

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

MEDINA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable County Judge and
Commissioners' Court
Hondo, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Medina 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 Medina County, Texas' basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2023, Medina County, Texas adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of Medina County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Medina County, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Medina County, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 18, 2024

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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Management's Discussion and Analysis

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

Financial Highlights

- The assets and deferred outflows of Medina County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$65,841,492.
- The County's total net position increased by \$4,587,010.
- Unrestricted net position of \$17,702,553 is available to meet the County's ongoing obligations to citizens and creditors.
- Restricted net position of \$3,673,274 are funds set aside for specific purposes.
- As of the close of the fiscal year ending September 30, 2023, Medina County's governmental funds reported combined ending fund balances of \$19,444,141, a decrease of \$2,184,153 from the prior year.
- Unassigned fund balance for the General Fund was \$13,970,749.

Overview of the Financial Statements

This discussion and analysis is an introduction to Medina County's basic financial statements. The County's basic financial statements encompass three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements provide readers with a broad overview of Medina County's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to the direction of the financial position of Medina County.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, debt payments, and earned but unused vacation leave).

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like the state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Medina County maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service Fund, 2019 Certificate of Obligation Fund, American Rescue Plan Fund and the Hill County PDO Fund which are considered to be major funds. Data from the other 33 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Medina County adopts an annual appropriated budget for its General Fund, certain Special Revenue Funds, and the Debt Service Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

Proprietary funds. Medina County maintains proprietary funds in the form of Internal Service Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Medina County uses an Internal Service Fund to account for its Employee Health Insurance funds and Claims Escrow. Because both of these services benefit governmental activities, they have been included within governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties which are not a component of the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Medina County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Financial Analysis of Government-wide Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Medina County, assets exceeded liabilities by \$65,841,492 at the close of the most recent fiscal year.

MEDINA COUNTY'S NET POSITION

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Current assets	\$ 28,741,297	\$ 38,120,028
Noncurrent assets	<u>72,780,877</u>	<u>58,714,976</u>
Total assets	<u>101,522,174</u>	<u>96,835,004</u>
Deferred outflows of resources	<u>3,037,194</u>	<u>2,641,191</u>
Current liabilities	4,924,024	9,256,125
Noncurrent liabilities	<u>33,027,084</u>	<u>36,191,925</u>
Total liabilities	<u>37,951,108</u>	<u>45,448,050</u>
Deferred inflows of resources	<u>766,768</u>	<u>1,573,814</u>
Net position:		
Net investment		
in capital assets	44,465,665	32,668,302
Restricted	3,673,274	3,382,048
Unrestricted	<u>17,702,553</u>	<u>16,403,981</u>
Total net position	<u>\$ 65,841,492</u>	<u>\$ 52,454,331</u>

An additional portion of the County's net position, \$3,673,274, represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of \$17,702,553 may be used to meet the County's ongoing obligations to citizens and creditors.

MEDINA COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2023	2022
REVENUES		
Program revenues:		
Charges for services	\$ 5,812,312	\$ 4,626,522
Operating grants and contributions	5,389,819	8,224,726
Capital grants and contributions	-	176,763
General revenues:		
Property taxes	25,888,766	24,130,449
Sales taxes	4,391,674	4,124,664
Other	77,078	78,529
Investment earnings	610,960	119,731
Miscellaneous	<u>380,453</u>	<u>1,738,953</u>
Total revenues	<u>42,551,062</u>	<u>43,220,337</u>
EXPENSES		
General government	11,463,770	12,112,488
Legal	6,906,609	3,920,808
Public safety	12,844,345	10,070,275
Public transportation	4,102,387	5,995,622
Health and welfare	1,916,833	1,558,442
Interest on long-term debt	<u>730,108</u>	<u>762,551</u>
Total expenses	<u>37,964,052</u>	<u>34,420,186</u>
CHANGE IN NET POSITION	4,587,010	8,800,151
NET POSITION, BEGINNING	<u>61,254,482</u>	<u>52,454,331</u>
NET POSITION, ENDING	<u>\$ 65,841,492</u>	<u>\$ 61,254,482</u>

Property taxes are collected to support government activity through the General Fund, special road and bridge funds, and Debt Service Fund. The County tax rate decreased from the prior year. Property tax revenues increased by \$1,758,317 to \$25,888,766 for the year because of increased values and new developments added to the rolls.

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, Medina County's governmental funds reported combined ending fund balances of \$19,444,141, a decrease of \$2,184,153 in comparison with the prior year. This decrease is primarily attributable to project costs using bond funds obtained in prior years. Revenues exceeded expenditures for regular operations. Approximately 71% percent of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted or assigned and is not available for new spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance of the General Fund was \$15,600,746. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Fund balance in the General Fund represents 56% of total General Fund expenditures. Maintaining a significant fund balance is essential for sound financial management because a great majority of the grant funding for the County is in the form of reimbursements requiring the use of County funding upfront.

Proprietary funds. Proprietary funds are made up of an Internal Service Fund, which include the Employee Health Insurance Fund.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for fiscal year ending September 30, 2023, can be summarized as follows:

- Actual revenue exceeded budgeted revenue by \$230,211.
- Actual revenues exceeded expenditures by \$245,559.
- Final budgeted expenditures exceeded the actual final expenditures amount by \$434,269.

Capital Asset and Debt Administration

Capital assets. Medina County’s investment in capital assets for its governmental activities as of September 30, 2023, amounts to \$72,780,877 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, roads, highways, and bridges.

A portion of the County’s net position, \$44,465,665, reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). Medina County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay the debt associated with these capital assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Capital assets are shown in the chart below.

	2023	2022
Non-depreciable:		
Construction in progress	\$ 19,742,570	\$ 29,075,123
Land	4,860,944	5,105,000
Capital assets, non-depreciable	24,603,514	34,180,123
Capital assets, net of depreciation:		
Right to use - lease	827,133	827,133
Right to use - SBITAs	488,886	-
Buildings and improvements	29,268,759	20,129,122
Machinery and equipment	25,470,645	22,624,475
Infrastructure	26,622,413	22,002,596
Less: accumulated depreciation	(34,500,473)	(31,701,884)
Total capital assets	\$ 72,780,877	\$ 68,061,565

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

- Continued construction for the Courthouse Annex and County Jail;
- Acquisition of additional machinery for road maintenance; and
- Acquisition of vehicles and equipment for various departments.

Additional information about Medina County’s capital assets can be found in Note 3 of the notes to the financial statements.

Long-term debt. During the current fiscal year, the County had long-term debt of \$27,163,778. The full amount is backed by the full faith and credit of the County. Included in this amount certificates of obligation, tax notes, time warrants, and leases.

Additional information on Medina County’s long-term debt can be found in Note 3 of the notes to the financial statements.

	Governmental Activities	
	2023	2022
Certificates of obligation	\$ 21,430,000	\$ 22,180,000
Premium on certificate of obligation	1,311,237	1,393,189
Tax notes	3,455,000	4,665,000
Time warrants	57,030	140,427
Leases	815,941	821,038
SBITAs	94,570	-
Total	<u>\$ 27,163,778</u>	<u>\$ 29,199,654</u>

Economic Factors and Next Year’s Budgets and Rates

The County of Medina develops a budget to help effectively accomplish the highest priorities and objectives throughout the upcoming October-September fiscal year.

Our fiscal year 2023-2024 budget had a new taxable appraised value of \$6.23 billion, an increase of \$1.08 billion (20.9%) from the previous fiscal year. This increase is due to the continued growth throughout the county, new subdivisions which include multiple properties, and an increase in property values. The total tax rate for fiscal year 2023-2024 adopted by the Commissioners Court for the County of Medina is \$0.4356 per \$100 of assessed valuation, a decrease from total the tax rate of \$0.4743 from prior fiscal year 2022-2023. This tax rate will provide 41.4% of our approximate total \$69.1 million of budgeted expenses and expect the remaining from other revenue sources and beginning fund balance. The general fund budgeted expenses increased in fiscal year 2023-2024 budget to \$28.9 million from \$26.1 million in prior fiscal year budget. This 10.7% increase in the budget was primarily due to cost of living adjustments to employee wages, several employee realignments to mid-range per a 2021 salary survey, additional staff added, an updated longevity schedule and the nationwide inflation of maintenance and operations.

The County of Medina was awarded just over \$10 million from the American Rescue Plan Act of 2021 (ARPA). The County has utilized these funds to assist local water districts by funding for projects to upgrade their water systems and better serve our community. The County also assisted local internet providers in an effort to provide broadband connections in our rural areas throughout the County. With ARPA funds the County purchased several road and bridge paving machines which has eliminated the cost of sub-contracting for paving services and minimized the time it takes to complete a paving project. Additionally, among other approved expenses for ARPA funds, the County Commissioners approved two premium payments for our most valued asset, our County Employees.

Requests for Information

This financial report provides an overview of Medina County’s finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Eduardo Lopez, Medina County Auditor.

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**BASIC
FINANCIAL STATEMENTS**

MEDINA COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and investments	\$ 20,032,098
Receivables:	
Ad valorem taxes	1,123,722
Sales tax	581,164
Intergovernmental	2,822,684
Fines	3,337,258
Other	844,371
Capital assets:	
Nondepreciable	24,603,514
Depreciable, net of accumulated depreciation	<u>48,177,363</u>
Total assets	<u>101,522,174</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,907,901
Deferred outflows related to OPEB	<u>129,293</u>
Total deferred outflows of resources	<u>3,037,194</u>
LIABILITIES	
Accounts payable	1,609,680
Accrued liabilities	770,368
Interest payable	67,367
Unearned revenue	2,319,146
Other liabilities	157,463
Noncurrent liabilities:	
Due within one year	
Long-term debt	2,398,730
Total OPEB - retiree health	105,651
Due in more than one year	
Long-term debt	25,115,016
Retainage payable	1,630,587
Net pension liability	1,387,941
Total OPEB - retiree health	<u>2,389,159</u>
Total liabilities	<u>37,951,108</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	109,682
Deferred inflows related to OPEB - retiree health	<u>657,086</u>
Total deferred outflows of resources	<u>766,768</u>
NET POSITION	
Net investment in capital assets	44,465,665
Restricted for:	
Road and bridge	1,495,807
Debt service	202,837
Records management and technology	1,113,250
Law enforcement and security	321,868
Grant requirements	539,512
Unrestricted	<u>17,702,553</u>
Total net position	<u>\$ 65,841,492</u>

The accompanying notes are an integral part of these financial statements.

MEDINA COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Primary Government</u>
					<u>Governmental Activities</u>
Primary Government:					
Governmental activities:					
General administration	\$ 11,463,770	\$ 2,412,321	\$ 14,193	\$ -	\$ (9,037,256)
Legal	6,906,609	154,355	3,082,787	-	(3,669,467)
Public safety	12,844,345	2,032,270	994,055	-	(9,818,020)
Public transportation	4,102,387	1,207,366	-	-	(2,895,021)
Health and welfare	1,916,833	6,000	1,298,784	-	(612,049)
Interest on long-term debt	<u>730,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(730,108)</u>
Total governmental activities	<u>\$ 37,964,052</u>	<u>\$ 5,812,312</u>	<u>\$ 5,389,819</u>	<u>\$ -</u>	<u>(26,761,921)</u>
General revenues:					
Taxes:					
Property					25,888,766
Sales					4,391,674
Other taxes					77,078
Investment earnings					610,960
Miscellaneous					<u>380,453</u>
Total general revenues					<u>31,348,931</u>
Change in net position					4,587,010
Net position, beginning					<u>61,254,482</u>
Net position, ending					<u>\$ 65,841,492</u>

The accompanying notes are an integral part of these financial statements.

