

PALO PINTO COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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FOR THE YEAR ENDED SEPTEMBER 30, 2024

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FINANCIAL SECTION



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Independent Auditor's Report

To The Honorable County Judge and County Commissioners
Palo Pinto County, Texas

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Palo Pinto County, Texas (County) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Qualified Opinions on Governmental Activities and General Fund

In our opinion, except for the effects of the matter described in the "Basis for Qualified and Unmodified Opinions" section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities and General Fund of the County, as of September 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on American Rescue Plan Fund, Capital Improvement Fund and the Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the American Rescue Plan Fund, Capital Improvement Fund and the aggregate remaining fund information of the County as of September 30, 2024, 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 Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Palo Pinto 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 qualified and unmodified opinions.

Matter Giving Rise to the Qualified Opinions on Governmental Activities and General Fund

As fully described in Note 13 to the financial statements, the County has not recorded the receivables from the judicial assessments at September 30, 2024 in the accompanying financial statements of the Governmental Activities and General Fund. Accounting principles generally accepted in the United States of America require that these receivables should be recorded, which would increase the assets and fund balance/net position and change the revenues in the Governmental Activities and General Fund. The amount by which this departure would affect the assets, fund balance/net position, and revenues of the Governmental Activities and General Fund has not been determined.

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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Schedule of Changes in Net Pension Liability and Related Ratios – Texas County and District Retirement System, Schedule of Employer Pension Contributions – Texas County and District Retirement System, Schedule of Changes in Total Other Post-Employment Benefit (OPEB) Liability and Related Ratios – Texas County and District Retirement System, and Schedule of Changes in Total OPEB Liability and Related Ratios – Palo Pinto County Retiree Health Care Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary

information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying other supplementary information comprised of combining and individual fund financial statements (C Exhibits) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 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 other supplementary information comprised of the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
April 22, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Palo Pinto County, Texas, we offer readers of the County's Annual Financial Report this narrative overview and analysis of the County's financial performance during the fiscal year ended September 30, 2024. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2024 by \$42,511,509 (net position). Of this amount, \$24,297,510 is unrestricted and may be used to meet the County's obligations.
- During the year, the County's total net position increased by \$4,711,978. The County's expenses, which totaled \$21,764,887, were less than the County's program revenues of \$4,844,170 and general revenues of \$21,632,695.
- The total cost of the County's programs increased \$3,537,622 or 19% from the prior year.
- The governmental funds reported a fund balance this year of \$32,313,322, which is an increase of \$4,738,450 in comparison with the prior year.
- At September 30, 2024, the unassigned fund balance of the General Fund was \$24,241,766, or 126% of the total General Fund expenditures for the year then ended.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

All of the County's services are reported in the government-wide financial statements, including administration, judicial, road and bridge, and public safety. Property taxes, sales taxes, highway taxes, fees and commissions and intergovernmental grants finance most of the activities. Additionally, all capital and debt financing activities are reported here.

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

The *statement of net position* presents information on all the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the County's financial position is improving or deteriorating.

The *statement of activities* details 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 the related cash flows. Therefore, 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 property taxes).

Fund Financial Statements

The County uses fund accounting to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the County's most significant *funds* – not the County as a whole. Some funds are required by State law and or bond covenants. Other funds may be established by the County to control and manage money for particular purposes or to evidence appropriate use of certain taxes, grants, and other special revenues.

All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's short-term financing requirements.

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

The County maintained multiple governmental funds in the current fiscal year. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance for the General Fund, American Rescue Plan Fund and Capital Improvement Fund, which are considered to be the County's major funds. Financial data for the other governmental funds are combined into a single, aggregated presentation.

The proprietary fund is used to account for operations that are financed similar to those in the private sector. This fund provides both long- and short-term financial information. The County maintains only one type of proprietary fund, the internal service fund. The internal service fund is a device used to accumulate and allocate costs internally among the various functions. The County uses the internal service fund to report the activities for its Health Reimbursement Arrangement (HRA) Plan used to reimburse eligible County employees for the cost of certain eligible medical expenses incurred by them, their spouses and eligible dependents.

Fiduciary funds are used to account for resources held for the benefit of parties outside 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 the County's programs. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the County's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position.

Notes to the Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. Exhibited below in Table 1 are the County's net position summarized for the *governmental activities*.

Table 1 - County's Net Position

	Governmental Activities			
	2024	2023	\$ Change	% Change
Current assets	\$ 40,220,993	\$ 34,918,052	\$ 5,302,941	15%
Long-term assets	16,842,252	17,057,551	(215,299)	-1%
Total Assets	57,063,245	51,975,603	5,087,642	10%
Deferred Outflows of Resources	1,871,332	2,777,693	(906,361)	-33%
Current liabilities	7,033,577	6,680,978	352,599	5%
Noncurrent liabilities	7,491,252	8,344,844	(853,592)	-10%
Total Liabilities	14,524,829	15,025,822	(500,993)	-3%
Deferred Inflows of Resources	1,898,239	1,927,943	(29,704)	-2%
Net position:				
Net investment in capital assets	14,979,162	15,089,579	(110,417)	-1%
Restricted	3,234,837	2,835,312	399,525	14%
Unrestricted	24,297,510	19,874,640	4,422,870	22%
Total Net Position	\$ 42,511,509	\$ 37,799,531	\$ 4,711,978	12%

The net investment in capital assets (e.g. land, buildings, furniture, and equipment less any related debt used to acquire those assets that is still outstanding) is \$14,979,162. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County's net position, \$3,234,837, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position of \$24,297,510 may be used to meet the County's ongoing obligations.

Changes in Net Position

The County's total revenues, both program and general, were \$26,476,865. A significant portion, 62%, of the County's revenue comes from property taxes. Charges for services accounted for 13% of the County's revenue. Exhibited below in Table 2 are the County's revenues for the years ended September 30, 2024 and 2023 for the County's *governmental activities*.

Table 2 - County's Revenues

	Governmental Activities			
	2024	Percent	2023	Percent
Charges for services	\$ 3,641,574	13%	\$ 3,419,904	14%
Operating grants and contributions	1,202,596	5%	399,685	2%
Capital grants and contributions	-	0%	196,814	1%
Property taxes	16,348,111	62%	14,971,722	62%
Sales taxes	2,649,784	10%	2,663,520	11%
Hotel/motel taxes	305,292	1%	259,294	1%
Mixed beverage taxes	93,325	0%	85,391	0%
Investment earnings	2,062,793	8%	1,550,888	6%
Miscellaneous	173,390	1%	653,124	3%
Total Revenues	\$ 26,476,865	100%	\$ 24,200,342	100%

Exhibited below in Table 3 are the County's expenses for the years ended September 30, 2024 and 2023 for the County's *governmental activities*.

Table 3 - County's Expenses

	Governmental Activities			
	2024	Percent	2023	Percent
General Government	\$ 5,938,227	27%	\$ 5,001,117	28%
Administration of Justice	2,874,110	13%	2,477,445	14%
Public Safety	4,286,675	20%	3,541,441	19%
Corrections and Rehabilitation	3,683,091	17%	2,808,440	15%
Health and Human Services	240,725	1%	262,164	1%
Community and Economic Development	477,778	2%	465,128	3%
Infrastructure and Environmental Services	4,263,798	20%	3,671,047	20%
Debt service	483	0%	483	0%
Total Expenses	\$ 21,764,887	100%	\$ 18,227,265	100%

Governmental Activities

Table 4 presents the various revenue categories and gross costs of each of the County's functional areas for both the current and prior year. Following the table, we provide explanations for the significant or unusual fluctuations between the two years.

Table 4 - Changes in Net Position

	Governmental Activities			
	2024	2023	\$ Change	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 3,641,574	\$ 3,419,904	\$ 221,670	6%
Operating grants and contributions	1,202,596	399,685	802,911	201%
Capital grants and contributions	-	196,814	(196,814)	-100%
General revenues:				
Property taxes	16,348,111	14,971,722	1,376,389	9%
Sales taxes	2,649,784	2,663,520	(13,736)	-1%
Hotel/motel taxes	305,292	259,294	45,998	18%
Mixed beverage taxes	93,325	85,391	7,934	9%
Investment earnings	2,062,793	1,550,888	511,905	33%
Miscellaneous	173,390	653,124	(479,734)	-73%
Total revenues	<u>26,476,865</u>	<u>24,200,342</u>	<u>2,276,523</u>	<u>9%</u>
Expenses				
General Government	5,938,227	5,001,117	937,110	19%
Administration of Justice	2,874,110	2,477,445	396,665	16%
Public Safety	4,286,675	3,541,441	745,234	21%
Corrections and Rehabilitation	3,683,091	2,808,440	874,651	31%
Health and Human Services	240,725	262,164	(21,439)	-8%
Community and Economic Development	477,778	465,128	12,650	3%
Infrastructure and Environmental Services	4,263,798	3,671,047	592,751	16%
Debt service	483	483	-	0%
Total expenses	<u>21,764,887</u>	<u>18,227,265</u>	<u>3,537,622</u>	<u>19%</u>
Change in net position	<u>\$ 4,711,978</u>	<u>\$ 5,973,077</u>	<u>\$(1,261,099)</u>	<u>-21%</u>

- Operating grants and contributions increased \$802,911, or 201%, mostly due to the new SB22 grants earned in fiscal year 2024 and the Emergency Services Districts' contributions for the new dispatch console.
- Investment earnings increased \$511,905, or 33%, due to additional funds invested and an increase in interest rates during the year.
- Miscellaneous revenues decreased \$479,734, or 73%, during the year due to insurance proceeds for hail damage to the jail received in fiscal year 2023 and no proceeds received in the current year.
- General government expenses increased \$937,110, or 19%, due to a general increase in costs from inflation including general insurance, health insurance, utilities, and maintenance and repairs.
- Public safety expenses increased \$745,234, or 21%, due to additional wages and benefits due to an increase in staff, increases in operating costs and repairs, additional costs related to the SB22 grant, and additional GASB 68 cost allocations.
- Corrections and rehabilitation expenses increased \$874,651, or 31%, due to additional wages and benefits due to an increase in staff, increases in operating costs and repairs, and additional GASB 68 cost allocations.

- Infrastructure and environmental services expenses increased \$592,751, or 16%, due to additional wages and benefits due to an increase in staff, fuel and material increases, increased depreciation expense related to new equipment purchases, and additional GASB 68 cost allocations.

