,897
Total U. S. DEPARTMENT OF HOMELAND SECURITY			102,807
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 2,495,398

The accompanying notes are an integral part of this schedule.

Lamar County
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Lamar County, Texas (the "County"), under programs of the federal government for the year ended September 30, 2023.The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets of the County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the full accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Indirect Cost Rate

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

Note 4: Program Costs/Matching Contributions

The amounts shown as current year expenses represent only the federal grant portion of the program costs. Entire program costs, including the County's portion, may be more than shown.