MEDINA COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	<u>General</u>	<u>Debt Service</u>
ASSETS		
Cash and investments	\$ 13,973,994	\$ 160,317
Receivables:		
Ad valorem taxes	827,323	109,887
Sales tax	581,164	-
Intergovernmental	960,309	-
Other	178,098	-
Due from other funds	<u>1,633,119</u>	<u>-</u>
Total assets	<u>18,154,007</u>	<u>270,204</u>
LIABILITIES		
Accounts payable	1,291,571	-
Payroll liabilities	514,111	-
Other liabilities	-	-
Due to other funds	-	-
Unearned revenue	-	-
Total liabilities	<u>1,805,682</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>747,579</u>	<u>96,857</u>
Total deferred inflows of resources	<u>747,579</u>	<u>96,857</u>
FUND BALANCES		
Restricted for:		
Road and bridge	-	-
Debt service	-	173,347
Records management and technology	-	-
Law enforcement and security	-	-
Grant requirements	-	-
Capital projects	-	-
Assigned for:		
Subsequent year's budget	1,629,997	-
Unassigned	<u>13,970,749</u>	<u>-</u>
Total fund balances	<u>15,600,746</u>	<u>173,347</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 18,154,007</u>	<u>\$ 270,204</u>

Certificates of Obligation 2019	American Rescue Plan	Hill Country PDO	Other Governmental	Total Governmental Funds
\$ -	\$ 2,448,436	\$ -	\$ 3,353,103	\$ 19,935,850
-	-	-	186,512	1,123,722
-	-	-	-	581,164
-	-	1,509,820	352,555	2,822,684
-	-	-	658,240	836,338
-	-	-	400,054	2,033,173
-	2,448,436	1,509,820	4,950,464	27,332,931
38,006	30,082	44,901	200,979	1,605,539
-	-	88,646	167,611	770,368
-	-	-	157,463	157,463
-	-	1,376,528	656,645	2,033,173
-	2,311,113	-	-	2,311,113
38,006	2,341,195	1,510,075	1,182,698	6,877,656
-	-	-	166,698	1,011,134
-	-	-	166,698	1,011,134
-	-	-	1,329,109	1,329,109
-	-	-	-	173,347
-	-	-	1,113,250	1,113,250
-	-	-	321,868	321,868
-	107,241	-	432,271	539,512
-	-	-	479,153	479,153
-	-	-	-	1,629,997
(38,006)	-	(255)	(74,583)	13,857,905
(38,006)	107,241	(255)	3,601,068	19,444,141
\$ -	\$ 2,448,436	\$ 1,509,820	\$ 4,950,464	\$ 27,332,931

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MEDINA 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 \$ 19,444,141

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 71,150,290

Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized in the statement of net position.

Accrued interest	\$	(67,367)	
Certificates of obligation		(21,430,000)	
Premium on issuance		(1,311,237)	
Tax Notes		(3,455,000)	
Leases		(815,941)	
SBITAs		(94,570)	
Time Warrants		(57,030)	
Compensated absences		(349,968)	
Deferred outflow related to pensions		2,907,901	
Deferred inflow related to pensions		(109,682)	
Deferred outflow related to OPEB		129,293	
Deferred inflow related to OPEB		(657,086)	
Net pension liability		(1,387,941)	
Total OPEB liability		<u>(2,494,810)</u>	
Total long-term liabilities			(29,193,438)

The assets and liabilities of the Internal Service Fund are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. 92,107

Long-term assets are not available to pay for current period expenditures and, therefore are not reported in the funds.

Fines and court costs		3,337,258	
Property taxes		<u>1,011,134</u>	
Total long-term assets			<u>4,348,392</u>

Net position of governmental activities \$ 65,841,492

MEDINA COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>General</u>	<u>Debt Service</u>
REVENUES		
Property taxes	\$ 16,757,331	\$ 2,840,045
Sales tax	4,391,674	-
Other taxes	32,728	-
Licenses and permits	-	-
Intergovernmental	196,972	-
Charges for services	2,974,209	-
Fines and forfeitures	391,332	-
Interest	418,285	1,138
Miscellaneous	78,908	-
Total revenues	<u>25,241,439</u>	<u>2,841,183</u>
EXPENDITURES		
Current:		
General administration	8,544,671	-
Legal	3,502,908	-
Public safety	10,953,253	-
Public transportation	-	-
Health and welfare	511,006	-
Capital outlay	1,341,363	-
Debt service:		
Principal	124,973	1,960,000
Interest and other charges	17,706	795,302
Total expenditures	<u>24,995,880</u>	<u>2,755,302</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>245,559</u>	<u>85,881</u>
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	-	-
Transfers in	85,858	-
Transfers out	(2,128,432)	-
Total other financing sources and uses	<u>(2,042,574)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,797,015)	85,881
FUND BALANCES, BEGINNING	<u>17,397,761</u>	<u>87,466</u>
FUND BALANCES, ENDING	<u>\$ 15,600,746</u>	<u>\$ 173,347</u>

Certificates of Obligation 2019	American Rescue Plan	Hill Country PDO	Other Governmental	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 5,492,161	\$ 25,089,537
-	-	-	-	4,391,674
-	-	-	44,350	77,078
-	-	-	967,982	967,982
-	785,176	1,911,833	1,854,206	4,748,187
-	-	630,196	839,070	4,443,475
-	-	-	1,182,231	1,573,563
-	86,644	-	104,274	610,341
-	-	-	348,975	427,883
-	871,820	2,542,029	10,833,249	42,329,720
-	202,987	-	1,519,243	10,266,901
-	504	2,800,675	504,972	6,809,059
-	34,336	-	1,103,391	12,090,980
-	-	-	6,172,271	6,172,271
-	-	-	1,308,305	1,819,311
540,823	547,349	-	1,023,449	3,452,984
-	-	-	83,397	2,168,370
-	-	-	4,284	817,292
540,823	785,176	2,800,675	11,719,312	43,597,168
(540,823)	86,644	(258,646)	(886,063)	(1,267,448)
-	-	-	33,295	33,295
837,154	-	325,891	852,663	2,101,566
-	-	(67,500)	(855,634)	(3,051,566)
837,154	-	258,391	30,324	(916,705)
296,331	86,644	(255)	(855,739)	(2,184,153)
(334,337)	20,597	-	4,456,807	21,628,294
\$ (38,006)	\$ 107,241	\$ (255)	\$ 3,601,068	\$ 19,444,141

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MEDINA 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

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds \$ (2,184,153)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 6,815,713	
Depreciation expense	<u>(2,710,343)</u>	
Net adjustment		4,105,370

Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Repayments:		
General and certificates of obligations	750,000	
Premium on bonds issuance	81,952	
Tax notes	1,210,000	
Time warrants	83,397	
SBITAs	119,876	
Leases	<u>5,097</u>	
Net adjustment		2,250,322

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Accounts receivable:		
Property taxes	197,628	
Fines and court costs	<u>23,095</u>	
Net adjustment		220,723

An Internal Service Fund is used by management to charge the costs of certain activities, such as health insurance premiums, to individual funds. The net revenue (expense) of certain Internal Service Funds is reported with governmental activities. (295,315)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are recognized for transactions that are normally paid with expendable, available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized as an expenditure under the modified accrual basis of accounting until due, rather than as it accrues.

Interest on long-term debt	5,232	
Compensated absences	(59,975)	
OPEB cost	97,008	
Pension cost	<u>447,798</u>	
Net adjustment		<u>490,063</u>

Change in net position of governmental activities \$ 4,587,010

MEDINA COUNTY, TEXAS

STATEMENT OF NET POSITION

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

SEPTEMBER 30, 2023

ASSETS

Cash and investments	\$ 96,248
Other receivables	<u>8,033</u>
Total assets	<u>104,281</u>

LIABILITIES

Accounts payable	4,141
Unearned revenue	<u>8,033</u>
Total liabilities	<u>12,174</u>

NET POSITION

Unrestricted	<u>92,107</u>
Total net position	<u>\$ 92,107</u>

MEDINA COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

OPERATING REVENUES

Charges for services	\$ 3,309,528
Total operating revenues	<u>3,309,528</u>

OPERATING EXPENSES

Claims	140,136
Premiums and administrative	<u>4,415,326</u>
Total operating expenses	<u>4,555,462</u>

OPERATING INCOME (LOSS)

(1,245,934)

NONOPERATING REVENUES

Interest and investment earnings	<u>619</u>
Income before transfers	<u>(1,245,315)</u>

TRANSFERS

Transfer In	<u>950,000</u>
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CHANGE IN NET POSITION

(295,315)

TOTAL NET POSITION, BEGINNING

387,422

TOTAL NET POSITION, ENDING

\$ 92,107

MEDINA COUNTY, TEXAS

STATEMENT OF CASH FLOWS

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from users	\$ 3,309,528
Cash paid to suppliers for services	<u>(4,553,501)</u>
Net cash used by operating activities	<u>(1,243,973)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers in from other funds	<u>950,000</u>
Net cash provided by operating activities	<u>950,000</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and investment earnings	<u>619</u>
Net cash provided by investing activities	<u>619</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS

(293,354)

CASH AND CASH EQUIVALENTS, BEGINNING

389,602

CASH AND CASH EQUIVALENTS, ENDING

\$ 96,248

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating loss	\$ (1,245,934)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Increase (decrease) in accounts payable	<u>1,961</u>
Net cash used by operating activities	<u>\$ (1,243,973)</u>

MEDINA COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

SEPTEMBER 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 8,300,284
Total assets	<u>8,300,284</u>
LIABILITIES	
Due to other governments	<u>6,204,009</u>
Total liabilities	<u>6,204,009</u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>2,096,275</u>
Total net position	<u>\$ 2,096,275</u>

MEDINA COUNTY, TEXAS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Contributions from judgements	\$ 275,247
Commissions income	21,299
Taxes and fees collected	216,414,153
Bonds received	220,155
Deposits held	31,819,316
Interest income	<u>14,692</u>
Total additions	<u>248,764,862</u>
DEDUCTIONS	
Bonds refunded	305,313
Disbursements on behalf of contracting entities	215,198,061
Buy money	2,000
Judgements	25,769
Tax sale Fee	417,352
Deposits returned	30,734,810
Disbursements to beneficiaries	<u>1,219,878</u>
Total deductions	<u>247,903,183</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	<u>861,679</u>
NET POSITION, BEGINNING	<u>1,234,596</u>
NET POSITION, ENDING	<u>\$ 2,096,275</u>

MEDINA COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Medina County, Texas, was organized in 1848. The County operates under a County Judge-Commissioners' Court type of government and provides the following services throughout the County: public safety (law enforcement), public transportation (highways and roads), health and welfare, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. A summary of the significant accounting policies consistently applied in the preparation of financial statements follows:

The definition of the reporting entity is based primarily on the notion of financial accountability. The elected officials governing Medina County are accountable to their constituents for their public policy decisions, regardless of whether those decisions are carried out directly through the operations of the County or by their appointees through the operations of a separate entity. Therefore, the County is not only financially accountable for the organizations that make up its legal entity, it is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the County.

Depending upon the significance of the County's financial and operational relationships with various separate entities, the organizations are classified as blended or discretely presented component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

Based upon the foregoing criteria, there are no component units for Medina County.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

Debt Service Fund is used to account for the accumulation of resources for and the payment of long-term debt principal and interest. The primary source of revenue for Debt Service Funds is ad valorem taxes. The use of Debt Service Funds to service debt is not required unless legally mandated or if resources are accumulated for payments maturing in future years.

Certificates of Obligation 2019 Fund is used to account for the proceeds from the 2019 Certificates of Obligation issue. These proceeds will be used for (i) designing, constructing, renovating, expanding, improving, and equipping the Medina County Jail, Sheriff's Office, and Courthouse, (ii) designing, constructing, renovating, improving, expanding, and equipping a new County Courthouse Annex to be located in Hondo, Texas, (iii) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes related to the aforementioned capital projects, and (iv) payment of professional services relating to the aforementioned projects.

Hill Country PDO is used to account for the Hill Country Regional Public Defender Office. This is an interlocal agreement with Bandera, Gillespie, Kendall, Kerr and Medina Counties to establish a regional public defenders office. Medina County functions as the fiscal agent for this office.

American Rescue Plan fund was established to track all revenue and expenditures relating to funding in response to the COVID-19 global pandemic.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for specific revenue sources (other than for capital projects) that are legally restricted to expenditures for specified purposes. These legal restrictions can come from outside the county or from Commissioners' Court.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Internal Service Fund accounts for health insurance services provided to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent for others.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

D. Assets, Liabilities and Net Position or Equity

Cash and Investments

The government's cash and cash equivalents are considered to be cash on hand and demand deposits.

Operating cash is administered using a "pool" concept which combines the monies of most County funds into a single interest-bearing bank account for control purposes. Each fund's portion of this pool is accounted for in the applicable fund. Interest earnings on these deposits are apportioned to each fund based on their end of month balance in the pool. Investments for the County are reported at fair value, except for the position in investment pools.

Receivables and Payables

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

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review, and judicial review. Property taxes are levied by October 1 of the year in which assessed or as soon thereafter as practicable. The Medina County Tax Assessor-Collector bills and collects the ad valorem property taxes (including penalty and interest and delinquent tax attorney fees, if any) for the County. Property taxes are due and payable from October 1 of the year in which levied until January 31 of the following year without interest or penalty.

Collections of the current year's levy are reported as current collections if received by June 30 (within nine months of the October 1 due date). Collections received thereafter are reported as delinquent collections.

The County's taxes on Medina property are a lien against such property until paid. The County may foreclose on Medina property upon which it has a lien for unpaid taxes. The exception is homestead property belonging to persons 65 years of age or older. Although the County does collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected, are generally paid when there is a sale or a transfer of the title to the property.

Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes become delinquent. Unlike Medina property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

The County distributes all tax collections to the General Fund, Road and Bridge, and Debt Service Funds.

The 2022 Tax Rate for the fiscal year ended September 30, 2023, was \$0.4743 per \$100 valuation.

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a County-wide appraisal district and an appraisal review board in each County in the State. The Medina County Tax Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of property for all taxing units in the County.