Table 5 presents the net cost of the County's most significant governmental functions (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars, other taxes, and other miscellaneous general revenues.

Table 5 - Net Cost of County Functions

	Governmental Activities			
	2024	Percent	2023	Percent
General Government	\$ 4,219,627	25%	\$ 3,202,165	23%
Administration of Justice	1,737,060	10%	1,762,837	12%
Public Safety	3,575,427	21%	3,246,478	24%
Corrections and Rehabilitation	3,543,384	21%	2,663,509	19%
Health and Human Services	239,990	1%	262,164	2%
Community and Economic Development	(383,151)	-2%	457,458	3%
Infrastructure and Environmental Services	3,987,897	24%	2,636,495	19%
Debt service	483	0%	(20,244)	0%

Financial Analysis of the County's Funds

As previously stated, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and segregation for particular purposes.

Governmental Funds

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

As of September 30, 2024, the County's governmental funds reported a combined ending fund balance of \$32,313,322, an increase of \$4,738,450 from the previous year amount. Table 6 illustrates the fund balances of the governmental funds.

**Table 6 - Governmental Funds - Fund Balances
September 30, 2024**

	General Fund	American Rescue Plan Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Totals
Nonspendable	\$ 437,056	\$ -	\$ -	\$ -	\$ 437,056
Restricted	44,963	629,004	-	2,560,470	3,234,437
Committed	6,941	-	3,021,122	767,098	3,795,161
Assigned	604,902	-	-	-	604,902
Unassigned	24,241,766	-	-	-	24,241,766
Total Fund Balances	\$ 25,335,628	\$ 629,004	\$ 3,021,122	\$ 3,327,568	\$ 32,313,322

General Fund

At the end of the current fiscal year, the ending fund balance for the General Fund was \$25,335,628, of which \$437,056 was nonspendable, \$44,963 was restricted, \$6,941 was committed, \$604,902 was

assigned, and \$24,241,766 was unassigned. The total unassigned fund balance represents 126% of the total General Fund expenditures for the year ended September 30, 2024. The total fund balance increased \$3,729,720 in the current fiscal year.

Revenues totaled \$24,235,285, an increase of \$1,494,925, or 7%, over the preceding year. Most of the revenues did not materially fluctuate between years, except for interest earned and other revenues. Interest increased \$392,581 due to additional funds that were available to invest and higher interest rates in the current year. Other revenues decreased \$306,383 mostly due to insurance proceeds for hail damage to the jail received in the prior year, offset by the new BRA law enforcement funds received in the current year.

Expenditures totaled \$19,303,558, an increase of \$1,270,853, or 7%, over the preceding year. Most expenditures did not materially fluctuate between years, except for general operations, road and bridge precinct one, and sheriff expenditures. General operations expenditures decreased \$595,113 due to no subscription assets purchased in the current year, compared to \$830,363 of subscription assets purchased in the prior year, offset by an increase in health insurance costs and utility costs in the current year. Road and bridge precinct one expenditures increased \$472,544 due to the purchase of equipment in the current year. Sheriff expenditures increased \$581,785 due to an increase in salary and benefits related to increased staffing and the purchase of a vehicle in the current year.

Other financing sources and uses increased from net other uses of \$862,088 in the prior year to net other uses of \$1,202,007 in the current year due to an increase in other sources due to financing lease liabilities issued in the current year offset by a decrease in the issuance of subscription liabilities in the current year.

American Rescue Plan Fund

At the end of the current fiscal year, the ending fund balance for the American Rescue Plan Fund was \$629,004, which was all restricted to the American Rescue Plan grant. The total fund balance increased \$313,164 in the current fiscal year.

Revenues totaled \$388,164, an increase of \$121,065, or 45%, over the preceding year. The increase is due to the County recognizing a portion of the APRA grant funds for the amounts expended in fiscal year 2024.

Expenditures totaled \$75,000, compared to \$0 in the prior year. The increase is due to the County spending a portion of the APRA grant funds in the current year.

There were no other financing sources or uses in the current or prior year.

Capital Improvement Fund

At the end of the current fiscal year, the ending fund balance for the Capital Improvement Fund was \$3,021,122, which was committed to various capital improvement projects. The total fund balance increased \$510,939 in the current fiscal year.

Revenues totaled \$239,663, an increase of \$183,764, or 329%, over the preceding year. The increase is from having the two Emergency Services Districts pay for a portion of the dispatch console.

Expenditures totaled \$1,218,224, an increase of \$703,106, or 136%. The increase relates to various capital improvement projects that were started in the current year, offset by the annex improvement project being completed during fiscal year 2023 with no annex expenditures in 2024.

Other financing sources and uses were other sources of \$1,489,500 in the current year and \$1,500,000 in the prior year, with both years from transfers in.

Nonmajor Governmental Funds

Nonmajor governmental funds consist of various special revenue funds, debt service funds and capital project funds. The total ending fund balance was \$3,327,568, an increase of \$184,627 from the previous year. The fund balance was restricted to general government \$1,467,809, administration of justice \$363,449, public safety \$103,449, corrections and rehabilitations \$52,037, community and economic development \$225,350 and infrastructure and environmental services \$348,376. The fund balance was committed to health and human services \$4,762 and infrastructure and environmental services \$762,336.

Revenues totaled \$1,510,988, an increase of \$370,318, or 32%. Most of the revenues did not materially fluctuate between years, except for governmental grants. Governmental grants increased \$252,598 due to the SB22 grant funds received in the current year, offset by CETRZ grant funds received in the prior year and no CETRZ funds received in the current year.

Expenditures totaled \$1,585,965, an increase of \$382,041 or 32%. Most expenditures did not materially fluctuate between years, except for county attorney, county clerk, district attorney, election administration, road and bridge precincts three and four, and sheriff expenditures. County attorney expenditures increased \$105,949 due to the SB22 grant in the current year. County clerk expenditures increased \$126,223 due to the new County Clerk archive project in the current year. District attorney expenditures increased \$160,581 due to the SB22 grant in the current year. Election administration expenditures decreased \$72,058 due to HAVA election equipment purchases in the prior year with no such purchases in the current year. Road and bridge precincts three and four decreased in total by \$146,622 due to no CETRZ grant funding in the current year. Sheriff expenditures increased \$183,290 due to the SB22 grant in the current year.

Other financing sources and uses increased from other sources of \$242,819 in the prior year to other sources of \$259,604 in the current year.

General Fund Budgetary Highlights

The County revised its budget during the year. With these adjustments, total expenditures were \$2,202,022 less than the final budget amounts. The County exceeded the budgeted expenditures in two areas. Road and bridge precincts one and four expenditures were over-expended by \$258,314 and \$2,347, respectively, because the budget was not amended for expenditures for the finance lease purchases.

On the other hand, revenues were \$2,387,868 more than the final budgeted amount. Property taxes, interest earned, and other revenue varied by significant amounts. The actual revenue of each category was more than budgeted due to conservative budgeting and revenues were not increased during the year. Property taxes were \$606,336 above the final budgeted amount, interest earned was \$1,255,165 above the final budgeted amount, and other revenue was \$296,983 above the final budgeted amount.

The budget line items in the original budget were not materially different than in the final adopted budget in any category, other than transfers out which decreased by \$200,000 from the original budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2024, the County had invested in a broad range of capital assets totaling \$16,842,252, net of accumulated depreciation, including land, buildings and improvements, equipment, vehicles,

infrastructure, right-to-use leased buildings and improvements, right-to-use leased equipment, subscription assets, and construction in progress. See Table 7 below.

Table 7 - Capital Assets, Net

	2024	2023	\$ Change	% Change
Land	\$ 730,380	\$ 730,380	\$ -	0%
Buildings and improvements	5,209,976	5,567,792	(357,816)	-6%
Equipment	3,578,127	3,423,969	154,158	5%
Vehicles	1,231,663	837,732	393,931	47%
Infrastructure	4,773,252	5,011,898	(238,646)	-5%
Right-to-use leased buildings and improvements	339,337	364,025	(24,688)	-7%
Right-to-use leased equipment	13,206	6,917	6,289	91%
Subscription assets	807,926	963,298	(155,372)	-16%
Construction in progress	158,385	151,541	6,844	5%
Totals	\$16,842,252	\$17,057,552	\$ (215,300)	-1%

Capital assets, net of accumulated depreciation, decreased \$215,300, or 1%, from the previous year. Additional information about the County's capital assets is presented in the notes to the financial statements.

Long-term Obligations

At September 30, 2024, the County had \$2,192,591 in long-term obligations outstanding as shown in Table 8 below.

Table 8 - Long-term Debt

	2024	2023	\$ Change	% Change
Certificates of obligation	\$ 275,000	\$ 320,000	\$ (45,000)	-14%
Note payable	238,000	266,000	(28,000)	-11%
Lease financing payables	384,976	191,511	193,465	101%
Right-to-use lease liabilities	372,091	393,317	(21,226)	-5%
Subscription liabilities	593,023	797,144	(204,121)	-26%
Compensated absences	329,501	288,537	40,964	14%
Totals	\$ 2,192,591	\$ 2,256,509	\$ (63,918)	-3%

Total long-term obligations decreased \$63,918, or 3%. Additional information about the County's long-term debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The property tax revenues budgeted in the 2024-25 budget are \$16,737,843, an increase of \$1,089,096, or 7%, from the prior year budgeted property tax revenues. The overall tax rate is \$0.296120 per \$100 valuation, which is a decrease of \$0.009788 compared to the prior year rate of \$0.305908 per \$100 valuation.

Revenues budgeted in the General Fund's budget are \$22,995,583, a decrease of \$1,239,702, or 5%, from the final 2023-24 revenues of \$24,235,285.

Expenditures budgeted in the General Fund are \$22,533,565, an increase of \$3,230,007, or 16%, from the 2023-24 expenditures of \$19,303,558. The County does not anticipate any new programs or projects being added in 2024-25.

Transfers out to other funds are anticipated to be \$1,087,800, a decrease of \$721,304, or 40%, from the prior year transfers out of \$1,809,104.