The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, Medina County property must be reappraised at least every four years. Under certain circumstances, taxpayers and taxing units, including the County, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action. Under the Code, the Commissioners' Court will continue to set County tax rates on property.

Inventories

Inventories of supplies on hand have not been recorded, as such supplies are of an expendable nature and are expensed when purchased. As these amounts do not seem to fluctuate a great deal from year to year, it is felt that the exclusion of inventories does not materially affect either the financial position or results of operations of these funds.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

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

<u>Assets</u>	<u>Years</u>
Right to use - land	25-50
Right to use - software	3-10
Buildings	20-50
Improvements	5-50
Equipment	5-20

Compensatory Time (Comp Time)

Medina County employees may be required by their department heads to work hours in excess of forty (40) hours per week. Due to our restricted revenues, only law enforcement departments are budgeted for overtime pay. Therefore, all non-exempt employees that work in excess of 40 hours per week for an unbudgeted department, Medina County uses compensatory time off (Comp Time) to compensate for overtime hours worked. Comp time accrues only when an employee actually works over 40 hours per week. An employee may accrue a maximum of 40 hours of Comp time, any additional overtime hours worked will be paid at the one-and-one-half (1 ½) times the employee's regular hourly pay rate. Overtime for law enforcement employees shall be handled in accordance with the policy for overtime compensation established by the Sheriff's Department and approved by the Commissioner's Court. Employees are entitled to payment for unused Comp Time upon termination.

Personnel Time Off (PTO) & Vacation Leave

All full-time regular employees of Medina County are eligible for Personnel Time Off (PTO) and vacation benefits. Accrual of PTO and vacation benefits shall begin on the employee's first day of work in a full-time position. However, an employee must work for a minimum of ninety (90) days in said position before he/she is eligible to use PTO or vacation time. Employees shall not be allowed to borrow PTO or vacation time against future accruals, nor should employees be allowed to receive pay in lieu of taking time off. PTO and vacation time accrue at a rate of 3.08 hour per pay-period. An employee may accrue a maximum of 240 hours of PTO and a maximum of 160 hours of vacation leave. Once an employee reaches the maximum accrual balance, he/she will stop accruing time until the balance is below the maximum allowed. An employee may carry over a maximum of 240 hours of PTO and a maximum of 40 hours of vacation leave from one calendar year to the next. Any accrued time over the carry-over maximum allowed will be removed from payroll records at the end of the calendar year and the employee will lose that time with no payment received. If a holiday falls during PTO or vacation leave, the holiday shall be charged in accordance with the policy on holidays and shall not be charged against the employee's PTO nor vacation balance. Unused PTO leave is cancelled upon leaving Medina County employment without compensation to the employee. Employees cannot use PTO in lieu of giving their two-week's notice. Unlike PTO, at the time of an employee's termination from Medina County employment, accrued vacation leave will be paid out at the employee's current rate of pay, not to exceed 160 hours.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses on refunding of bond issues are reported as deferred charges and amortized over the term of the related debt.

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

Leases

The County is a lessee for noncancellable leases of radio towers. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements

The County is a lessee for subscription-based IT arrangements (SBITAs). The County recognizes liability and an intangible right-to-use asset in the government-wide financial statements.

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

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

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

The County monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. These right to use assets are reported with other capital assets and liabilities are reported with long-term debt on the statement of net position.

Pensions

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

Other Post-Employment Benefits

Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the County for benefits due and payable that are not reimbursed by plan assets. Information regarding the County's total OPEB liability is obtained from a report prepared by a consulting actuary.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the Commissioners' Court, the County's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court or County Judge.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes 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 have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net Position

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category:

- Difference in expected and actual pension experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions – This difference is deferred and amortized over a closed five-year period.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

In addition to liability, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualified for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension and OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

Change in Accounting Principle

Statement No. 96, *Subscription-Based Information Technology Arrangements*, was effective for periods beginning after June 15, 2022. – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end 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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

The following funds had a deficit fund balance:

- Certificates of Obligation 2019 \$(38,006)
- Hill Country PDO \$(255)
- Health Unit \$(46,685)
- Juvenile Probation Department \$(15,157)
- Improvement Districts \$(8,750)
- Grants \$(3,991)

The County anticipates revenues in future periods will eliminate these deficit fund balances, or the County will transfer funds from the General Fund to eliminate these deficits.

3. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

Deposits and Investments

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

<u>Investment Type</u>	<u>Net Asset Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	4,378,421	26
Certificates of Deposit	4,069,161	233

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the its investment portfolio to highly liquid investments and reallocating amounts into securities expected to significantly outperform current holdings.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2023, the County's deposit balance was collateralized with securities held by the pledging financial institution and FDIC insurance.

Credit Risk. It is the County's policy, as defined by the Texas Public Funds Investment Act, to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization.

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.

Receivables

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

	General Fund	Debt Service Fund	Hill Country PDO	Nonmajor Governmental Funds	Total
Receivables:					
Property taxes	\$ 827,323	\$ 109,887	\$ -	\$ 186,512	\$ 1,123,722
Sales tax	581,164	-	-	-	581,164
Intergovernmental	960,309	-	1,509,820	352,555	2,822,684
Other	178,098	-	-	658,240	836,338
Total receivables	<u>\$ 2,546,894</u>	<u>\$ 109,887</u>	<u>\$ 1,509,820</u>	<u>\$ 1,197,307</u>	<u>\$ 5,363,908</u>

Capital Assets

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

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,105,000	\$ 600	\$ (244,656)	\$ 4,860,944
Construction in progress	29,075,123	709,662	(10,042,215)	19,742,570
Total capital assets not being depreciated	<u>34,180,123</u>	<u>710,262</u>	<u>(10,286,871)</u>	<u>24,603,514</u>
Capital assets, being depreciated:				
Right to use - land	827,133	-	-	827,133
Buildings and improvements	20,129,122	306,736	8,832,901	29,268,759
Equipment	22,624,475	2,720,143	126,027	25,470,645
Infrastructure	22,002,896	4,473,375	146,142	26,622,413
Right to use - software	488,886	-	-	488,886
Total capital assets being depreciated	<u>66,072,512</u>	<u>7,500,254</u>	<u>9,105,070</u>	<u>82,677,836</u>
Less accumulated depreciation:				
Right to use - land	21,982	21,982	-	43,964
Buildings and improvements	9,849,330	655,973	(18,588)	10,486,715
Equipment	11,638,459	1,645,966	(176,516)	13,107,909
Infrastructure	10,192,113	386,422	3,987	10,582,522
Right to use - software	-	279,363	-	279,363
Total accumulated depreciation	<u>31,701,884</u>	<u>2,989,706</u>	<u>(191,117)</u>	<u>34,500,473</u>
Total capital assets, being depreciated, net	<u>34,370,628</u>	<u>4,510,548</u>	<u>9,296,187</u>	<u>48,177,363</u>
Governmental activities capital assets, net	<u>\$ 68,550,751</u>	<u>\$ 5,220,810</u>	<u>\$ (990,684)</u>	<u>\$ 72,780,877</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 1,197,514
Public safety	525,959
Public transportation	1,193,138
Health and welfare	73,095
Total depreciation expense - governmental activities	<u>\$ 2,989,706</u>

Interfund Receivables, Payables and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 256,591
General Fund	Hill Country POD	1,376,528
Nonmajor Governmental	Nonmajor Governmental	<u>400,054</u>
Total		<u>\$ 2,033,173</u>

All balances of the due to/due from resulted from short-term loans that are to be reimbursed within the next year.

Interfund Transfers:

	<u>Transfers In:</u>				<u>Total</u>
	<u>General Fund</u>	<u>Certificates of Obligation 2019</u>	<u>Nonmajor Governmental</u>	<u>Internal Service Fund</u>	
<u>Transfers Out:</u>					
General Fund	\$ -	\$ -	\$ 1,178,554	\$ 950,000	\$ 2,128,554
Nonmajor Governmental	<u>85,858</u>	<u>837,154</u>	<u>-</u>	<u>-</u>	<u>923,012</u>
Total Transfers Out	<u>\$ 85,858</u>	<u>\$ 837,154</u>	<u>\$ 1,178,554</u>	<u>\$ 950,000</u>	<u>\$ 3,051,566</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Long-term Debt

Certificates of Obligation

In prior years, the County has issued Certificates of Obligation to fund various capital projects and capital acquisitions. The certificates are expected to be repaid by pledged property tax revenues and the good faith and credit of the County. Annual debt service requirements to maturity for the certificates are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	800,000	714,100
2025	1,050,000	681,100
2026	1,095,000	638,200
2027	1,140,000	593,500
2028	6,415,000	2,238,700
2029-2033	7,570,000	1,085,250
2034-2038	<u>3,360,000</u>	<u>101,550</u>
Total	<u>\$ 21,430,000</u>	<u>\$ 6,052,400</u>

Tax Notes

As of September 30, 2023, the County has five tax notes outstanding, with interest rates ranging from 0.35% to 2.60%.

Annual debt service requirements to maturity for the tax notes are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	1,290,000	37,461
2025	900,000	21,280
2026	630,000	10,640
2027	<u>635,000</u>	<u>3,556</u>
Total	\$ <u>3,455,000</u>	\$ <u>72,937</u>

Time Warrants

The County has three time warrants for the purchase of various machinery and equipment. The interest rates on the warrants are 3.00% to 5.00%. Annual debt service requirements to maturity for time warrants are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	<u>57,030</u>	<u>1,744</u>
Total	\$ <u>57,030</u>	\$ <u>1,744</u>

Leases

As of September 30, 2023, the County has two leases outstanding as lessee for the use of two radio towers. Both leases have annual interest rates of 1.722%, are payable in monthly installments, and mature between fiscal years 2051 and 2066. The related assets and accumulated amortization are reported under Right to Use – Land in the County’s capital assets.

Debt service requirements to maturity for the leases are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	5,185	14,010
2025	6,383	13,912
2026	7,759	13,791
2027	7,999	13,655
2028	9,246	13,508
2029-2033	57,137	64,859
2034-2038	81,640	58,931
2039-2043	108,411	50,815
2044-2048	139,145	40,195
2049-2053	117,251	28,128
2054-2058	100,150	19,650
2059-2063	119,290	10,210
2064-2066	<u>56,345</u>	<u>1,059</u>
Total	\$ <u>815,941</u>	\$ <u>342,723</u>

SBITAs

As of September 30, 2023, the County has one SBITA outstanding as lessee with Tyler Technologies for use of Odyssey SaaS. The related assets and accumulated amortization are reported under Right to Use – Software in the County’s capital assets.

Debt service requirements to maturity for the leases are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	<u>94,570</u>	<u>1,473</u>
Total	\$ <u>94,570</u>	\$ <u>1,473</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Government activities					
Certificate of obligation	\$ 22,180,000	\$ -	\$ 750,000	\$ 21,430,000	\$ 800,000
Premium on certificate of obligation	1,393,189	-	81,952	1,311,237	81,952
Tax notes	4,665,000	-	1,210,000	3,455,000	1,290,000
Time warrants	140,427	-	83,397	57,030	57,030
Leases	821,038	-	5,097	815,941	5,185
Compensated absences	289,993	542,481	482,506	349,968	69,993
SBITAs	214,446	-	119,876	94,570	94,570
long-term liabilities	<u>\$ 29,704,093</u>	<u>\$ 542,481</u>	<u>\$ 2,732,828</u>	<u>\$ 27,513,746</u>	<u>\$ 2,398,730</u>

If the County were to default on any long-term debt, any registered owner of the obligations is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the County to make a payment.

Compensated absences are typically funded by the General and Road and Bridge Funds.

Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County has not had any significant reductions in insurance coverage in the prior year.

The County is a member of the Texas Association of Counties Risk Pool for health insurance. The pool is a public entity risk pool and was created based on the general objectives of formulating, developing and administering a program of self-insurance for the membership and obtaining lower costs for coverages. The pool coverage is offered through interlocal agreements between the Pool and counties. The Pool has the power to establish fees, contributions and methods for establishing rates. Under contract with the Pool, the Association provides for such services as claims administration and management, underwriting, loss control services and training, and financial reporting for its members. The Association submits sealed bids to counties during the bid process. The Pool is governed by a Board of Directors made up of employees or officials of counties which are members of the Pool. Member counties make contributions to the Pool, and the Pool provides insurance coverage and applicable reinsurance or stop loss coverage. The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the Pool are detailed in a separate document which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin, TX 78701.

The County began using the Texas Association of Counties Risk Pool for health insurance on January 1, 2018. Before January 1, 2018, the County was self-insured for healthcare. There have been no significant reductions in coverage from the coverage in the past fiscal year, and there have been no settlements exceeding insurance coverage.

Defined Benefit Pension Plan

Plan Description. The County's nontraditional defined benefit pension plan, Texas County and District Retirement System (TCDRS), provides pensions for all of its full-time employees. The TCDRS Board of Trustees is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of over nontraditional defined benefit pension plans. TCDRS in the aggregate issues an Annual Comprehensive Financial Report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034 Austin, TX, 78768-2034.

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

Benefits Provided. TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	137
Inactive employees entitled to but not yet receiving benefits	196
Active employees	<u>314</u>
	<u><u>647</u></u>

Contributions. The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer’s governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer’s plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the County were 9.80% and 9.55% in calendar years 2022 and 2023. The County’s contributions to TCDRS for the year ended September 30, 2023, were \$1,473,475, and were equal to the required contributions.

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

Actuarial Assumptions

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

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation

The County has no automatic cost-of-living adjustments (“COLA”) and one is not considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the County may elect an ad-hoc COLA for its retirees.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of Pub-2010 General 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 males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total pension liability as of December 31, 2022, were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 7.50%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. The application of the investment return assumptions was changed for purposes of determining plan liabilities at the March 2022 meeting. All plan liabilities are now valued using an 7.6% discount rate.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2022 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in 2022. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

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

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

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

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

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

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

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.6%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act. 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. The employee is legally required to make the contribution specified in the funding policy. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost. 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 assumptions, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the net pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 7.60% has been used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2021	\$ 37,799,468	\$ 41,567,458	\$ (3,767,990)
Changes for the year:			
Service cost	1,535,030	-	1,535,030
Interest on total pension liability ⁽¹⁾	2,934,085	-	2,934,085
Effect of economic/demographic gains or losses	512,046	-	512,046
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(115,126)	(115,126)	-
Benefit payments	(1,368,266)	(1,368,266)	-
Administrative expenses	-	(23,388)	23,388
Member contributions	-	877,674	(877,674)
Net investment income	-	(2,498,735)	2,498,735
Employer contributions	-	1,332,602	(1,332,602)
Other ⁽²⁾	-	137,077	(137,077)
Balance at 12/31/2022	<u>\$ 41,297,237</u>	<u>\$ 39,909,296</u>	<u>\$ 1,387,941</u>

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

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

Sensitivity Analysis

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 47,232,212	\$ 41,297,237	\$ 36,389,705
Fiduciary net position	<u>39,909,296</u>	<u>39,909,296</u>	<u>39,909,296</u>
Net pension liability/(asset)	<u>\$ 7,322,916</u>	<u>\$ 1,387,941</u>	<u>\$ (3,519,591)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TCDRS financial report. The report may be obtained on the Internet at www.tcdrs.org.

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 \$1,025,674. 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	\$ 390,502	\$ 83,726
Changes in actuarial assumptions	536,593	25,956
Difference between projected and actual investment earnings	908,598	-
Contributions subsequent to the measurement date	<u>1,072,208</u>	<u>-</u>
Total	<u>\$ 2,907,901</u>	<u>\$ 109,682</u>

\$1,072,208 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, but before September 30, 2023, 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 expenses as follows:

For The Year Ended September 30	
2024	\$ 203,600
2025	97,327
2026	287,241
2027	1,137,843

Other Post-retirement Health Care Benefits

Plan Description

The County provides certain health care and dental benefits, under county policy, for employees upon retirement that meet one of the following requirements: age 60 with 8 or more years of service, at least 30 years of service at any age, or a combined age plus service of at least 75. Employees hired on October 1, 2012 or after will no longer be eligible for such retiree coverage.

Benefits and Contributions

Except for employees hired on or after October 1, 2012, a Medina County employee who retires and chooses a monthly pension through Texas County and District Retirement System is covered on Medina County’s health and dental insurance plan through the month he or she turns 65. Retirees who take a lump sum payment of retirement savings are only eligible to remain on Medina County’s health and dental insurance plan as provided for by COBRA guidelines. The qualified retiree may continue any dependent coverage up to the retiree’s age of 65 at the same rate afforded to current employees. When the retiree turns 65 and becomes Medicare eligible, he or she is removed from coverage on Medina County’s health and dental insurance plan. The retiree may continue dependent coverage according to COBRA guidelines.

Expenses for post-retirement health care benefits are recognized on a pay-as-you-go basis. During the year, post-retirement health care benefits paid by the County were \$72,038.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees receiving benefits	70
Active employees	<u>8</u>
	<u><u>78</u></u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial cost method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary.
Inflation rate	2.50%
Salary increases	3.50%
Termination rates	The termination rates were developed from the withdrawal assumption used in the 2017 actuarial report for TCDRS. The rates are a 15-year select and ultimate table and are sex specific.
Retirement rates	The retirement rates were developed from the assumption used in the 2017 actuarial report for the TCDRS retirement plans. These rates are unisex.
Mortality	RPH-2014 Total Table with Projection MP-2021.
Health care cost trend rates	Level 4.50% for medical and 1.5% for dental.
Participation rates	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 100% of all actives who currently have healthcare coverage will continue with employee only coverage upon retirement.
Discount rate	4.77% as of September 30, 2022.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

A Single Discount Rate of 4.77% was used to measure the total OPEB liability. The S&P Municipal Bond 20 Year High Grade Rate Index was used for determining the discount rate.

Changes in the Total OPEB Liability

The County’s total OPEB liability of \$2,494,810 was measured as of September 30, 2023 and was determined by an actuarial valuation as of September 30, 2023.

	Total OPEB Liability
Balance at 9/30/22	\$ 2,409,121
Changes for the year:	
Service cost	65,293
Interest on the total liability	115,510
Difference between expected and actual experience	28,165
Changes in assumptions	(17,628)
Benefit payments	<u>(105,651)</u>
Net changes	<u>85,689</u>
Balance at 09/30/2023	<u><u>\$ 2,494,810</u></u>

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.87%) in measuring the total OPEB liability.

	<u>1% Decrease in Discount Rate (3.87%)</u>	<u>Discount Rate (4.87%)</u>	<u>1% Increase in Discount Rate (5.87%)</u>
County's total OPEB liability	\$ 2,676,592	\$ 2,494,810	\$ 2,325,418

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
County's total OPEB liability	\$ 2,276,053	\$ 2,494,810	\$ 2,742,791

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

For the year ended September 30, 2023, the County recognized OPEB expense of \$8,644. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 21,362	\$ 198,862
Changes in actuarial assumptions	107,930	458,226
Contributions subsequent to the measurement date	<u>6,492</u>	<u>-</u>
Total	<u>\$ 135,784</u>	<u>\$ 657,088</u>

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

<u>Year Ended September 30,</u>	
2024	\$ (172,156)
2025	(194,643)
2026	(144,036)
2027	(16,961)
2028	-

Commitments and Contingencies

Various claims and lawsuits are pending against the County. The evaluation of County management is that any liability to the County relating to such claims and lawsuits will not have a material impact on the County's financial position. Historically, the County has not incurred significant losses from claims or lawsuits which arise during the ordinary course of business.

In addition, the County also participates in several federally assisted grant programs, all of which are subject to federal regulations and guidelines. Should any of the grant program expenditures be disallowed by any of the respective grantor agencies or should any other contingency become a Medina liability, funds would have to be appropriated in future County budgets for settlements.

Related Party Transactions

One member of the County's commissioner's court held an ownership interest in a company that occasionally does business with the County. During the year ended September 30, 2023, the County purchased \$13,149 of goods from this company. The commissioner filed the appropriate conflict of interest forms and abstained from voting when these payments were approved.

New Accounting Principles

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the County include the following:

GASB Statement No. 99, Omnibus 2022 – The objective of this Statement is to correct practice issues identified during implementation and application of certain GASB Statements and financial reporting for financial guarantees. There are various effective dates 1.) upon issuance 2.) fiscal years beginning after June 15, 2022 and 3.) fiscal years beginning after June 15, 2023.