If these estimates are realized, the County's General Fund's fund balance is expected to decrease by \$604,902 by September 30, 2025. This amount is reported as assigned fund balance at September 30, 2024.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

PALO PINTO COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities
Assets	
Cash	\$ 18,823,657
Investments	19,136,814
Receivables:	
Property taxes, net	363,888
Sales taxes	464,782
Occupancy taxes	111,093
Accounts	170,278
Right-to-use leases receivable	485,114
Due from fiduciary	228,191
Prepaid expenses	319,906
Inventory	117,270
Capital assets not being depreciated	888,765
Capital assets being depreciated, net	15,953,487
Total assets	<u>57,063,245</u>
Deferred Outflows of Resources	
Pension plan related	1,376,134
OPEB related	495,198
Total deferred outflows of resources	<u>1,871,332</u>
Liabilities	
Accounts payable	459,638
Accrued liabilities	207,133
Due to fiduciary	22,707
Due to others	281,759
Unearned revenues	6,062,340
Long-term liabilities:	
Due within one year	726,968
Due in more than one year	1,465,623
Net pension liability	765,155
Total OPEB liability	4,533,506
Total liabilities	<u>14,524,829</u>
Deferred Inflows of Resources	
OPEB related	1,413,125
Right-to-use leases receivable related	485,114
Total deferred inflows of resources	<u>1,898,239</u>
Net Position	
Net investment in capital assets	14,979,162
Restricted	3,234,837
Unrestricted	24,297,510
Total net position	<u>\$ 42,511,509</u>

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
				Governmental
				Activities
Governmental Activities:				
General Government	\$ 5,938,227	\$ 1,710,989	\$ 7,611	\$ (4,219,627)
Administration of Justice	2,874,110	691,227	445,823	(1,737,060)
Public Safety	4,286,675	237,987	473,261	(3,575,427)
Corrections and Rehabilitation	3,683,091	139,707	-	(3,543,384)
Health and Human Services	240,725	735	-	(239,990)
Community and Economic Development	477,778	860,929	-	383,151
Infrastructure and Environmental Services	4,263,798	-	275,901	(3,987,897)
Debt service	483	-	-	(483)
Total governmental activities	<u>\$ 21,764,887</u>	<u>\$ 3,641,574</u>	<u>\$ 1,202,596</u>	<u>(16,920,717)</u>
General revenues:				
Property taxes, levied for general purposes				16,286,661
Property taxes, levied for debt service				61,450
Sales taxes				2,649,784
Hotel/motel taxes				305,292
Mixed beverage taxes				93,325
Investment earnings				2,062,793
Miscellaneous				173,390
Total general revenues				<u>21,632,695</u>
Change in net position				4,711,978
Net position - beginning of year				37,799,531
Net position - ending				<u>\$ 42,511,509</u>

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	American Rescue Plan Fund	Capital Improvement Fund	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash	\$ 8,039,675	\$ 6,223,625	\$ 2,580,868	\$ 1,925,531	\$ 18,769,699
Investments	17,144,138	-	458,878	1,533,798	19,136,814
Receivables, net:					
Property taxes	363,488	-	-	400	363,888
Sales taxes	464,782	-	-	-	464,782
Occupancy taxes	-	-	-	111,093	111,093
Accounts	128,627	-	-	41,651	170,278
Due from other funds	192,343	-	-	20,235	212,578
Prepaid expenses	319,786	-	-	120	319,906
Inventory	117,270	-	-	-	117,270
Total assets	<u>\$ 26,770,109</u>	<u>\$ 6,223,625</u>	<u>\$ 3,039,746</u>	<u>\$ 3,632,828</u>	<u>\$ 39,666,308</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 380,248	\$ -	\$ 18,624	\$ 43,135	\$ 442,007
Accrued liabilities	187,614	-	-	8,284	195,898
Due to other funds	7,094	-	-	-	7,094
Due to others	281,658	-	-	101	281,759
Unearned revenues	214,379	5,594,621	-	253,340	6,062,340
Total liabilities	<u>1,070,993</u>	<u>5,594,621</u>	<u>18,624</u>	<u>304,860</u>	<u>6,989,098</u>
Deferred inflows of resources:					
Unavailable property taxes	<u>363,488</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>363,888</u>
Fund balances:					
Nonspendable	437,056	-	-	-	437,056
Restricted	44,963	629,004	-	2,560,470	3,234,437
Committed	6,941	-	3,021,122	767,098	3,795,161
Assigned	604,902	-	-	-	604,902
Unassigned	24,241,766	-	-	-	24,241,766
Total fund balances	<u>25,335,628</u>	<u>629,004</u>	<u>3,021,122</u>	<u>3,327,568</u>	<u>32,313,322</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,770,109</u>	<u>\$ 6,223,625</u>	<u>\$ 3,039,746</u>	<u>\$ 3,632,828</u>	<u>\$ 39,666,308</u>

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Total fund balances - governmental funds (Exhibit A-3)		\$ 32,313,322
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (Exhibit A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:		
Gross capital assets	\$ 37,759,295	
Related accumulated depreciation	<u>20,917,043</u>	16,842,252
Property tax receivables are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		363,888
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Certificates of obligation	275,000	
Note payable	238,000	
Lease financing payable	384,976	
Right-to-use lease liabilities	372,091	
Subscription liabilities	593,023	
Accrued compensated absences	<u>329,501</u>	(2,192,591)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, interest expenditures are recorded only when due.		(11,235)
The County uses an internal service fund to operate a health reimbursement account (HRA) for the benefit of all eligible employees of the County. The assets and liabilities are included in the governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		36,327
The County's net pension and OPEB liabilities and related deferred outflows and inflows related to its participation in the Texas County & District Retirement System and the OPEB liability and related deferred outflows and inflows related to the County-provided retiree medical coverage do not meet criteria to be reported in the governmental funds financial statements. These items consist of:		
Net pension liability	(765,155)	
Deferred outflows - pension related items	1,376,134	
Total OPEB liability	(4,533,506)	
Deferred outflows - OPEB related items	495,198	
Deferred inflows - OPEB related items	<u>(1,413,125)</u>	(4,840,454)
Total net position - governmental activities (Exhibit A-1)		<u>\$ 42,511,509</u>

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	American Rescue Plan Fund	Capital Improvement Fund	Nonmajor Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 16,255,083	\$ -	\$ -	\$ 61,402	\$ 16,316,485
Sales taxes	2,649,784	-	-	-	2,649,784
Occupancy tax	-	-	-	305,292	305,292
Mixed beverage tax	93,325	-	-	-	93,325
Licenses, fees and fines	2,931,481	-	-	282,121	3,213,602
Governmental grants	275,642	75,000	155,377	511,039	1,017,058
Inmate revenue	79,822	-	-	-	79,822
Commissary revenue	-	-	-	59,885	59,885
Interest earned	1,473,665	313,164	84,286	189,724	2,060,839
Other revenue	476,483	-	-	101,525	578,008
Total revenues	<u>24,235,285</u>	<u>388,164</u>	<u>239,663</u>	<u>1,510,988</u>	<u>26,374,100</u>
Expenditures					
29th District Court	523,320	-	-	-	523,320
Capital projects	-	75,000	1,218,224	79,139	1,372,363
Commissary	-	-	-	78,654	78,654
Commissioner's Court	69,445	-	-	-	69,445
Constable	524,736	-	-	-	524,736
County Attorney	316,614	-	-	115,906	432,520
County Auditor	320,580	-	-	-	320,580
County Clerk	505,577	-	-	203,786	709,363
County Court	243,622	-	-	-	243,622
County Extension Service	124,399	-	-	-	124,399
County Treasurer	160,764	-	-	-	160,764
Courthouse security	-	-	-	291,426	291,426
Debt service - principal	-	-	-	73,000	73,000
Debt service - interest	-	-	-	83	83
Debt service - agent fees	-	-	-	400	400
District Attorney	374,604	-	-	191,127	565,731
District Clerk	218,073	-	-	-	218,073
Election Administration	268,002	-	-	-	268,002
Emergency Management	98,293	-	-	-	98,293
Emergency Medical & Health Services	144,000	-	-	-	144,000
General operations	4,090,734	-	-	45,436	4,136,170
Health services	10,000	-	-	-	10,000
Hotel/motel tax	-	-	-	272,735	272,735
Information Technology	145,179	-	-	-	145,179
Jail and detention	2,741,179	-	-	-	2,741,179
Justice of the Peace	684,883	-	-	-	684,883
Narcotics Unit	107,642	-	-	-	107,642
Public Works	486,058	-	-	-	486,058
Road and Bridge:					
Precinct No. 1	965,216	-	-	-	965,216
Precinct No. 2	1,073,704	-	-	10,291	1,083,995
Precinct No. 3	751,253	-	-	35,231	786,484
Precinct No. 4	874,477	-	-	-	874,477
Sheriff	2,710,992	-	-	186,963	2,897,955
Tax Assessor-Collector	724,333	-	-	-	724,333
Vending Expenditures	-	-	-	1,788	1,788
Veteran's Administration	45,879	-	-	-	45,879
Total expenditures	<u>19,303,558</u>	<u>75,000</u>	<u>1,218,224</u>	<u>1,585,965</u>	<u>22,182,747</u>
Excess of revenues over (under) expenditures	<u>4,931,727</u>	<u>313,164</u>	<u>(978,561)</u>	<u>(74,977)</u>	<u>4,191,353</u>

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	American Rescue Plan Fund	Annex Capital Improvement Fund	Nonmajor Funds	Total Governmental Funds
Other sources and (uses):					
Issuance of lease financing liabilities	506,376	-	-	-	506,376
Proceeds from the sale of capital assets	100,721	-	-	-	100,721
Transfers in	-	-	1,489,500	259,604	1,749,104
Transfers out	(1,809,104)	-	-	-	(1,809,104)
Total other sources and (uses)	(1,202,007)	-	1,489,500	259,604	547,097
Net change in fund balances	3,729,720	313,164	510,939	184,627	4,738,450
Fund balances, beginning of year	21,605,908	315,840	2,510,183	3,142,941	27,574,872
Fund balances, end of year	<u>\$ 25,335,628</u>	<u>\$ 629,004</u>	<u>\$ 3,021,122</u>	<u>\$ 3,327,568</u>	<u>\$ 32,313,322</u>

The accompanying notes are an integral part of this statement.