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 will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Ad valorem	\$ 17,109,018	\$ 17,109,018	\$ 16,757,331	\$ (351,687)
Sales	3,450,000	3,450,000	4,391,674	941,674
Beer and wine	<u>28,000</u>	<u>28,000</u>	<u>32,728</u>	<u>4,728</u>
Total taxes	<u>20,587,018</u>	<u>20,587,018</u>	<u>21,181,733</u>	<u>594,715</u>
Intergovernmental				
State allocation - grants	<u>139,000</u>	<u>139,000</u>	<u>196,972</u>	<u>57,972</u>
Total intergovernmental	<u>139,000</u>	<u>139,000</u>	<u>196,972</u>	<u>57,972</u>
Charges for services				
County clerk	377,000	377,000	423,436	46,436
District clerk	75,000	75,000	69,648	(5,352)
Tax assessor-collector	225,000	225,000	305,342	80,342
Sheriff	1,105,460	1,805,460	1,454,812	(350,648)
County treasurer	150,000	150,000	171,874	21,874
Constable fees	35,000	35,000	45,166	10,166
Other taxing entities	160,000	160,000	168,560	8,560
Other fees	<u>332,000</u>	<u>332,000</u>	<u>335,371</u>	<u>3,371</u>
Total charges for services	<u>2,459,460</u>	<u>3,159,460</u>	<u>2,974,209</u>	<u>(185,251)</u>
Fines and forfeitures				
Justice of the peace	<u>666,000</u>	<u>666,000</u>	<u>391,332</u>	<u>(274,668)</u>
Total fines and forfeitures	<u>666,000</u>	<u>666,000</u>	<u>391,332</u>	<u>(274,668)</u>
Interest	<u>50,000</u>	<u>50,000</u>	<u>418,285</u>	<u>368,285</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous				
Other	\$ 409,750	\$ 409,750	\$ 78,908	\$ (330,842)
Total miscellaneous	<u>409,750</u>	<u>409,750</u>	<u>78,908</u>	<u>(330,842)</u>
Total revenues	<u>24,311,228</u>	<u>25,011,228</u>	<u>25,241,439</u>	<u>230,211</u>
EXPENDITURES				
General administration				
Commissioners' court				
Personnel services	251,885	251,885	250,632	1,253
Supplies	1,500	1,500	1,050	450
Other services and charges	<u>34,850</u>	<u>34,850</u>	<u>20,947</u>	<u>13,903</u>
Total commissioners' court	<u>288,235</u>	<u>288,235</u>	<u>272,629</u>	<u>15,606</u>
Loss control				
Personnel services	19,559	19,559	-	19,559
Supplies	200	200	-	200
Other services and charges	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Total loss control	<u>20,059</u>	<u>20,059</u>	<u>-</u>	<u>20,059</u>
County clerk				
Personnel services	521,097	521,097	675,983	(154,886)
Supplies	13,500	13,500	17,034	(3,534)
Other services and charges	<u>57,450</u>	<u>57,450</u>	<u>32,229</u>	<u>25,221</u>
Total County clerk	<u>592,047</u>	<u>592,047</u>	<u>725,246</u>	<u>(133,199)</u>
Veteran service officer				
Personnel services	159,972	159,972	146,944	13,028
Supplies	12,250	12,250	5,296	6,954
Other services and charges	<u>23,450</u>	<u>23,450</u>	<u>8,578</u>	<u>14,872</u>
Total veteran service officer	<u>195,672</u>	<u>195,672</u>	<u>160,818</u>	<u>34,854</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
General administration				
Elections				
Personnel services	\$ 366,368	\$ 366,368	\$ 327,922	\$ 38,446
Supplies	15,000	15,000	8,599	6,401
Other services and charges	78,100	78,100	77,464	636
Total elections	<u>459,468</u>	<u>459,468</u>	<u>413,985</u>	<u>45,483</u>
County auditor				
Personnel services	546,200	546,200	495,659	50,541
Supplies	3,000	3,000	1,712	1,288
Other services and charges	31,220	39,220	38,677	543
Total County auditor	<u>580,420</u>	<u>588,420</u>	<u>536,048</u>	<u>52,372</u>
County treasurer				
Personnel services	317,238	317,238	312,228	5,010
Supplies	5,200	5,200	3,273	1,927
Other services and charges	32,900	32,900	21,189	11,711
Total County treasurer	<u>355,338</u>	<u>355,338</u>	<u>336,690</u>	<u>18,648</u>
Human resources				
Personnel services	283,909	283,909	290,112	(6,203)
Supplies	6,000	6,000	1,875	4,125
Other services and charges	30,700	30,700	30,842	(142)
Total human resources	<u>320,609</u>	<u>320,609</u>	<u>322,829</u>	<u>(2,220)</u>
Tax assessor-collector				
Personnel services	994,266	994,266	864,662	129,604
Supplies	16,000	16,000	10,854	5,146
Other services and charges	98,125	98,125	103,377	(5,252)
Total tax assessor-collector	<u>1,108,391</u>	<u>1,108,391</u>	<u>978,893</u>	<u>129,498</u>
Nondepartmental				
Personnel services	355,714	345,019	306,728	38,291
Other services and charges	1,930,565	1,922,565	2,117,846	(195,281)
Total nondepartmental	<u>2,286,279</u>	<u>2,267,584</u>	<u>2,424,574</u>	<u>(156,990)</u>
County agent				
Personnel services	171,459	171,459	129,096	42,363
Supplies	3,050	3,050	1,939	1,111
Other services and charges	41,960	41,960	36,134	5,826
Total County agent	<u>216,469</u>	<u>216,469</u>	<u>167,169</u>	<u>49,300</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
General administration				
Courthouse and buildings				
Personnel services	\$ 377,830	\$ 388,525	\$ 387,104	\$ 1,421
Supplies	101,200	101,200	139,973	(38,773)
Other services and charges	561,000	561,000	1,619,935	(1,058,935)
Total courthouse and buildings	<u>1,040,030</u>	<u>1,050,725</u>	<u>2,147,012</u>	<u>(1,096,287)</u>
Subdivision administration department				
Personnel services	8,966	8,966	7,621	1,345
Supplies	200	200	-	200
Other services and charges	39,600	39,600	51,157	(11,557)
Total subdivision administration department	<u>48,766</u>	<u>48,766</u>	<u>58,778</u>	<u>(10,012)</u>
Total general administration	<u>7,511,783</u>	<u>7,511,783</u>	<u>8,544,671</u>	<u>(1,032,888)</u>
Legal				
District and County court				
Personnel services	584,812	584,812	581,245	3,567
Supplies	9,500	9,500	6,226	3,274
Other services and charges	546,220	546,220	332,963	213,257
Total district and County court	<u>1,140,532</u>	<u>1,140,532</u>	<u>920,434</u>	<u>220,098</u>
District clerk				
Personnel services	474,248	474,248	456,946	17,302
Supplies	7,500	7,500	5,492	2,008
Other services and charges	40,650	40,650	10,747	29,903
Total district clerk	<u>522,398</u>	<u>522,398</u>	<u>473,185</u>	<u>49,213</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Legal				
Justices of the peace				
Personnel services	\$ 835,372	\$ 835,372	\$ 809,693	\$ 25,679
Supplies	15,930	12,630	10,580	2,050
Other services and charges	70,890	74,190	74,182	8
Total justices of the peace	<u>922,192</u>	<u>922,192</u>	<u>894,455</u>	<u>27,737</u>
Public defender's office				
Other services and charges	-	700,000	3,427	696,573
Total Public defender's office	<u>-</u>	<u>700,000</u>	<u>3,427</u>	<u>696,573</u>
District attorney				
Personnel services	1,103,245	1,104,245	1,069,790	34,455
Supplies	26,000	30,900	22,117	8,783
Other services and charges	109,620	114,220	119,500	(5,280)
Total district attorney	<u>1,238,865</u>	<u>1,249,365</u>	<u>1,211,407</u>	<u>37,958</u>
Total legal	<u>3,823,987</u>	<u>4,534,487</u>	<u>3,502,908</u>	<u>1,031,579</u>
Public safety				
County jail				
Personnel services	2,701,350	2,701,350	2,027,244	674,106
Supplies	323,000	331,000	222,114	108,886
Other services and charges	867,845	859,845	1,511,936	(652,091)
Total County jail	<u>3,892,195</u>	<u>3,892,195</u>	<u>3,761,294</u>	<u>130,901</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Public safety				
Constables				
Personnel services	\$ 214,053	\$ 214,053	\$ 214,506	\$ (453)
Supplies	13,200	12,240	4,027	8,213
Other services and charges	<u>100,616</u>	<u>101,576</u>	<u>99,950</u>	<u>1,626</u>
Total constables	<u>327,869</u>	<u>327,869</u>	<u>318,483</u>	<u>9,386</u>
Sheriff				
Personnel services	5,587,708	5,587,708	5,293,348	294,360
Supplies	397,582	417,582	458,905	(41,323)
Other services and charges	<u>459,670</u>	<u>459,670</u>	<u>718,670</u>	<u>(259,000)</u>
Total sheriff	<u>6,444,960</u>	<u>6,464,960</u>	<u>6,470,923</u>	<u>(5,963)</u>
Juvenile board				
Personnel services	<u>21,560</u>	<u>21,560</u>	<u>16,025</u>	<u>5,535</u>
Total juvenile board	<u>21,560</u>	<u>21,560</u>	<u>16,025</u>	<u>5,535</u>
DPS/license and weight				
Personnel services	85,950	85,950	82,979	2,971
Supplies	6,000	6,000	1,887	4,113
Other services and charges	<u>30,800</u>	<u>30,800</u>	<u>23,971</u>	<u>6,829</u>
Total DPS/license and weight	<u>122,750</u>	<u>122,750</u>	<u>108,837</u>	<u>13,913</u>
Highway patrol				
Personnel services	85,950	85,950	77,081	8,869
Supplies	2,605	2,605	2,250	355
Other services and charges	<u>7,320</u>	<u>7,320</u>	<u>8,981</u>	<u>(1,661)</u>
Total highway patrol	<u>95,875</u>	<u>95,875</u>	<u>88,312</u>	<u>7,563</u>
Emergency management				
Personnel services	119,646	119,646	104,398	15,248
Supplies	12,250	12,250	11,150	1,100
Other services and charges	<u>41,500</u>	<u>41,500</u>	<u>73,831</u>	<u>(32,331)</u>
Total emergency management	<u>173,396</u>	<u>173,396</u>	<u>189,379</u>	<u>(15,983)</u>
Total public safety	<u>11,078,605</u>	<u>11,098,605</u>	<u>10,953,253</u>	<u>145,352</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Health and welfare				
Sanitation inspection				
Personnel services	\$ 210,790	\$ 210,790	\$ 204,851	\$ 5,939
Supplies	13,500	13,500	12,253	1,247
Other services and charges	29,245	29,245	20,742	8,503
Total sanitation inspection	<u>253,535</u>	<u>253,535</u>	<u>237,846</u>	<u>15,689</u>
Social services and indigent services				
Personnel services	263,073	263,073	243,475	19,598
Other services and charges	43,100	43,100	29,685	13,415
Total social services and indigent services	<u>306,173</u>	<u>306,173</u>	<u>273,160</u>	<u>33,013</u>
Total health and welfare	<u>559,708</u>	<u>559,708</u>	<u>511,006</u>	<u>48,702</u>
Capital outlay	<u>1,128,540</u>	<u>1,706,371</u>	<u>1,341,363</u>	<u>365,008</u>
Debt Service				
Principal	5,097	5,097	124,973	(119,876)
Interest	14,098	14,098	17,706	(3,608)
Total Debt Service	<u>19,195</u>	<u>19,195</u>	<u>142,679</u>	<u>(123,484)</u>
Total expenditures	<u>24,121,818</u>	<u>25,430,149</u>	<u>24,995,880</u>	<u>434,269</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>189,410</u>	<u>(418,921)</u>	<u>245,559</u>	<u>664,480</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	150,000	150,000	-	(150,000)
Transfers in	67,500	67,500	85,858	18,358
Transfers out	<u>(2,078,785)</u>	<u>(2,078,785)</u>	<u>(2,128,432)</u>	<u>(49,647)</u>
Total other financing sources (uses)	<u>(1,861,285)</u>	<u>(1,861,285)</u>	<u>(2,042,574)</u>	<u>(181,289)</u>
NET CHANGE IN FUND BALANCE	<u>(1,671,875)</u>	<u>(2,280,206)</u>	<u>(1,797,015)</u>	<u>483,191</u>
FUND BALANCE, BEGINNING	<u>17,397,761</u>	<u>17,397,761</u>	<u>17,397,761</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 15,725,886</u>	<u>\$ 15,117,555</u>	<u>\$ 15,600,746</u>	<u>\$ 483,191</u>

MEDINA COUNTY, TEXAS

NOTES TO BUDGETARY SCHEDULE

SEPTEMBER 30, 2023

A. Budgetary Information

The Commissioners' Court may levy taxes only in accordance with the budget. After final approval of the budget, the Commissioners' Court may spend County funds only in strict compliance with the budget, except in an emergency. The Commissioners' Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. If the Court amends the original budget to meet an emergency, the Court must file a copy of its order amending the budget with the County Clerk and the Clerk shall attach the copy to the original budget. Only the Commissioners' Court may amend the budget and shift funds from one budget account to another.

The General Fund, the County's main operating fund, is the only fund with a legally adopted budget. The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year and approved by the Commissioners' Court. The budget should not be exceeded in any expenditures category under state law. The budget was amended to reflect as closely as possible revenue and expenditures for the 12-month period. Certain categories exceeded the budget estimates. These variances were due to the fluctuations in revenue and expenditures as opposed to the prorated budget estimates.

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Judge, with the help of the County Auditor, prepares an estimate of revenue and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court.

The Commissioners' Court invites various department heads to appear for a hearing concerning the department's budget request. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenue and available resources. Also, amendments can be made within the above guidelines.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. Appropriations lapse at year-end.

The level of control is the department. By state law, expenditures can exceed appropriations as long as the amounts do not exceed the available revenue and cash balances. The County prepares its budget on a GAAP basis. Since revenue and expenditures are carefully monitored, it is felt that with the GAAP basis, the County will be in compliance with state law.

MEDINA COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Plan Year Ended December 31	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Pension Liability			
Service Cost	\$ 1,535,030	\$ 1,505,140	\$ 1,210,502
Interest on total pension liability	2,934,085	2,743,657	2,542,333
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	512,046	(167,452)	25,870
Effect of assumption changes or inputs	-	(51,912)	2,146,373
Benefit payments/refunds of contributions	<u>(1,483,392)</u>	<u>(1,621,472)</u>	<u>(1,392,640)</u>
Net change in total pension liability	3,497,769	2,407,961	4,532,438
Total pension liability - beginning	<u>37,799,467</u>	<u>35,391,506</u>	<u>30,859,068</u>
Total pension liability - ending (a)	<u>\$ 41,297,236</u>	<u>\$ 37,799,467</u>	<u>\$ 35,391,506</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 1,332,602	\$ 973,828	\$ 926,500
Member contributions	877,674	730,371	694,873
Investment income net of investment expenses	(2,498,735)	7,480,874	3,165,355
Benefit payments/refunds of contributions	(1,483,392)	(1,621,473)	(1,392,640)
Administrative expenses	(23,388)	(22,488)	(24,889)
Other	<u>137,076</u>	<u>11,508</u>	<u>9,806</u>
Net change in plan fiduciary net position	(1,658,163)	7,552,620	3,379,005
Plan fiduciary net position - beginning	<u>41,567,458</u>	<u>34,014,838</u>	<u>30,635,833</u>
Plan fiduciary net position - ending (b)	<u>\$ 39,909,295</u>	<u>\$ 41,567,458</u>	<u>\$ 34,014,838</u>
Net pension liability/(asset) - ending (a)-(b)	<u>\$ 1,387,941</u>	<u>\$ (3,767,991)</u>	<u>\$ 1,376,668</u>
Fiduciary net position as a percentage of total pension liability/(asset)	96.64%	109.97%	96.11%
Pensionable covered payroll	\$ 14,627,896	\$ 12,172,856	\$ 11,581,224
Net pension liability/(asset) as a percentage of covered payroll	9.49%	-30.95%	11.89%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

	2019	2018	2017	2016	2015	2014
\$	1,133,013	\$ 1,072,407	\$ 1,096,294	\$ 1,047,627	\$ 965,430	\$ 904,251
	2,363,979	2,215,666	2,058,841	1,860,738	1,739,114	1,599,983
	-	-	-	-	(215,866)	-
	10,747	(182,717)	(119,781)	46,951	(283,157)	98,008
	-	-	155,259	-	275,381	-
	<u>(1,374,407)</u>	<u>(1,296,981)</u>	<u>(1,166,783)</u>	<u>(1,020,613)</u>	<u>(961,512)</u>	<u>(926,667)</u>
	2,133,332	1,808,375	2,023,830	1,934,703	1,519,390	1,675,575
	<u>28,725,736</u>	<u>26,917,361</u>	<u>24,893,531</u>	<u>22,958,828</u>	<u>21,439,438</u>	<u>19,763,863</u>
\$	<u>30,859,068</u>	<u>28,725,736</u>	<u>26,917,361</u>	<u>24,893,531</u>	<u>22,958,828</u>	<u>21,439,438</u>
\$	825,040	\$ 796,819	\$ 762,738	\$ 711,667	\$ 670,857	\$ 639,941
	618,782	597,615	571,174	533,753	503,059	479,959
	4,313,836	(496,014)	3,381,770	1,570,996	(125,071)	1,335,589
	(1,374,407)	(1,296,981)	(1,166,783)	(1,020,613)	(961,512)	(926,667)
	(23,346)	(21,099)	(17,747)	(17,127)	(15,282)	(15,735)
	<u>6,848</u>	<u>5,584</u>	<u>2,073</u>	<u>64,365</u>	<u>40,468</u>	<u>(9,303)</u>
	4,366,753	(414,076)	3,533,225	1,843,041	112,519	1,503,784
	<u>26,269,080</u>	<u>26,683,156</u>	<u>23,149,931</u>	<u>21,306,889</u>	<u>21,194,370</u>	<u>19,690,586</u>
\$	<u>30,635,833</u>	<u>26,269,080</u>	<u>26,683,156</u>	<u>23,149,930</u>	<u>21,306,889</u>	<u>21,194,370</u>
\$	<u>223,235</u>	<u>2,456,656</u>	<u>234,205</u>	<u>1,743,601</u>	<u>1,651,939</u>	<u>245,068</u>
	99.28%	91.45%	99.13%	93.00%	92.80%	98.86%
\$	10,313,033	\$ 9,960,254	\$ 9,519,560	\$ 8,895,879	\$ 8,384,324	\$ 7,999,314
	2.16%	24.66%	2.46%	19.60%	19.70%	3.06%