PALO PINTO 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, 2024

Net change in fund balances - total governmental funds (Exhibit A-5) \$ 4,738,450

Amounts reported for *governmental activities* in the Statement of Activities (Exhibit A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. The net difference between the two is as follows:

Capital outlay during the year	\$ 1,700,956	
Depreciation expense for the year	1,884,719	(183,763)

The net book value of the capital assets disposed of during the year is not recorded in the governmental funds. In the Statement of Activities, the difference between the proceeds and the book value of the capital asset is reported as a gain (loss) from sale.

The net book value of the capital assets disposed of during the year was: (31,536)

Because property tax receivables will not be collected for several months after the County's fiscal year ends, they are not considered 'available' revenues and are deferred inflows of resources in the governmental funds. Deferred inflows of resources increased by this amount.

31,626

The issuance of long-term debt provides current financial resources to governmental funds. However, the issuance increases long-term liabilities in the Statement of Net Position. The County issued the following debt for the purchase of capital assets in the current year totaling:

Lease financing payables (506,376)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. The long-term debt principal paid during the year was as follows:

Certificates of obligation	45,000	
Note financing payable	28,000	
Lease financing payables	312,911	
Right-to-use lease liabilities	21,226	
Subscription liabilities	204,121	611,258

Interest on long-term debt in the Statement of Activities differs from the amount reported in governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The increase in accrued interest is as follows:

Accrued interest at September 30, 2023	(4,105)	
Accrued interest at September 30, 2024	11,235	(7,130)

Included in long-term liabilities are obligations for accrued vacation leave and the net other post-employment benefit obligation for retiree medical coverage. The changes in these obligations are not included in the governmental fund financial statements, but are included in the government-wide financial statements. The change in these long-term obligations was:

(40,964)

The County participates in an agent multiple-employer defined benefit pension and OPEB plan. Contributions to the plans are expenditures at the fund level when payments are due. At the government-wide level, pension and OPEB expenses are recognized on an actuarial basis. The plan contributions exceeded the actuarial expense in the current year.

109,535

The County uses an internal service fund to operate a health reimbursement account (HRA) for the benefit of all eligible employees of the County. The change in net position of the internal service fund is reported with the governmental activities. The net effect of this consolidation is a decrease in net position.

(9,122)

Change in net position of governmental activities (Exhibit A-2)

\$ 4,711,978

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
SEPTEMBER 30, 2024

	Health Reimbursement Arrangement
Assets	
Cash	\$ 53,958
Total assets	<u>53,958</u>
Liabilities	
Accounts payable	<u>17,631</u>
Total liabilities	<u>17,631</u>
Net Position	
Unrestricted	<u>36,327</u>
Total net position	<u>\$ 36,327</u>

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Health Reimbursement Arrangement
Operating revenues	
Charges for services	\$ -
Operating expenses:	
Administrative fees	4,733
Reimbursements	66,343
Total operating expenses	71,076
Loss from operations	(71,076)
Non-operating income:	
Interest income	1,954
Transfers in	60,000
Change in net position	(9,122)
Total net position - beginning	45,449
Total net position - ending	\$ 36,327

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Health Reimbursement Arrangement
Cash flows from operating activities	
Cash paid to employees for health reimbursements	\$ (56,986)
Cash paid to vendor for administrative services	(4,733)
Net cash used by operating activities	<u>(61,719)</u>
Cash flows from investing activities	
Transfers in from other funds	60,000
Interest earnings	1,954
Net cash provided by investing activities	<u>61,954</u>
Net increase in cash and cash equivalents	235
Cash and cash equivalents at beginning of the year	<u>53,723</u>
Cash and cash equivalents at end of the year	<u><u>\$ 53,958</u></u>
Reconciliation of loss from operations to net cash used by operating activities:	
Operating loss	\$ (71,076)
Effect of change in current assets and liabilities:	
Change in accounts payable	9,357
Net cash used by operating activities	<u><u>\$ (61,719)</u></u>

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

	Custodial Funds
Assets	
Cash	\$ 1,533,938
Investments	1,423,709
Other receivables	117,748
Due from other funds	22,707
Total assets	<u>3,098,102</u>
Liabilities	
Due to other funds	<u>228,191</u>
Total liabilities	<u>228,191</u>
Net Position	
Restricted for other purposes	2,869,911
Total net position	<u><u>\$ 2,869,911</u></u>

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

	Custodial Funds
Additions	
District Attorney	\$ 2,465
Sheriff's Department	238,858
Tax Assessor/Collector	96,859,494
Justices of the Peace	401,493
County Treasurer	382,901
County Clerk	186,655
Juvenile Department	1,134
District Clerk	806,459
County Attorney	7,343
Public Works	78,225
Inmate Trust	167,144
Deferred Compensation	107,248
Total additions	<u>99,239,419</u>
Deductions	
Sheriff's Department	224,857
Tax Assessor/Collector	97,030,050
Justices of the Peace	401,493
County Treasurer	362,350
County Clerk	139,511
Juvenile Department	1,335
District Clerk	1,001,301
County Attorney	7,343
Public Works	79,185
Inmate Trust	167,328
Total deductions	<u>99,414,753</u>
Change in net position	(175,334)
Net position - beginning	<u>3,045,245</u>
Net position - ending	<u><u>\$ 2,869,911</u></u>

The accompanying notes are an integral part of this statement.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Palo Pinto, Texas (County) was created by the Act of Legislature on August 27, 1856, and operates as specified under the Constitution of the State of Texas and statutes which provide for a Commissioners Court consisting of the County Judge and four Commissioners, one from each of four geographical precincts. The County Judge is elected for a term of four years and the Commissioners for four year staggered terms. Other major County elective officers include the County Clerk, District Clerk, County Tax Assessor-Collector and County Treasurer. The County Auditor is appointed for a term of two years and serves at the will of the District Judge, whose court is located in Palo Pinto County. The 2020 census population for the County was 28,409 and the area covered is approximately 949 square miles. The unincorporated community of Palo Pinto is the County Seat. The County provides the following public services: Public Safety – Sheriff's Department and Jail Detention, Tax Assessing and Collecting, Sanitation, Fire, Emergency Medical Services, Public Records, Criminal and Civil Prosecution, Road and Bridge Maintenance and General Operations.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The government's significant accounting policies are described below:

A. Reporting Entity

In evaluating the County for financial reporting purposes, management has considered all potential component units. The evaluation was made by applying the criteria set forth in generally accepted accounting principles for inclusion of component units with a reporting entity. The major criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility over the unit. The most significant manifestation of this ability to exercise oversight responsibility includes, but is not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the County is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no potential component units included in the reporting entity as defined by GASB 14, "The Reporting Entity", as amended by GASB 39 and 61.

There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the basic financial statements present the County only.

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 the non-fiduciary activities of the County. For the most part, the effects of interfund activity have been removed from these statements.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, internal service funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

The County reports the following major governmental funds:

The *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.

The *American Rescue Plan Fund* is used to account for the federal American Rescue Plan COVID-19 relief grant funds.

The *Capital Improvement Fund* is used to account for financial resources to be used for the acquisition and renovation of the Mineral Wells annex building.

The County reports the following nonmajor governmental funds reported as 'Other Governmental Funds':

The *Special Revenue Funds* account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* are used to account for the accumulation of funds for the periodic payment of principal and interest on long-term debt.

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

The County reports the following internal service fund:

The *Health Reimbursement Arrangement (HRA) Plan* was established under Internal Revenue Code Section 106 for reimbursing eligible County employees for the cost of certain eligible medical expenses incurred by them, their spouses and eligible dependents.

Additionally, the County reports the following fiduciary funds:

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

Custodial Funds are used to report cash and investments and other resources held in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The assets are held in a trustee or custodial capacity and are not available to support County programs; therefore, these funds are not included in the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The preparation of the financial statements in conformity with generally accepted accounting principles require the use of estimates by management that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

D. Financial Statement Amounts

1. Deposits and Investments

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

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and investment pools.

Investments for the County are reported at fair value. The authorized investment pools operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. 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). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables, including those for the County, are shown net of an allowance for uncollectibles.

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

3. Uncollected Taxes Receivable

The office of the Tax Assessor-Collector is under contract to eighteen (18) different taxing entities. It is the responsibility of the Tax Assessor-Collector to collect the taxes for the various taxing districts and then to remit the tax, including any penalty and interest, less a 1% fee of current taxes and 7% of delinquent taxes, to the tax district, except for the Palo Pinto County Education District, in which the Tax Assessor-Collector receives all penalties collected. The amount recorded as investment in uncollected taxes represents the total taxes receivable for the eighteen districts and the Palo Pinto County Education District.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

4. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The amounts reported by the County in this category related to the County's participation in the Texas County and District Retirement System (TCDRS).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. The amounts reported by the County in this category related to the County's participation in TCERS. Property taxes receivable are unavailable and therefore cannot be recognized as revenue in the governmental funds until they are received. The amounts related to right-to-use assets the County has leased to other entities and will receive future lease payments.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the governmental activities 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 estimated fair market value at the time received.

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. Interest costs on fixed assets are not capitalized. Interest is charged to the Debt Service Fund for assets acquired with tax notes. For assets purchased under lease agreements, interest is expensed in the fund responsible for making the lease payments.

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

Vehicles	3 - 15 years
Equipment	5 - 30 years
Buildings and Improvements	5 - 40 years
Infrastructure	15 - 30 years
Right-to-Use Equipment	5 - 20 years
Right-to-Use Buildings and Improvements	5 years
Subscription Assets	5 years

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

7. Right-to-Use Lease Liabilities

The County is a lessee for two non-cancellable leases of property and equipment. The County recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the County is reasonably certain to exercise, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

8. Subscription-Based Information Technology Agreements (SBITAs)

The County has three non-cancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The County recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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

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

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.

The subscription term includes the non-cancellable period of the SBITA.

Subscription payments included in the measurement of the subscription liability is composed of fixed payments and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

9. Compensated Absences

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and compensated absences, which will be paid to employees upon separation from the County's service. In governmental funds, the cost of vacation and compensated absences is recognized when payments are made to employees. A long-term liability of \$329,501 of accrued vacation and compensated absences at September 30, 2024 has been recorded in the government-wide statements, representing the County's commitment to fund such costs from future operations. The department for which the employee works is charged when payments for vacation or compensated absences are paid. The County's sick leave policy provides for a maximum carry over of 520 hours, with the exception of a few grandfathered employees. The County has no obligation for the accumulated sick leave until it is actually taken; therefore, no accrual for sick leave has been made.

10. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Issuance costs associated with long-term debt 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 and issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the County's Commissioners' Court. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

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

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

12. Transactions Between Funds

Outstanding balances between funds are reported as "due to/from other funds." Nonrecurring or non-routine transfers of equity between funds are accounted for as transfers.

13. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

14. Pensions

The fiduciary net position of the TCDRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting, the same basis as is reported by TCDRS in their Annual Comprehensive Financial Report. This includes for purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

15. Other Post-Employment Benefits

The fiduciary net position of the TCDRS and the County's Retiree Health Care Plan have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TCDRS and the County's Retiree Health Care Plan fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go-plan and all cash is held in a cash account.

2. COMPLIANCE AND ACCOUNTABILITY

A. Finance-Related Legal and Contractual Provisions

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

For the year ended September 30, 2024, the County over-expended the Road and Bridge – Precinct No. 1 and Road and Bridge – Precinct No. 4 functional areas of the General Fund by \$258,314 and \$2,374, respectively. The County will be more diligent in the future to ensure that all necessary budget amendments are made.

B. Deficit Fund Balance or Net Position of Individual Funds

As of September 30, 2024, there were no funds with a deficit fund balance or net position.

3. DEPOSITS AND INVESTMENTS

A. Deposits

Deposits, except for those held in trust by the County Clerk, District Clerk, and others were held with the contracted depository banks in interest bearing accounts which were secured at the balance sheet date by FDIC coverage and by pledged government securities in the name of the depository banks. At September 30, 2024, the carrying amount of the County's deposits was \$37,960,471 and the balance per the bank was \$44,846,630. Included in the carrying amount and bank balance are money market savings (recorded as investments) totaling \$19,136,814.

The County Clerk, District Clerk, and others hold deposit accounts and investments as trustees under court orders in various banks. The accounts are styled for the benefit of the individual beneficiaries and do not actually belong to the County. The investments consist of interest-bearing demand deposits and certificates of deposit whose carrying value and market value are the same. The carrying amounts of agency funds held by the County at September 30, 2024 were \$2,957,647 and the balance per the bank was \$2,957,647. All deposits and investments were secured by FDIC coverage.

B. Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act (Act) to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, maturity and the quality and capability of investment management; include a list of the types of authorized investments in which the

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

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

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The County's investments at September 30, 2024 are shown below:

<u>Investments</u>	<u>Weighted Maturity (Months)</u>	<u>Fair Value</u>
Money market savings	N/A	<u>\$19,136,814</u>

The County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The County values its money market savings using Level 2 inputs based on statements from the depository financial institution.

C. Analysis of Specific Deposit and Investment Risks

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

1. Credit Risk

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

2. Custodial Credit Risk

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

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

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

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

3. Concentration of Credit Risk

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

4. Interest Rate Risk

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

5. Foreign Currency Risk

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

4. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1 of the prior year. Taxes are levied on October 1 and do not begin to accrue interest until February 1. The County is permitted by the Municipal Finance Law of the State of Texas to levy taxes (exclusive of those amounts levied to service long-term debt) up to \$.80 per \$100 of assessed valuation for general services, permanent improvements, road and bridge and jury fund purposes. The combined tax rate to finance general government (exclusive of long-term debt service and Special Road & Bridge) for the year ended September 30, 2024, was \$0.24967 per \$100 valuation. The special road and bridge tax rate for the year ended September 30, 2024 was \$0.0553 per \$100 valuation. The long-term debt service tax rate for the year ended September 30, 2024 was \$0.000938 per \$100 valuation. The total combined tax rate was \$0.305908 per \$100 valuation for the year ended September 30, 2024.

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

At September 30, 2024, net property taxes receivable is calculated as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Gross property taxes receivable	\$874,119	\$ 746	\$874,865
Allowance for uncollectible taxes	(510,631)	(346)	(510,977)
Net property taxes receivable	<u>\$363,488</u>	<u>\$ 400</u>	<u>\$363,888</u>

Of the \$363,888 of net property taxes receivable at September 30, 2024, the County expects to collect approximately \$210,000 within a year. This is similar to the amount of delinquent taxes received in previous years.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

5. RIGHT-TO-USE LEASES RECEIVABLE

In January 2021, the County leased thirty acres of land to a business. The lease is for 60 months and requires monthly payments ranging from \$6,250 to \$7,597. At September 30, 2024, the County has recognized a receivable for the remaining lease payments of \$266,480 which has also been reflected as deferred inflows of resources. The receivable is discounted using an imputed interest rate of 3.0%. The balance of the deferred inflows will be recognized annually through December 2027, based upon the required annual payments.

In October 2021, the County leased a facility to a business. The lease is part of an agreement with the Texas Department of Agriculture (TDA) through the Texas Capital Fund. Under the agreement, the County received funding from TDA for the acquisition of the facility for it to lease to the tenant. All lease payments received by the County are to be sent to TDA. The lease is for 138 months and requires monthly payments of \$2,333. At September 30, 2024, the County has recognized a receivable for the remaining lease payments of \$209,846 which has also been reflected as deferred inflows of resources. The receivable is discounted using an imputed interest rate of 3.0%. The balance of the deferred inflows will be recognized monthly through March 2033, based upon the required monthly payments. The lease also includes a purchase option that is exercisable at any time after the expiration of five years from the date the County's contract with TDA is closed out. The purchase price under such option shall be \$560,000 less the sum of the full amount of all fixed lease payments actually received by the County and any and all amounts actually paid by the tenant to the County under the agreement as a result of recoupment of Texas Capital Fund grant by TDA or the U.S. Department of Housing and Urban Development.

In April 2022, the County leased office space to a business. The lease is for 48 months and requires monthly payments of \$500. At September 30, 2024, the County has recognized a receivable for the remaining lease payments of \$8,788 which has also been reflected as deferred inflows of resources. The receivable is discounted using an imputed interest rate of 3.0%. The balance of the deferred inflows will be recognized monthly through March 2026, based upon the required monthly payments.

At September 30, 2024, the County has recognized a total receivable for the above remaining lease payments of \$485,114 which has also been reflected as deferred inflows of resources. The County received lease revenue of \$97,487 and interest income of \$16,175 for a total of \$113,662 of lease-related inflows of resources for the above leases during the year ended September 30, 2024.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024 was as follows:

Governmental Activities:	Restated Balance 10/1/23	Additions	Retirements	Transfers	Balance 9/30/24
Capital assets not being depreciated:					
Land	\$ 730,380	\$ -	\$ -	\$ -	\$ 730,380
Construction in progress	<u>151,541</u>	<u>108,753</u>	<u>-</u>	<u>(101,899)</u>	<u>158,385</u>
Total capital assets not being depreciated	<u>881,921</u>	<u>108,753</u>	<u>-</u>	<u>(101,899)</u>	<u>888,765</u>
Capital assets being depreciated:					
Buildings and improvements	12,589,145	-	-	-	12,589,145
Equipment	6,854,777	714,893	237,783	-	7,331,887
Vehicles	3,629,628	688,051	39,744	-	4,277,935
Infrastructure	10,643,615	189,269	-	101,899	10,934,783
Right-to-use leased buildings and improvements	412,856	-	-	-	412,856
Right-to-use leased equipment	123,917	-	-	-	123,917
Subscription assets	<u>1,200,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200,007</u>
Total capital assets being depreciated	<u>35,453,945</u>	<u>1,592,213</u>	<u>277,527</u>	<u>101,899</u>	<u>36,870,530</u>
Less accumulated depreciation for:					
Buildings and improvements	7,021,353	357,816	-	-	7,379,169
Equipment	3,462,656	499,877	208,773	-	3,753,760
Vehicles	2,791,896	291,594	37,218	-	3,046,272
Infrastructure	5,631,719	529,812	-	-	6,161,531
Right-to-use leased buildings and improvements	48,831	24,688	-	-	73,519
Right-to-use leased equipment	85,151	25,560	-	-	110,711
Subscription assets	<u>236,709</u>	<u>155,372</u>	<u>-</u>	<u>-</u>	<u>392,081</u>
Total accumulated depreciation	<u>19,278,315</u>	<u>1,884,719</u>	<u>245,991</u>	<u>-</u>	<u>20,917,043</u>
Total capital assets being depreciated, net	<u>16,175,630</u>	<u>(292,506)</u>	<u>31,536</u>	<u>101,899</u>	<u>15,953,487</u>
Governmental activities capital assets, net	<u>\$17,057,551</u>	<u>(\$ 183,753)</u>	<u>\$ 31,536</u>	<u>\$ -</u>	<u>\$16,842,252</u>

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

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

Governmental Activities:	
General Government	\$ 551,329
Administration of Justice	10,838
Public Safety	351,494
Corrections and Rehabilitation	131,365
Community and Economic Development	38,799
Infrastructure and Environmental Services	<u>800,894</u>
Total governmental depreciation	<u>\$1,884,719</u>

7. INTERFUND BALANCES AND ACTIVITIES

A. Balances due to and from other funds at September 30, 2024 were as follows:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Reason</u>
General Fund	General Fund	\$ 7,094	Short-term loan
Nonmajor Governmental Funds	Fiduciary Funds	20,235	Short-term loan
General Fund	Fiduciary Funds	185,249	Short-term loan
Fiduciary Funds	Fiduciary Funds	<u>22,707</u>	Short-term loan
	Total	<u>\$235,285</u>	

All of the above amounts are expected to be repaid within one year.