MEDINA COUNTY, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 615,394	\$ 615,394	\$ -	\$ 7,817,468	7.9%
2015	666,600	666,600	-	8,332,498	8.0%
2016	725,661	725,661	-	9,070,767	8.0%
2017	754,355	754,355	-	9,429,443	8.0%
2018	781,451	781,451	-	9,768,135	8.0%
2019	824,742	824,742	-	10,335,915	8.0%
2020	869,481	869,481	-	10,884,475	8.0%
2021	958,914	958,914	-	12,003,657	8.0%
2022	1,200,881	1,200,881	-	13,592,529	8.8%
2023	1,473,475	1,473,475	-	17,063,589	8.6%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

MEDINA COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

Methods and assumptions used to determine contributions rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	18.2 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022 No changes in plan provisions were reflected in the Schedule

MEDINA COUNTY, TEXAS

RETIREE HEALTH INSURANCE PLAN

SCHEDULE OF CHANGES IN OPEB LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Plan Year Ended September 30	2018	2019	2020	2021	2022	2023
Total OPEB Liability:						
Service cost	\$ 99,715	\$ 103,763	\$ 103,763	\$ 117,706	\$ 118,907	\$ 65,293
Interest	113,043	117,513	91,640	68,528	70,368	115,510
Difference between expected and actual experience	-	(87,951)	(110,995)	(40,751)	(211,955)	28,165
Changes in assumptions	-	515,574	(408,330)	568	(526,897)	(17,628)
Benefit payments	(109,342)	(104,078)	(92,328)	(86,572)	(72,038)	(105,651)
Net change in total pension liability	103,416	544,821	(416,250)	59,479	(621,615)	85,689
Total OPEB liability - beginning	<u>2,739,270</u>	<u>2,842,686</u>	<u>3,387,507</u>	<u>2,971,257</u>	<u>3,030,736</u>	<u>2,409,121</u>
Total OPEB liability - ending (a)	<u>\$ 2,842,686</u>	<u>\$ 3,387,507</u>	<u>\$ 2,971,257</u>	<u>\$ 3,030,736</u>	<u>\$ 2,409,121</u>	<u>\$ 2,494,810</u>
Covered - employee payroll	\$ 4,306,477	\$ 4,359,713	\$ 3,960,587	\$ 3,868,342	\$ 4,189,162	\$ 3,725,758
Total OPEB liability as a percentage of covered - employee payroll	66.01%	77.70%	75.02%	78.35%	57.51%	66.96%

Note: This schedule is required to have 10 years of information, but the information prior to 2018 is not available.

MEDINA COUNTY, TEXAS

NOTES TO OTHER POST EMPLOYMENT BENEFITS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Valuation date	September 30, 2023
Measurement date	September 30, 2023
Methods and assumptions:	
Actuarial Method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary.
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	4.77% (2.27% real rate of return plus 2.50% inflation)
Health Care Cost Trend	Level 4.50% for medical and 1.50% for dental
Mortality	RPH-2014 Total Table with Projection MP-2021
Turnover	Rates varying based on gender, age and select and ultimate at 15 year. Rates based on the TCDRS actuarial assumptions form the 2017 retirement plan valuation report.
Disability	None assumed
Retiree Contributions	None for individual coverage. Retiree pays a contribution for family coverage. Effective January 1, 2012, eligible retirees retiring on or after that date are required to contribute \$50 or \$60 per month for individual medical coverage.
Salary Scale	3.50%
Data Assumptions:	
Coverage	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 100% of all actives who currently have healthcare coverage will continue with employee only coverage upon retirement.

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**COMBINING
FUND STATEMENTS**

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

	Special Revenue			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
ASSETS				
Cash and investments	\$ 319,617	\$ 896,585	\$ 254,832	\$ 280,497
Receivables:				
Ad valorem taxes	65,912	43,758	39,918	36,924
Intergovernmental	-	-	-	-
Other	40,490	31,618	30,868	30,868
Due from other funds	-	-	-	-
Total assets	<u>426,019</u>	<u>971,961</u>	<u>325,618</u>	<u>348,289</u>
LIABILITIES				
Accounts payable	20,896	19,255	25,075	29,344
Payroll liabilities	30,924	33,426	20,619	22,919
Other liabilities	-	-	-	-
Due to other funds	<u>73,596</u>	<u>194,767</u>	<u>105,259</u>	<u>-</u>
Total liabilities	<u>125,416</u>	<u>247,448</u>	<u>150,953</u>	<u>52,263</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>60,958</u>	<u>38,804</u>	<u>34,965</u>	<u>31,971</u>
Total deferred inflows of resources	<u>60,958</u>	<u>38,804</u>	<u>34,965</u>	<u>31,971</u>
FUND BALANCES				
Restricted	239,645	685,709	139,700	264,055
Unassigned	-	-	-	-
Total fund balances	<u>239,645</u>	<u>685,709</u>	<u>139,700</u>	<u>264,055</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 426,019</u>	<u>\$ 971,961</u>	<u>\$ 325,618</u>	<u>\$ 348,289</u>

Special Revenue

WIC	Health Unit	Juvenile Probation Department	Temp Multiple Legacy Funds	Truancy Prevention Diversion	County Attorney Special	County Law Library
\$ -	\$ -	\$ -	\$ -	\$ 62,975	\$ 8,916	\$ 11,807
-	-	-	-	-	-	-
177,863	58,556	101,256	-	-	-	-
-	-	-	-	1,602	-	20,040
-	<u>26,432</u>	-	-	-	-	-
<u>177,863</u>	<u>84,988</u>	<u>101,256</u>	<u>-</u>	<u>64,577</u>	<u>8,916</u>	<u>31,847</u>
33,626	2,693	42,764	-	-	-	5,002
21,633	12,613	15,979	-	-	-	-
-	-	-	-	-	-	-
<u>100,065</u>	<u>116,367</u>	<u>57,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>155,324</u>	<u>131,673</u>	<u>116,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,002</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
22,539	-	-	-	64,577	8,916	26,845
-	(46,685)	(15,157)	-	-	-	-
<u>22,539</u>	<u>(46,685)</u>	<u>(15,157)</u>	<u>-</u>	<u>64,577</u>	<u>8,916</u>	<u>26,845</u>
<u>\$ 177,863</u>	<u>\$ 84,988</u>	<u>\$ 101,256</u>	<u>\$ -</u>	<u>\$ 64,577</u>	<u>\$ 8,916</u>	<u>\$ 31,847</u>

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

	Special Revenue			
	Court Reporter	County Sheriff Forfeiture	Forfeitures Constables	County Clerk Records Management
ASSETS				
Cash and investments	\$ 2,554	\$ 86,117	\$ 508	\$ 266,338
Receivables:				
Ad valorem taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other	12,555	-	-	228,125
Due from other funds	-	-	-	-
Total assets	<u>15,109</u>	<u>86,117</u>	<u>508</u>	<u>494,463</u>
LIABILITIES				
Accounts payable	4,575	-	-	8,948
Payroll liabilities	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>4,575</u>	<u>-</u>	<u>-</u>	<u>8,948</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	10,534	86,117	508	485,515
Unassigned	-	-	-	-
Total fund balances	<u>10,534</u>	<u>86,117</u>	<u>508</u>	<u>485,515</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 15,109</u>	<u>\$ 86,117</u>	<u>\$ 508</u>	<u>\$ 494,463</u>

Special Revenue

Records Management	Courthouse Security	LEOSE Sheriff	Justice Court Technology	D. A. Federal Forfeiture	Records Management Archival County Clerk	Records Management Archival District Clerk
\$ 20,559	\$ 40,946	\$ 68	\$ 8,825	\$ 101,273	\$ 271,295	\$ 54,225
-	-	-	-	-	-	-
-	-	-	-	-	-	-
429	35,457	-	1,471	-	219,715	3,926
-	-	-	-	-	-	-
<u>20,988</u>	<u>76,403</u>	<u>68</u>	<u>10,296</u>	<u>101,273</u>	<u>491,010</u>	<u>58,151</u>
-	76	-	-	1	-	-
-	9,383	-	-	115	-	-
-	-	-	-	22,233	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>9,459</u>	<u>-</u>	<u>-</u>	<u>22,349</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
20,988	66,944	68	10,296	78,924	491,010	58,151
-	-	-	-	-	-	-
<u>20,988</u>	<u>66,944</u>	<u>68</u>	<u>10,296</u>	<u>78,924</u>	<u>491,010</u>	<u>58,151</u>
<u>\$ 20,988</u>	<u>\$ 76,403</u>	<u>\$ 68</u>	<u>\$ 10,296</u>	<u>\$ 101,273</u>	<u>\$ 491,010</u>	<u>\$ 58,151</u>

MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Special Revenue			
	Justice Court Security	HAVA (Help America Vote Act)	Environmental Health Food Permit	District Clerk Technology
ASSETS				
Cash and investments	\$ 79,220	\$ 179,860	\$ 4,865	\$ 20,262
Receivables:				
Ad valorem taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other	19	-	100	183
Due from other funds	-	-	-	-
Total assets	<u>79,239</u>	<u>179,860</u>	<u>4,965</u>	<u>20,445</u>
LIABILITIES				
Accounts payable	-	-	-	-
Payroll liabilities	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	79,239	179,860	4,965	20,445
Unassigned	-	-	-	-
Total fund balances	<u>79,239</u>	<u>179,860</u>	<u>4,965</u>	<u>20,445</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 79,239</u>	<u>\$ 179,860</u>	<u>\$ 4,965</u>	<u>\$ 20,445</u>

Special Revenue

Improvement Districts	Improvement District - Auditor	Improvement District - Treasurer	Improvement District - Tax	Grants	TAN Series 2020	Total Nonmajor Governmental
\$ 121,957	\$ 42,137	\$ 56,137	\$ 55,197	\$ -	\$ 105,531	\$ 3,353,103
-	-	-	-	-	-	186,512
-	-	-	-	14,880	-	352,555
774	-	-	-	-	-	658,240
-	-	-	-	-	373,622	400,054
<u>122,731</u>	<u>42,137</u>	<u>56,137</u>	<u>55,197</u>	<u>14,880</u>	<u>479,153</u>	<u>4,950,464</u>
-	-	2,523	-	6,201	-	200,979
-	-	-	-	-	-	167,611
131,481	-	-	-	3,749	-	157,463
-	-	-	-	8,921	-	656,645
<u>131,481</u>	<u>-</u>	<u>2,523</u>	<u>-</u>	<u>18,871</u>	<u>-</u>	<u>1,182,698</u>
-	-	-	-	-	-	166,698
-	-	-	-	-	-	166,698
-	42,137	53,614	55,197	-	479,153	3,675,651
(8,750)	-	-	-	(3,991)	-	(74,583)
<u>(8,750)</u>	<u>42,137</u>	<u>53,614</u>	<u>55,197</u>	<u>(3,991)</u>	<u>479,153</u>	<u>3,601,068</u>
<u>\$ 122,731</u>	<u>\$ 42,137</u>	<u>\$ 56,137</u>	<u>\$ 55,197</u>	<u>\$ 14,880</u>	<u>\$ 479,153</u>	<u>\$ 4,950,464</u>

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
REVENUES				
Property taxes	\$ 1,552,616	\$ 1,646,291	\$ 819,343	\$ 757,839
Other taxes	16,179	11,633	8,644	7,894
Licenses and permits	242,201	240,678	239,677	239,426
Intergovernmental	-	-	-	-
Fines and forfeitures	195,765	195,765	195,766	195,765
Charges for services	-	-	-	-
Interest	14,211	34,724	9,779	11,649
Miscellaneous	49,475	28,178	20,697	26,023
Total revenues	<u>2,070,447</u>	<u>2,157,269</u>	<u>1,293,906</u>	<u>1,238,596</u>
EXPENDITURES				
Current:				
General administration	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Public transportation	1,924,844	1,824,160	1,138,347	1,284,920
Health and welfare	-	-	-	-
Capital outlay	243,984	225,059	20,933	218,011
Debt service:				
Principal retirement	55,557	27,840	-	-
Interest and fiscal charges	2,585	1,699	-	-
Total expenditures	<u>2,226,970</u>	<u>2,078,758</u>	<u>1,159,280</u>	<u>1,502,931</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(156,523)</u>	<u>78,511</u>	<u>134,626</u>	<u>(264,335)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	9,850	2,340	3,780	17,325
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>9,850</u>	<u>2,340</u>	<u>3,780</u>	<u>17,325</u>
NET CHANGE IN FUND BALANCES	(146,673)	80,851	138,406	(247,010)
FUND BALANCES, BEGINNING	<u>386,318</u>	<u>604,858</u>	<u>1,294</u>	<u>511,065</u>
FUND BALANCES, ENDING	<u>\$ 239,645</u>	<u>\$ 685,709</u>	<u>\$ 139,700</u>	<u>\$ 264,055</u>

Special Revenue

WIC	Health Unit	Juvenile Probation Department	Temp Multiple Legacy Funds	Truency Prevention Diversion	County Attorney Special	County Law Library
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
846,548	452,350	364,762	-	18,927	-	-
-	-	-	-	-	76	37,004
-	-	1,775	-	-	-	-
-	-	-	-	-	-	-
<u>5,173</u>	<u>-</u>	<u>184,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>851,721</u>	<u>452,350</u>	<u>551,183</u>	<u>-</u>	<u>18,927</u>	<u>76</u>	<u>37,004</u>
-	-	-	16,376	-	-	-
749	-	381,842	-	-	2,138	-
-	-	579,243	-	-	-	60,563
-	-	-	-	-	-	-
834,078	474,227	-	-	-	-	-
12,473	-	6,424	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>847,300</u>	<u>474,227</u>	<u>967,509</u>	<u>16,376</u>	<u>-</u>	<u>2,138</u>	<u>60,563</u>
<u>4,421</u>	<u>(21,877)</u>	<u>(416,326)</u>	<u>(16,376)</u>	<u>18,927</u>	<u>(2,062)</u>	<u>(23,559)</u>
-	-	-	-	-	-	-
-	10,164	457,315	-	-	-	24,000
-	-	(7,863)	-	-	-	-
<u>-</u>	<u>10,164</u>	<u>449,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,000</u>
4,421	(11,713)	33,126	(16,376)	18,927	(2,062)	441
<u>18,118</u>	<u>(34,972)</u>	<u>(48,283)</u>	<u>16,376</u>	<u>45,650</u>	<u>10,978</u>	<u>26,404</u>
<u>\$ 22,539</u>	<u>\$ (46,685)</u>	<u>\$ (15,157)</u>	<u>\$ -</u>	<u>\$ 64,577</u>	<u>\$ 8,916</u>	<u>\$ 26,845</u>

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	Court Reporter	County Sheriff Forfeiture	Forfeitures Constables	County Clerk Records Management
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	73,655	-	109,795
Charges for services	28,108	-	24	-
Interest	-	233	2	8,405
Miscellaneous	-	-	-	-
Total revenues	<u>28,108</u>	<u>73,888</u>	<u>26</u>	<u>118,200</u>
EXPENDITURES				
Current:				
General administration	-	-	-	86,239
Legal	70,322	-	-	-
Public safety	-	20,084	164	-
Public transportation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	58,627	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>70,322</u>	<u>78,711</u>	<u>164</u>	<u>86,239</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(42,214)</u>	<u>(4,823)</u>	<u>(138)</u>	<u>31,961</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Transfers in	70,500	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>70,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	28,286	(4,823)	(138)	31,961
FUND BALANCES, BEGINNING	<u>(17,752)</u>	<u>90,940</u>	<u>646</u>	<u>453,554</u>
FUND BALANCES, ENDING	<u>\$ 10,534</u>	<u>\$ 86,117</u>	<u>\$ 508</u>	<u>\$ 485,515</u>

Special Revenue

Records Management	Courthouse Security	LEOSE Sheriff	Justice Court Technology	D. A. Federal Forfeiture	Records Management Archival County Clerk	Records Management Archival District Clerk
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,159	-	-	-	-
1,843	31,507	-	18,327	6,150	101,100	17,195
-	19,061	-	-	19,350	-	-
-	-	-	-	80	8,726	-
-	-	-	-	-	-	-
<u>1,843</u>	<u>50,568</u>	<u>1,159</u>	<u>18,327</u>	<u>25,580</u>	<u>109,826</u>	<u>17,195</u>
1,885	-	-	-	-	-	-
-	-	-	45,575	4,326	-	-
-	275,133	9,604	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	186,103	-
-	-	-	-	-	-	-
<u>1,885</u>	<u>275,133</u>	<u>9,604</u>	<u>45,575</u>	<u>4,326</u>	<u>186,103</u>	<u>-</u>
<u>(42)</u>	<u>(224,565)</u>	<u>(8,445)</u>	<u>(27,248)</u>	<u>21,254</u>	<u>(76,277)</u>	<u>17,195</u>
-	-	-	-	-	-	-
-	225,000	-	27,377	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>225,000</u>	<u>-</u>	<u>27,377</u>	<u>-</u>	<u>-</u>	<u>-</u>
(42)	435	(8,445)	129	21,254	(76,277)	17,195
<u>21,030</u>	<u>66,509</u>	<u>8,513</u>	<u>10,167</u>	<u>57,670</u>	<u>567,287</u>	<u>40,956</u>
<u>\$ 20,988</u>	<u>\$ 66,944</u>	<u>\$ 68</u>	<u>\$ 10,296</u>	<u>\$ 78,924</u>	<u>\$ 491,010</u>	<u>\$ 58,151</u>

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	Justice Court Security	HAVA (Help America Vote Act)	Environmental Health Food Permit	District Clerk Technology
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	6,000	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	2,518
Charges for services	688	124,462	-	-
Interest	-	291	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>688</u>	<u>124,753</u>	<u>6,000</u>	<u>2,518</u>
EXPENDITURES				
Current:				
General administration	-	44,283	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Public transportation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>44,283</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>688</u>	<u>80,470</u>	<u>6,000</u>	<u>2,518</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(10,617)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(10,617)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	688	80,470	(4,617)	2,518
FUND BALANCES, BEGINNING	<u>78,551</u>	<u>99,390</u>	<u>9,582</u>	<u>17,927</u>
FUND BALANCES, ENDING	<u>\$ 79,239</u>	<u>\$ 179,860</u>	<u>\$ 4,965</u>	<u>\$ 20,445</u>

Special Revenue

Improvement Districts	Improvement District - Auditor	Improvement District - Treasurer	Improvement District - Tax	Grants	TAN Series 2020	Total Nonmajor Governmental
\$ 716,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,492,161
-	-	-	-	-	-	44,350
-	-	-	-	-	-	967,982
-	-	-	-	170,460	-	1,854,206
-	-	-	-	-	-	1,182,231
601,601	14,667	14,667	14,667	-	-	839,070
12,420	66	97	90	-	3,501	104,274
-	-	-	-	34,783	-	348,975
<u>1,330,093</u>	<u>14,733</u>	<u>14,764</u>	<u>14,757</u>	<u>205,243</u>	<u>3,501</u>	<u>10,833,249</u>
1,358,780	3,976	7,704	-	-	-	1,519,243
-	-	-	-	20	-	504,972
-	-	-	-	158,600	-	1,103,391
-	-	-	-	-	-	6,172,271
-	-	-	-	-	-	1,308,305
-	-	-	-	51,835	-	1,023,449
-	-	-	-	-	-	83,397
-	-	-	-	-	-	4,284
<u>1,358,780</u>	<u>3,976</u>	<u>7,704</u>	<u>-</u>	<u>210,455</u>	<u>-</u>	<u>11,719,312</u>
<u>(28,687)</u>	<u>10,757</u>	<u>7,060</u>	<u>14,757</u>	<u>(5,212)</u>	<u>3,501</u>	<u>(886,063)</u>
-	-	-	-	-	-	33,295
-	-	-	-	38,307	-	852,663
-	-	-	-	-	(837,154)	(855,634)
-	-	-	-	38,307	(837,154)	30,324
(28,687)	10,757	7,060	14,757	33,095	(833,653)	(855,739)
<u>19,937</u>	<u>31,380</u>	<u>46,554</u>	<u>40,440</u>	<u>(37,086)</u>	<u>1,312,806</u>	<u>4,456,807</u>
<u>\$ (8,750)</u>	<u>\$ 42,137</u>	<u>\$ 53,614</u>	<u>\$ 55,197</u>	<u>\$ (3,991)</u>	<u>\$ 479,153</u>	<u>\$ 3,601,068</u>

MEDINA COUNTY, TEXAS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 2,752,429	\$ 2,752,429	\$ 2,840,045	\$ 87,616
Interest	-	-	1,138	1,138
Total revenues	<u>2,752,429</u>	<u>2,752,429</u>	<u>2,841,183</u>	<u>88,754</u>
EXPENDITURES				
Debt Service				
Principal	1,960,000	1,960,000	1,960,000	-
Interest	<u>792,429</u>	<u>792,429</u>	<u>795,302</u>	<u>(2,873)</u>
Total expenditures	<u>2,752,429</u>	<u>2,752,429</u>	<u>2,755,302</u>	<u>(2,873)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>85,881</u>	<u>91,627</u>
FUND BALANCE, BEGINNING	<u>87,466</u>	<u>87,466</u>	<u>87,466</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 87,466</u>	<u>\$ 87,466</u>	<u>\$ 173,347</u>	<u>\$ 85,881</u>

MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 1

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,546,999	\$ 1,546,999	\$ 1,552,616	\$ 5,617
Other taxes	16,200	16,200	16,179	(21)
Licenses and permits	241,495	241,495	242,201	706
Fines and forfeitures	150,921	150,921	195,765	44,844
Interest	1,400	1,400	14,211	12,811
Miscellaneous	-	-	49,475	49,475
Total revenues	<u>1,957,015</u>	<u>1,957,015</u>	<u>2,070,447</u>	<u>113,432</u>
EXPENDITURES				
Public transportation	1,900,797	2,076,790	1,924,844	151,946
Capital outlay	100,000	245,000	243,984	1,016
Debt service				
Principal	80,588	55,588	55,557	31
Interest	6,737	2,637	2,585	52
Total expenditures	<u>2,088,122</u>	<u>2,380,015</u>	<u>2,226,970</u>	<u>153,045</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(131,107)</u>	<u>(423,000)</u>	<u>(156,523)</u>	<u>266,477</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	9,850	9,850
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>9,850</u>	<u>9,850</u>
NET CHANGE IN FUND BALANCE	(131,107)	(423,000)	(146,673)	276,327
FUND BALANCE, BEGINNING	<u>386,318</u>	<u>386,318</u>	<u>386,318</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 255,211</u>	<u>\$ (36,682)</u>	<u>\$ 239,645</u>	<u>\$ 276,327</u>

MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 2

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,772,250	\$ 1,772,250	\$ 1,646,291	\$ (125,959)
Other taxes	13,300	13,300	11,633	(1,667)
Licenses and permits	241,495	241,495	240,678	(817)
Fines and forfeitures	150,921	150,921	195,765	44,844
Interest	2,100	2,100	34,724	32,624
Miscellaneous	-	-	28,178	28,178
Total revenues	<u>2,180,066</u>	<u>2,180,066</u>	<u>2,157,269</u>	<u>(22,797)</u>
EXPENDITURES				
Public transportation	2,325,935	2,494,135	2,049,219	444,916
Debt service				
Principal	-	27,840	27,840	-
Interest	-	-	1,699	(1,699)
Total expenditures	<u>2,325,935</u>	<u>2,521,975</u>	<u>2,078,758</u>	<u>443,217</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(145,869)</u>	<u>(341,909)</u>	<u>78,511</u>	<u>420,420</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	2,340	2,340
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,340</u>	<u>2,340</u>
NET CHANGE IN FUND BALANCE	(145,869)	(341,909)	80,851	422,760
FUND BALANCE, BEGINNING	<u>604,858</u>	<u>604,858</u>	<u>604,858</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 458,989</u>	<u>\$ 262,949</u>	<u>\$ 685,709</u>	<u>\$ 422,760</u>

MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 3

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 825,323	\$ 825,323	\$ 819,343	\$ (5,980)
Other taxes	7,400	7,400	8,644	1,244
Licenses and permits	241,495	241,495	239,677	(1,818)
Fines and forfeitures	150,921	150,921	195,766	44,845
Interest	1,200	1,200	9,779	8,579
Miscellaneous	-	-	20,697	20,697
Total revenues	<u>1,226,339</u>	<u>1,226,339</u>	<u>1,293,906</u>	<u>67,567</u>
EXPENDITURES				
Public transportation	1,307,889	1,307,889	1,138,347	169,542
Capital outlay	50,000	50,000	20,933	29,067
Total expenditures	<u>1,357,889</u>	<u>1,357,889</u>	<u>1,159,280</u>	<u>198,609</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(131,550)</u>	<u>(131,550)</u>	<u>134,626</u>	<u>266,176</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	3,780	3,780
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,780</u>	<u>3,780</u>
NET CHANGE IN FUND BALANCE	(131,550)	(131,550)	138,406	269,956
FUND BALANCE, BEGINNING	<u>1,294</u>	<u>1,294</u>	<u>1,294</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ (130,256)</u>	<u>\$ (130,256)</u>	<u>\$ 139,700</u>	<u>\$ 269,956</u>