B. Transfers in and out during the year ended September 30, 2024 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Nonmajor Governmental Funds	\$ 259,604	Supplement other funds
General Fund	Capital Improvement Fund	1,489,500	Supplement other funds
General Fund	Internal Service Fund	<u>60,000</u>	Supplement other funds
	Total	<u>\$1,809,104</u>	

8. LONG-TERM OBLIGATIONS

The County issued certificates of obligations, a note payable, lease liabilities, and subscription liabilities to provide funds for the acquisition and construction of major capital facilities and equipment. These issues are direct obligations and pledge the full faith and credit of the County.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

Changes in long-term liabilities for the year ended September 30, 2024 was as follows:

Governmental Activities:	Balance 10/01/23	Additions	Retirements	Balance 09/30/24	Due Within One Year
Certificates of obligation	\$ 320,000	\$ -	\$ 45,000	\$ 275,000	\$ 45,000
Note payable	266,000	-	28,000	238,000	28,000
Lease financing payables	191,511	506,376	312,911	384,976	106,191
Right-to-use lease liabilities	393,317	-	21,226	372,091	14,938
Subscription liabilities	797,144	-	204,121	593,023	203,338
Compensated absences	<u>288,537</u>	<u>347,226</u>	<u>306,262</u>	<u>329,501</u>	<u>329,501</u>
Total long-term liabilities – governmental activities	<u>\$2,256,509</u>	<u>\$853,602</u>	<u>\$917,520</u>	<u>\$2,192,591</u>	<u>\$726,968</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

Total debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2025	\$ 397,467	\$ 67,530	\$ 464,997
2026	393,499	48,215	441,714
2027	361,798	31,070	392,868
2028	177,585	15,564	193,149
2029	87,741	9,213	96,954
2030-2034	242,185	38,124	280,309
2035-2039	138,834	20,945	159,779
2040-2041	<u>63,981</u>	<u>1,914</u>	<u>65,895</u>
Totals	<u>\$1,863,090</u>	<u>\$232,575</u>	<u>\$2,095,665</u>

Certificates of Obligation

The County issued Combination Tax and Surplus Certificates of Obligation, Series 2020 through the Texas Water Development Board in March 2020. The County borrowed \$500,000 with interest ranging from 0.0% to 0.13% to construct a new wastewater treatment plant. The certificates require a principal and interest payment of \$90,083 on February 15, 2021, and annual principal and interest payments of \$45,083 beginning February 15, 2022 with a final principal and interest payment of \$50,033 on February 15, 2030.

Issuance	Original Amount	Date Issued	Final Maturity	Interest Rate	Balance 9/30/24
Combination Tax and Surplus Certificates of Obligation, Series 2020	\$500,000	03/10/20	02/15/30	0.00%- 0.13%	<u>\$275,000</u>

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

Certificates of obligation service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 45,000	\$ 83	\$ 45,083
2026	45,000	83	45,083
2027	45,000	83	45,083
2028	45,000	83	45,083
2029	45,000	74	45,074
2030	<u>50,000</u>	<u>33</u>	<u>50,033</u>
Totals	<u>\$275,000</u>	<u>\$ 439</u>	<u>\$275,439</u>

Note Payable

The note payable to the Texas Department of Rural Community Affairs is part of the Texas Department of Agriculture's Community Development Block Grant (CDBG) known as the Texas Capital Fund. The County borrowed \$560,000 interest-free to purchase a facility which was leased to a business. The lease proceeds will be used to repay the loan. The monthly lease is for \$2,333 which began in June 2012 but was deferred from August 1, 2014 to July 31, 2015.

<u>Purpose</u>	<u>Original Amount</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/24</u>
Purchase and lease facility as part of the CDBG Texas Capital Fund program	\$560,000	05/23/11	03/01/33	0.00%	<u>\$238,000</u>

Note payable service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 28,000	\$ -	\$ 28,000
2026	28,000	-	28,000
2027	28,000	-	28,000
2028	28,000	-	28,000
2029	28,000	-	28,000
2030-2034	<u>98,000</u>	<u>-</u>	<u>98,000</u>
Totals	<u>\$238,000</u>	<u>\$ -</u>	<u>\$238,000</u>

Lease Financing Payables

The County has entered into lease financing payables as follows:

On August 28, 2020, the County leased a 2020 Caterpillar Motor Grader. The lease requires five annual payments of \$23,405 beginning June 15, 2021. The lease carries interest at an imputed rate of 3.00%.

On December 12, 2023, the County leased a 2019 John Deere Motor Grader. The lease requires four annual payments of \$50,000 beginning December 21, 2023, with a purchase option of \$36,669 on December 21, 2027. The lease carries interest at a stated rate of 7.15%.

On September 28, 2024, the County leased a 2024 Komatsu Excavator. The lease requires a down payment of \$40,000 on October 15, 2024 and four annual payments of \$31,132 beginning August 15, 2025, with a bargain purchase payment of \$1 on August 15, 2028. The lease carries interest at a stated rate of 5.85%.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

On September 28, 2024, the County leased a 2024 Komatsu Excavator. The lease requires a down payment of \$50,000 on October 15, 2024 and four annual payments of \$28,283 beginning August 15, 2025, with a bargain purchase payment of \$1 on August 15, 2028. The lease carries interest at a stated rate of 5.85%.

<u>Purpose</u>	<u>Original Amount</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/24</u>
2020 Caterpillar Motor Grader (First National Bank - Leasing)	\$ 89,332	8/28/20	6/15/25	3.00%	\$ 18,600
2019 John Deere Motor Grader (John Deere Financing)	\$207,860	12/12/23	12/21/27	7.15%	157,860
2024 Komatsu Excavator (First National Bank - Leasing)	\$149,258	9/28/24	8/15/28	5.85%	109,258
2024 Komatsu Excavator (First National Bank - Leasing)	\$149,258	9/28/24	8/15/28	5.85%	<u>99,258</u>
Total balance at September 30, 2024					<u>\$384,976</u>

Interest expense of \$5,660 was recorded in Road & Bridge Precincts No. 2 of \$2,284, No. 3 of \$1,624, and No. 4 of \$1,752 on the Statement of Activities for the year ended September 30, 2024.

Lease financing payables service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$106,191	\$26,629	\$132,820
2026	91,267	18,148	109,415
2027	97,239	12,176	109,415
2028	<u>90,279</u>	<u>5,907</u>	<u>96,186</u>
Totals	<u>\$384,976</u>	<u>\$62,860</u>	<u>\$447,836</u>

Right-to-use Lease Liabilities

The County has entered into the following right-to-use lease liabilities:

On September 15, 2021, the County leased tower space. The lease requires two hundred forty monthly payments ranging from \$1,658 to \$2,865 beginning September 15, 2021. The lease carries interest at an imputed rate of 3.00%.

On January 1, 2022, the County leased a building. The lease requires fifty-eight monthly payments of \$500 beginning March 1, 2022. The lease carries interest at an imputed rate of 3.00%.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

<u>Purpose</u>	<u>Original Amount</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/24</u>
Tower Space (Chestnut Tower)	\$385,891	9/15/21	8/15/41	3.00%	\$359,051
Building (John R McCracken)	\$ 26,965	3/1/22	12/1/26	3.00%	<u>13,040</u>
Total balance at September 30, 2024					<u>\$372,091</u>

Interest expense of \$11,511 was recorded in General Operations on the Statement of Activities for the year ended September 30, 2024.

The assets under right-to-use lease liabilities and related accumulated depreciation at September 30, 2024 are included in right-to-use leased buildings and improvements and right-to-use leased equipment in Note 5.

Right-to-use lease liabilities service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 14,938	\$ 10,958	\$ 25,896
2026	15,728	10,500	26,228
2027	15,378	10,002	25,380
2028	14,306	9,574	23,880
2029	14,741	9,139	23,880
2030-2034	94,185	38,091	132,276
2035-2039	138,834	20,945	159,779
2040-2041	<u>63,981</u>	<u>1,914</u>	<u>65,895</u>
Totals	<u>\$372,091</u>	<u>\$111,123</u>	<u>\$483,214</u>

Subscription Liabilities

The County has entered into the following subscription liabilities:

In October 2021, the County entered into a subscription-based information technology arrangement for county clerk software with a future value of \$223,390 and an initial computed principal value of \$218,201. Five annual payments of \$47,999 are due each year beginning in October 2021. The arrangement carries an imputed rate of 5%.

In January 2023, the County entered into a subscription-based information technology arrangement for cloud hosting software with a future value of \$107,714 and an initial computed principal value of \$104,966. An initial payment of \$14,828 was due in January 2023 and four annual payments of \$25,420 are due each year beginning in May 2023. The arrangement carries an imputed rate of 5%.

In May 2023, the County entered into a subscription-based information technology arrangement for various software with a future value of \$742,648 and an initial computed principal value of \$725,397. Five annual payments of \$159,570 are due each year beginning in May 2023. The arrangement carries an imputed rate of 5%.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

<u>Purpose</u>	<u>Original Amount</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/24</u>
County Clerk Software (Tyler Technologies)	\$218,201	10/28/21	10/28/25	5.00%	\$ 89,250
Cloud Hosting Software (NetData)	\$104,966	1/9/23	5/1/26	5.00%	69,225
Various Software (NetData)	\$725,397	5/1/23	5/1/27	5.00%	<u>434,548</u>
Total balance at September 30, 2024					<u>\$593,023</u>

Interest expense of \$39,543 was recorded in General Operations on the Statement of Activities for the year ended September 30, 2024.

The assets under subscription-based information technology arrangement liabilities and related accumulated depreciation at September 30, 2024 are included in subscription assets in Note 5.

Subscription liabilities service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$203,338	\$29,860	\$233,198
2026	213,504	19,484	232,988
2027	<u>176,181</u>	<u>8,809</u>	<u>184,990</u>
Totals	<u>\$593,023</u>	<u>\$58,153</u>	<u>\$651,176</u>

9. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

10. CONTINGENT LIABILITIES AND COMMITMENTS

Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation

In the normal course of providing services to the public, the County from time-to-time is subjected to litigation claims. The County defends itself against such claims based on internal assessment of liability and risk.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

Litigation expenses are recorded as expenditures in the period when litigation services are rendered, and damages are accrued as expenditures when determined to be probable and when amounts can reasonably be estimated. No liabilities have been accrued in the financial statements relative to litigation at September 30, 2024.

Construction Commitments

The County has three construction projects in progress at September 30, 2024. One project is for the replacement of one bridge in the County by the Texas Department of Transportation and another project is for the planning of a waste-water treatment plant with an estimated cost of \$3,000,000. The third project is for the District Court jury room technology. At September 30, 2024, the County has contracts totaling \$369,030 related to these projects of which \$196,418 has been incurred, leaving a commitment of \$172,612.

11. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional, defined benefit pension plan in the statewide TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 800 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an Annual Comprehensive Financial Report (ACFR) on a calendar year basis that is publicly available at www.tcdrs.org.

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 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 the County.

B. Benefits Provided

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

Employees Covered by Benefit Terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	136
Inactive employees entitled to but not yet receiving benefits	143
Active employees	169

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

C. Contributions

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 12.48% for the months of the accounting year in 2023, and 12.75% for the months of the accounting year in 2024.