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MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 4

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 754,582	\$ 754,582	\$ 757,839	\$ 3,257
Other taxes	7,400	7,400	7,894	494
Licenses and permits	241,495	241,495	239,426	(2,069)
Fines and forfeitures	150,921	150,921	195,765	44,844
Interest	1,200	1,200	11,649	10,449
Miscellaneous	-	-	26,023	26,023
Total revenues	<u>1,155,598</u>	<u>1,155,598</u>	<u>1,238,596</u>	<u>82,998</u>
EXPENDITURES				
Public transportation	1,120,600	1,378,600	1,284,920	93,680
Capital outlay	<u>200,000</u>	<u>250,000</u>	<u>218,011</u>	<u>31,989</u>
Total expenditures	<u>1,320,600</u>	<u>1,628,600</u>	<u>1,502,931</u>	<u>125,669</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(165,002)</u>	<u>(473,002)</u>	<u>(264,335)</u>	<u>208,667</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	17,325	17,325
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>17,325</u>	<u>17,325</u>
NET CHANGE IN FUND BALANCE	<u>(165,002)</u>	<u>(473,002)</u>	<u>(247,010)</u>	<u>225,992</u>
FUND BALANCE, BEGINNING	<u>511,065</u>	<u>511,065</u>	<u>511,065</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 346,063</u>	<u>\$ 38,063</u>	<u>\$ 264,055</u>	<u>\$ 225,992</u>

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2023

	Custodial Funds			
	State Taxes	County Clerk	District Clerk	Unclaimed Money
ASSETS				
Cash and investments	\$ 220,355	\$ 374,454	\$ 786,104	\$ 11,175
Total assets	<u>220,355</u>	<u>374,454</u>	<u>786,104</u>	<u>11,175</u>
LIABILITIES				
Due to other governments	-	39,531	380,367	-
Total liabilities	<u>-</u>	<u>39,531</u>	<u>380,367</u>	<u>-</u>
NET POSITION				
Restricted for individuals, organizations and other governments	<u>220,355</u>	<u>334,923</u>	<u>405,737</u>	<u>11,175</u>
Total net position	\$ <u>220,355</u>	\$ <u>334,923</u>	\$ <u>405,737</u>	\$ <u>11,175</u>

Custodial Funds

Tax Office	County Sheriff	Cafeteria Plan	Adult Probations	4th Court of Appeals	Medina County Elected Official Escrow	Total Custodial Funds
\$ 5,028,589	\$ 284,542	\$ 35,645	\$ -	\$ 695	\$ 1,558,725	\$ 8,300,284
<u>5,028,589</u>	<u>284,542</u>	<u>35,645</u>	<u>-</u>	<u>695</u>	<u>1,558,725</u>	<u>8,300,284</u>
 <u>4,221,981</u>	 <u>100,609</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>1,461,521</u>	 <u>6,204,009</u>
<u>4,221,981</u>	<u>100,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,461,521</u>	<u>6,204,009</u>
 <u>806,608</u>	 <u>183,933</u>	 <u>35,645</u>	 <u>-</u>	 <u>695</u>	 <u>97,204</u>	 <u>2,096,275</u>
\$ <u>806,608</u>	\$ <u>183,933</u>	\$ <u>35,645</u>	\$ <u>-</u>	\$ <u>695</u>	\$ <u>97,204</u>	\$ <u>2,096,275</u>

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds			
	State Taxes	County Clerk	District Clerk	Unclaimed Money
ADDITIONS				
Contributions from judgements	\$ -	\$ 12,823	\$ 245,139	\$ 1,719
Commissions income	-	-	-	-
Taxes and fees collected	-	-	-	-
Bonds received	-	43,310	95,015	-
Deposits held	722,248	1,620	-	-
Interest income	-	95	976	-
Total additions	<u>722,248</u>	<u>57,848</u>	<u>341,130</u>	<u>1,719</u>
DEDUCTIONS				
Bonds refunded	-	35,642	166,815	-
Disbursements on behalf of contracting entities	-	-	-	-
Buy money	-	-	-	-
Judgments	-	-	-	-
Tax Sale Fee	-	-	-	-
Deposits returned	-	1,239	-	-
Disbursements to beneficiaries	<u>772,153</u>	<u>4,553</u>	<u>93,962</u>	<u>1,965</u>
Total deductions	<u>772,153</u>	<u>41,434</u>	<u>260,777</u>	<u>1,965</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	<u>(49,905)</u>	<u>16,414</u>	<u>80,353</u>	<u>(246)</u>
NET POSITION, BEGINNING	<u>270,260</u>	<u>318,509</u>	<u>325,384</u>	<u>11,421</u>
NET POSITION, ENDING	<u>\$ 220,355</u>	<u>\$ 334,923</u>	<u>\$ 405,737</u>	<u>\$ 11,175</u>

Custodial Funds

Tax Office	County Sheriff	Cafeteria Plan	Adult Probations	4th Court of Appeals	Medina County Elected Official Escrow	Total Custodial Funds
\$ -	\$ 9,531	\$ -	\$ -	\$ 6,035	\$ -	\$ 275,247
-	21,299	-	-	-	-	21,299
215,983,303	430,850	-	-	-	-	216,414,153
-	81,830	-	-	-	-	220,155
-	211,496	117,323	-	-	30,766,629	31,819,316
13,311	310	-	-	-	-	14,692
<u>215,996,614</u>	<u>755,316</u>	<u>117,323</u>	<u>-</u>	<u>6,035</u>	<u>30,766,629</u>	<u>248,764,862</u>
-	102,856	-	-	-	-	305,313
215,190,006	8,055	-	-	-	-	215,198,061
-	2,000	-	-	-	-	2,000
-	25,769	-	-	-	-	25,769
-	417,352	-	-	-	-	417,352
-	3,630	-	-	-	30,729,941	30,734,810
-	223,892	117,322	551	5,480	-	1,219,878
<u>215,190,006</u>	<u>783,554</u>	<u>117,322</u>	<u>551</u>	<u>5,480</u>	<u>30,729,941</u>	<u>247,903,183</u>
<u>806,608</u>	<u>(28,238)</u>	<u>1</u>	<u>(551)</u>	<u>555</u>	<u>36,688</u>	<u>861,679</u>
<u>-</u>	<u>212,171</u>	<u>35,644</u>	<u>551</u>	<u>140</u>	<u>60,516</u>	<u>1,234,596</u>
<u>\$ 806,608</u>	<u>\$ 183,933</u>	<u>\$ 35,645</u>	<u>\$ -</u>	<u>\$ 695</u>	<u>\$ 97,204</u>	<u>\$ 2,096,275</u>

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COMPLIANCE SECTION

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

Honorable County Judge and
Commissioners' Court
Hondo, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Medina 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 Medina County, Texas' basic financial statements, and have issued our report thereon dated March 18, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 Medina County, Texas' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Medina County, Texas' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 18, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE
AND THE STATE OF TEXAS GRANT MANAGEMENT STANDARDS**

Honorable County Judge and
Commissioners' Court
Hondo, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Medina County, Texas' (the "County") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State of Texas Grant Management Standards (TxGMS)* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2023. The County's major federal and state programs are identified in the summary of auditors' 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 and state programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

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*, the Uniform Guidance, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS, 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 and TxGMS, 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 or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 or state program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal 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 and TxGMS. Accordingly, this report is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 18, 2024

MEDINA COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Number	Expenditures	Pass-through Expenditures
FEDERAL AWARDS				
<u>U. S. Department of Agriculture</u>				
Pass-through Texas Health and Human Services Commission:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HHS000805300001	\$ 834,564	\$ -
Supplemental Nutrition Assistance Program - (SNAP) Cluster	10.561	HHS000805300001	<u>11,984</u>	<u>-</u>
Total Passed through the Texas Health and Human Services Commission			<u>846,548</u>	<u>-</u>
Total U. S. Department of Agriculture			<u>846,548</u>	<u>-</u>
<u>U. S. Department of Justice</u>				
Direct Programs:				
State Criminal Alien Assistance Program	16.606	15PJA-21-RR-05080-SCAA	6,850	-
State Criminal Alien Assistance Program	16.606	15PJA-22-RR-05211-SCAA	<u>3,107</u>	<u>-</u>
Total Assistance Listing Number 16.606			<u>9,957</u>	<u>-</u>
Bulletproof Vest Program	16.607	2019BUBX19097430	<u>12,981</u>	<u>-</u>
Total Direct Programs			<u>22,938</u>	<u>-</u>
Total U. S. Department of Justice			<u>22,938</u>	<u>-</u>
<u>U. S. Department of Treasury</u>				
Direct programs:				
COVID-19 - American Rescue Plan Act (ARPA)	21.027	ARP 2021	<u>785,176</u>	<u>-</u>
Total Direct programs Emergency Management			<u>785,176</u>	<u>-</u>
Total U.S. Department of Treasury			<u>785,176</u>	<u>-</u>
<u>U. S. Department of Health and Human Services</u>				
Pass-through Texas Department of State Health Services:				
Public Health Emergency Preparedness (PHEP)	93.069	537-18-0177-00001	73,933	-
Public Health Emergency Preparedness (PHEP)	93.069	HHS1311200040	<u>21,187</u>	<u>-</u>
Total Assistance Listing Number 93.069			<u>95,120</u>	<u>-</u>
Immunization Cooperative Agreements	93.268	HHS000092500001	48,515	-
Immunization Cooperative Agreements	93.268	HHS001331300046	<u>8,693</u>	<u>-</u>
Total Assistance Listing Number 93.268			<u>57,208</u>	<u>-</u>
PHER: Public Health Crisis Response	93.354	HHS001077300001	<u>55,265</u>	<u>-</u>
STLT Response to Public Health	93.391	HHS001057600032	139,793	-
Preventative Health and Health Services Block Grant	93.991	HHS001027800001	31,305	-
Preventative Health and Health Services Block Grant	93.991	HHS001324900035	<u>2,129</u>	<u>-</u>
Total Assistance Listing Number 93.391			<u>173,227</u>	<u>-</u>
Total Passed through the Texas Department of State Health Services:			<u>380,820</u>	<u>-</u>
Total U. S. Department of Health and Human Services			<u>380,820</u>	<u>-</u>
Total Federal Awards			\$ <u>2,035,482</u>	\$ <u>-</u>
STATE AWARDS				
<u>Texas Indigent Defense Commission</u>				
Indigent Defense Formula Grant	N/A	212-23-163	39,272	-
Indigent Defense Improvement Grant	N/A	212-23-C12	9,577	-
Indigent Defense Sustainability Grant	N/A	SG-23-001	<u>1,911,833</u>	<u>-</u>
Total Texas Indigent Defense Commission			<u>1,960,682</u>	<u>-</u>
<u>Texas Department of State Health Services</u>				
Immunization Cooperative Agreements	N/A	HHS000092500001	73,061	-
Preventative Health and Health Services Block Grant	N/A	HHS001027800001	<u>11,008</u>	<u>-</u>
Total Texas Department of State Health Services			<u>84,069</u>	<u>-</u>
<u>Texas Office of the Attorney General</u>				
VINE Grant	N/A	C-00340	<u>17,505</u>	<u>-</u>
Total Texas Office of the Attorney General			<u>17,505</u>	<u>-</u>
<u>Texas Office of the Governor</u>				
Bullet Resistant Shields	N/A	4648201	16,000	-
Operation Lone Star	N/A	4578101	<u>104,440</u>	<u>-</u>
Total Texas Office of the Governor			<u>120,440</u>	<u>-</u>
Total State Awards			\$ <u>2,182,696</u>	\$ <u>-</u>

MEDINA COUNTY, TEXAS

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

1. GENERAL

The accompanying schedule of expenditures of federal and state awards presents the activity of all applicable federal and state awards of Medina County, Texas. The County's reporting entity is defined in Note 1 to the County's basic financial statements. Federal and State awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included in the respective schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal and state awards is presented using modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

3. INDIRECT COSTS

The County has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

MEDINA COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None

Federal and State Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance or TxGMS	None
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Identification of major programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal or State Program or Cluster:</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund
SG-23-001 (State)	Indigent Defense Sustainability Grant

Dollar threshold used to distinguish between type A and type B federal programs	\$750,000
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Dollar threshold used to distinguish between type A and type B state programs	\$750,000
---	-----------

Auditee qualified as low-risk auditee for federal single audit? Yes

Findings Related to the Financial Statements Which Are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal and State Awards

None

MEDINA COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

None

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