The contribution rate payable by the employee members for calendar year 2023 is the rate of 7% as adopted by the Commissioners' Court of the County. The employee contribution rate and the County contribution rate may be changed by the Commissioners' Court of the County within the options available in the TCDRS Act.

D. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation.

Actuarial Assumptions

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2023. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Real rate of return	5.00% per year
Inflation	2.50% per year
Long-term investment return	7.50% per year, net of pension plan investments expenses
Growth in membership	0.00% per year
Payroll growth for funding calculations	3.00% per year

Salary increases were based on a service-related table. The mortality rates for active members were based on 135% of Pub-2010 General Employees Amount-Weighted 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. The mortality rate for service retirees, beneficiaries, and non-depositing members was based on 135% of Pub-2010 General Retirees Amount-Weighted 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. The mortality rates for disabled retirees were based on 160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disable Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on January 2024 information for a 10-year time horizon.

The valuation assumption for long-term expected return is re-assessed a minimum of every four years and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

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

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾</u>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leveraged Loan Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.20%
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%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

⁽¹⁾ Target asset allocation adopted at the March 2024 TCDRS Board Meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation of 2.2%, per Cliffwater's 2024 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 projected fiduciary net position was determined to be sufficient compared to projected benefit payments. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be sufficient to pay projected benefit payments in all future years. Therefore, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments (7.60%).

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

Changes in Net Pension Liability / (Asset)

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability / (Asset)
	(a)	(b)	(a) – (b)
Balances as of December 31, 2022	\$45,693,936	\$43,894,278	\$1,799,658
Changes for the year:			
Service cost	1,187,028	-	1,187,028
Interest on total pension liability ⁽¹⁾	3,468,587	-	3,468,587
Effect of plan changes ⁽²⁾	824,899	-	824,899
Effect of economic/demographic gains or losses	52,529	-	52,529
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(178,789)	(178,789)	-
Benefit payments	(2,350,852)	(2,350,852)	-
Administrative expense	-	(25,028)	25,028
Member contributions	-	645,016	(645,016)
Net investment income	-	4,816,758	(4,816,758)
Employer contributions	-	1,149,971	(1,149,971)
Other ⁽³⁾	-	(19,171)	19,171
Balances as of December 31, 2023	<u>\$48,697,338</u>	<u>\$47,932,183</u>	<u>\$ 765,155</u>

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

⁽²⁾ Reflect plan changes adopted effective in 2024.

⁽³⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Net pension liability (asset)	<u>\$6,897,982</u>	<u>\$765,155</u>	<u>(\$4,390,975)</u>

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

Pension Expense/(Income)

	<u>January 1, 2023 to December 31, 2023</u>
Service cost	\$1,187,028
Interest on total pension liability ⁽¹⁾	3,468,587
Effect of plan changes	824,899
Administrative expenses	25,028
Member contributions	(645,016)
Expected investment return net of investment expenses	(3,306,911)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(172,390)
Recognition of assumption changes or inputs	535,685
Recognition of investment gains or losses	(834,246)
Other ⁽²⁾	<u>19,172</u>
 Pension expense	 <u>\$1,101,836</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.

Deferred Outflows / Inflows of Resources

As of September 30, 2024, the deferred outflows and inflows of resources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 122,949	\$ -
Change in assumptions	-	-
Net difference between projected and actual earnings	176,469	-
Contributions made subsequent to measurement date	<u>1,076,716</u>	<u>-</u>
 Total	 <u>\$1,376,134</u>	 <u>\$ -</u>

\$1,076,716 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition to the net pension asset for the plan year ending December 31, 2024. Other amounts of the County's deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	
2024	(\$263,734)
2025	(102,795)
2026	967,915
2027	(301,968)

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

12. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Group Term Life Program

A. Plan Description

A description of the OPEB plan pursuant to Paragraph 50 of GASB Statement No. 75 is as follows:

1. The County participates in the retiree Group Term Life (GTL) program for the TCDRS which is a statewide, multiple-employer, public employee retirement system.
2. A brief description of benefit terms:
 - a) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree GTL program are included in the OPEB plan.
 - b) The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program.
 - c) The OPEB benefit is a fixed \$5,000 lump-sum benefit.
 - d) No future increases are assumed in the \$5,000 benefit amount.
 - e) Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 each year.
3. Membership information is shown in the chart below.
4. Contributions made to the retiree GTL program are held in the GTL fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.
5. Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 each year. The County's contribution rate for the retiree GTL program is calculated annually on an actuarial basis and is equal to the cost of providing a one-year death benefit equal to \$5,000.

B. Membership Information

<u>Members</u>	<u>12/31/22</u>	<u>12/31/23</u>
Number of inactive employees entitled to but not yet receiving benefits ⁽¹⁾	47	42
Number of active employees	157	169
Average age of active employees	48.42	48.69
Average length of service in years for active employees	11.94	12.46
<u>Inactive Employees Receiving Benefits ⁽¹⁾</u>		
Number of benefit recipients ⁽¹⁾	111	111

⁽¹⁾ "Receiving benefits" indicates the member is retired and receiving monthly pension benefits, and his or her beneficiary is eligible for the \$5,000 lump sum upon the retiree's death.

C. Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2023 were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 75.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method:	
Recognition of economic/demographic gains or losses	Straight-line amortization over expected working life
Recognition of assumptions changes or inputs	Straight-line amortization over expected working life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Do not affect benefits but are used in the allocation of costs under the actuarial cost method. Merit salary increases range from 0.40% to 5.25% for all members depending on years of service and entry age.
Investment Rate of Return (Discount Rate)	3.26% (20-year Bond GO Index published by bondbuyer.com as of 12/28/23)
Cost-of-Living Adjustment	Does not apply
Disability	The rates of disability range from .000% to .001% for work-related disability and .000% to .198% for all other causes depending on age.
Mortality:	
Depositing members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of the Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Retirement	Members eligible for service retirement from age 40 to 74 range from 5.3% to 25.3% for both male and females depending on age and length of service. For all eligible members ages 75 and later, retirement is assumed to occur immediately.
Other Termination of Employment	Annual rates for termination range from 0.0% to 33.0% for both males and females depending on entry age and years of service.

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

D. Changes in Total OPEB Liability

	<u>Changes in Total OPEB Liability</u>
Balances as of December 31, 2022	\$474,088
Changes for the year:	
Service cost	13,244
Interest on total OPEB liability ⁽¹⁾	17,942
Changes of benefit terms ⁽²⁾	-
Effect of economic/demographic (gains) or losses	(18,702)
Effect of assumptions changes or inputs ⁽³⁾	38,183
Benefit payments	(10,136)
Other	-
	<u> </u>
Balance as of December 31, 2023	<u>\$514,619</u>

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

⁽²⁾ No plan changes valued.

⁽³⁾ Reflects change in discount rate.

Sensitivity Analysis

The following presents the total OPEB liability of the County, calculated using the discount rate of 3.26%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease <u>2.26%</u>	Current Discount Rate <u>3.26%</u>	1% Increase <u>4.26%</u>
Total OPEB liability	<u>\$614,400</u>	<u>\$514,619</u>	<u>\$436,698</u>

E. OPEB Expense

	<u>January 1, 2023 to December 31, 2023</u>
Service cost	\$13,244
Interest on total pension liability ⁽¹⁾	17,942
Effect of plan changes	-
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(7,472)
Recognition of assumption changes or inputs	10,503
Other	-
	<u> </u>
OPEB expense	<u>\$34,217</u>

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

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

F. Deferred Outflows / Inflows of Resources

As of September 30, 2024, the deferred outflows and inflows of resources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$14,337	\$ 25,530
Changes of assumptions	47,341	98,712
Contributions made subsequent to measurement date	<u>21,448</u>	<u>-</u>
Total	<u>\$83,126</u>	<u>\$124,242</u>

\$21,448 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the plan year ending December 31, 2024. The remaining amounts of the County's deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	
2024	(\$16,115)
2025	(26,114)
2026	(24,228)
2027	3,893

Retiree Health Care Plan

The County administers the Palo Pinto County Retiree Health Care Plan for retired employees.

A. Plan Description

Pre-65 Plan – Any employee who meets the retirement eligibility requirements of the TCDRS, and who leaves the employ of the County may, upon retirement, elect to remain on the County's group medical until the retiree reaches age 65 or qualifies for Medicare. The County pays 100% of the total monthly premium prescribed in the current health plan for retired participants who continue coverage. The retired employee may continue coverage for dependents, if he or she pays the entire premium for the dependent. Premiums are determined annually by estimating the amount needed to cover projected claims. The benefit is subject to annual appropriations by the Commissioners' Court.

Post-65 Plan – Retirees may purchase a Medicare supplement policy without prescription drug coverage for a reduced premium. Retirees have the option to purchase prescription drug coverage to which the County does not contribute. Spouses may receive the same plan at retiree's expense. Premiums and benefits are subject to change each year. Percent of premium paid by County is subject to change with the intent of leaving the dollar amount of benefit the same. The benefit is subject to annual appropriations by the Commissioners' Court.

B. Demographic Information

<u>Status</u>	<u>9/30/23</u>	<u>9/30/24</u>
Active – Employee Only	100	111
Active – Employee and Dependent	45	31
Retired – Employee Only	21	21
Retired – Employee and Dependent	2	2

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

C. Actuarial Methods and Assumptions Used for GASB Calculations

GASB accounting methodology were used to determine the post-retirement medical benefit obligations.

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 expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	4.06% (1.56% real rate of return plus 2.50% inflation)
Average Per Capita Claim Cost	The medical claim cost ranges from \$8,674 at age 50 to \$13,120 at age 64 and the Medicare supplement annual premium of \$3,349.03 is used for the per capita claims cost for age 65 and older.
Health Care Cost Trend	Level 4.50%
Mortality	RPH-2014 Total Table with Projection MP-2021
Turnover	Rates varying based on gender, age and select and ultimate at 15 years. Rates are based on the TCDRS actuarial assumptions from the 2017 retirement plan valuation report. The rates vary by entry age, gender and years. For males the rates range from 2.4% to 33.4% and for females the rates range from 2.7% to 36.2%.
Disability	None assumed
Retirement Rates	The retirement rates were developed from the assumption used in the 2017 actuarial report for the TCDRS retirement plans. The rates are unisex and range from 10% at age 50 to 25% at age 65.
Retiree Contributions	The retiree pays the full additional dependent contribution rate to age 65 and 65% of the Medicare supplement premium.
Salary Scale	3.50%
Data Assumptions - Coverage	100% of all who currently have healthcare coverage will continue with the same coverage until eligibility for Medicare. 100% of all actives who currently have healthcare coverage will continue with coverage upon retirement. For those with family coverage 25% will elect to continue with coverage including the spouse and the remainder will elect individual coverage. Spouse coverage is to age 65.
Valuation Date	September 30, 2024
Measurement Date	September 30, 2024

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

D. Changes in Total OPEB Liability

	<u>Changes in Total OPEB Liability</u>
Balances as of September 30, 2023	\$3,814,589
Changes for the year:	
Service cost	222,303
Interest cost	187,931
Changes of benefit terms	-
Differences between expected and actual experience	(343,163)
Changes in assumptions	331,300
Other changes	-
Contributions-employer	-
Net investment income	-
Benefit payments	(194,073)
Administrative expense	<u>-</u>
Balance as of September 30, 2024	<u>\$4,018,887</u>

Sensitivity Analysis of the Discount and Trend Rate

Discount Rate

The following presents the total OPEB liability of the County, calculated using the discount rate of 4.06%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.06%) or 1 percentage point higher (5.06%) than the current rate.

	1% Decrease <u>3.06%</u>	Current Discount Rate <u>4.06%</u>	1% Increase <u>5.06%</u>
Total OPEB liability	<u>\$4,572,497</u>	<u>\$4,018,887</u>	<u>\$3,564,729</u>

Trend Rate

The following presents the total OPEB liability of the County, calculated using the healthcare cost trend rate of 4.50%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.50%) or 1 percentage point higher (5.50%) than the current rate.

	1% Decrease <u>3.50%</u>	Current Trend Rate <u>4.50%</u>	1% Increase <u>5.50%</u>
Total OPEB liability	<u>\$3,471,371</u>	<u>\$4,018,887</u>	<u>\$4,711,821</u>

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

E. OPEB Expense

	October 1, 2023 to September 30, 2024
Service cost at October 1, 2023	\$222,303
Interest cost (including interest on Service Cost)	187,931
Changes of benefit terms	-
Current recognized deferred outflows (inflows)	-
Difference between expected and actual experience	(93,336)
Changes in assumptions or other inputs	(101,700)
Other changes, if significant	-
Difference of projected investment earnings	-
Total OPEB expense as of September 30, 2024	<u>\$215,198</u>

F. Deferred Outflows / Inflows of Resources

As of September 30, 2024, the deferred outflows and inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 452,940
Changes of assumptions/inputs	412,072	835,943
Net difference between projected and actual investments	-	-
Contributions made subsequent to measurement date	-	-
Total	<u>\$412,072</u>	<u>\$1,288,883</u>

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

<u>Year Ended September 30:</u>	
2025	(\$195,036)
2026	(195,036)
2027	(205,232)
2028	(217,202)
2029	(61,964)
Thereafter	(2,341)

The combined total OPEB liability, OPEB related deferred outflows of resources and OPEB related deferred inflows of resources of the Group Term Life Program and the Retiree Health Care Plan is as follows:

Total OPEB Liability	\$4,533,506
Deferred Outflows of Resources	495,198
Deferred Inflows of Resources	1,413,125

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

13. DEFERRED COMPENSATION PLAN

The County offers its employees two deferred compensation plans created in accordance with Internal Revenue Code 457. The plans, available to all County employees on a voluntary basis, permit them to defer a portion of their salaries until future years. The County does not make any contributions to the plans.

Deferred compensation is available to employees' beneficiaries in case of death. One plan is through the National Association of Counties and its assets are administered by Nationwide Retirement Solutions, an independent third-party administrator. The second plan's assets are managed by ITT Hartford, an independent administrator. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts and all income attributed to those amounts, property or rights are solely the property and rights of the participants.

14. JUDICIAL ASSESSMENT RECEIVABLES

At September 30, 2024, the County has not recorded the receivables from judicial assessments in the accompanying financial statements; nor have they been recorded in the prior year. Though these amounts are significant, the County has not determined the allowances for uncollectible amounts for recording them at year end. Consequently, the effects on the financial statements of not including the judicial assessment receivables are not reasonably determinable.

15. NET POSITION/FUND BALANCES

The Governmental Activities' net position consisted of the following at September 30, 2024:

Net investment in capital assets	<u>\$14,979,162</u>
Restricted:	
General Government	1,468,209
Administration of Justice	363,449
Public Safety	777,416
Corrections and Rehabilitation	52,037
Community and Economic Development	225,350
Infrastructure and Environmental Services	<u>348,376</u>
Total restricted	<u>3,234,837</u>
Unrestricted	<u>24,297,510</u>
Total net position	<u>\$42,511,509</u>

The Governmental Funds' fund balances consisted of the following at September 30, 2024:

PALO PINTO COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2024

	General Fund	American Rescue Plan Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepays	\$ 319,786	\$ -	\$ -	\$ -	\$ 319,786
Inventories	117,270	-	-	-	117,270
Total nonspendable	<u>437,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>437,056</u>
Restricted:					
General Government	-	-	-	1,467,809	1,467,809
Administration of Justice	-	-	-	363,449	363,449
Public Safety	44,963	629,004	-	103,449	777,416
Corrections and Rehabilitation	-	-	-	52,037	52,037
Community and Economic Development	-	-	-	225,350	225,350
Infrastructure and Environmental Services	-	-	-	348,376	348,376
Total restricted	<u>44,963</u>	<u>629,004</u>	<u>-</u>	<u>2,560,470</u>	<u>3,234,437</u>
Committed:					
General Government	6,941	-	-	-	6,941
Health and Human Services	-	-	-	4,762	4,762
Infrastructure and Environmental Services	-	-	3,021,122	762,336	3,783,458
Total committed	<u>6,941</u>	<u>-</u>	<u>3,021,122</u>	<u>767,098</u>	<u>3,795,161</u>
Assigned:					
2024-25 budget deficit	<u>604,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>604,902</u>
Unassigned	<u>24,241,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,241,766</u>
Total fund balance	<u>\$25,335,628</u>	<u>\$629,004</u>	<u>\$3,021,122</u>	<u>\$3,327,568</u>	<u>\$32,313,322</u>

16. SUBSEQUENT EVENT

On December 23, 2024, the County approved the wastewater treatment plant contract for \$5,603,886. This project is to be funded by the American Rescue Plan Act (ARPA) funds.

17. NEW ACCOUNTING PRONOUNCEMENT

GASB Statement No. 101, Compensated Absences, is effective for fiscal years beginning after December 15, 2023. The objective of GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective will be achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Though GASB Statement No. 101 will be effective for the fiscal year 2024-25, the financial impact is not known at this time.

REQUIRED SUPPLEMENTARY INFORMATION

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

PALO PINTO COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 15,648,747	\$ 15,648,747	\$ 16,255,083	\$ 606,336
Sales taxes	2,500,000	2,500,000	2,649,784	149,784
Mixed beverage tax	70,000	70,000	93,325	23,325
Licenses, fees and fines	2,896,900	2,896,900	2,931,481	34,581
Governmental grants	244,770	251,770	275,642	23,872
Inmate revenue	82,000	82,000	79,822	(2,178)
Interest earned	218,500	218,500	1,473,665	1,255,165
Other revenue	165,000	179,500	476,483	296,983
Total revenues	21,825,917	21,847,417	24,235,285	2,387,868
Expenditures				
29th District Court	639,257	639,257	523,320	115,937
Commissioners' Court	72,085	72,085	69,445	2,640
Constable	526,718	550,594	524,736	25,858
County Attorney	324,060	331,060	316,614	14,446
County Auditor	330,951	330,951	320,580	10,371
County Clerk	537,552	537,552	505,577	31,975
County Court	243,235	253,235	243,622	9,613
County Extension Service	127,563	132,563	124,399	8,164
County Treasurer	164,511	164,511	160,764	3,747
District Attorney	407,964	407,964	374,604	33,360
District Clerk	292,951	292,951	218,073	74,878
Election Administration	285,289	285,289	268,002	17,287
Emergency Management	105,479	105,479	98,293	7,186
Emergency Medical & Health Services	-	144,000	144,000	-
General Operations	4,914,692	4,938,816	4,090,734	848,082
Health Services	10,000	10,000	10,000	-
Information Technology	154,890	154,890	145,179	9,711
Jail and detention	2,891,500	2,917,000	2,741,179	175,821
Justice of the Peace	710,316	710,316	684,883	25,433
Narcotics Unit	194,582	188,582	107,642	80,940
Public Works	515,749	515,749	486,058	29,691
Road and Bridge:				
Precinct No. 1	647,178	706,902	965,216	(258,314)
Precinct No. 2	1,279,507	1,280,145	1,073,704	206,441
Precinct No. 3	986,367	1,005,652	751,253	254,399
Precinct No. 4	856,029	872,103	874,477	(2,374)
Sheriff	3,135,457	3,128,457	2,710,992	417,465
Tax Assessor-Collector	778,649	778,649	724,333	54,316
Veterans' Administration	50,828	50,828	45,879	4,949
Total expenditures	21,183,359	21,505,580	19,303,558	2,202,022
Excess of revenues over expenditures before other sources and (uses)	642,558	341,837	4,931,727	4,589,890

PALO PINTO COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Other sources and (uses):				
Issuance of lease financing liabilities	-	-	506,376	506,376
Proceeds from the sale of capital assets	5,000	105,721	100,721	(5,000)
Transfers out	(2,039,372)	(1,839,372)	(1,809,104)	30,268
Total other sources and (uses)	(2,034,372)	(1,733,651)	(1,202,007)	531,644
Net change in fund balances	(1,391,814)	(1,391,814)	3,729,720	5,121,534
Fund balances, beginning of year	21,605,908	21,605,908	21,605,908	-
Fund balances, end of year	<u>\$ 20,214,094</u>	<u>\$ 20,214,094</u>	<u>\$ 25,335,628</u>	<u>\$ 5,121,534</u>

PALO PINTO COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 1,187,028	\$ 1,165,836	\$ 1,138,604	\$ 1,078,785	\$ 1,100,438	\$ 1,073,724	\$ 995,107	\$ 1,207,726	\$ 1,046,808	\$ 1,018,218
Interest on total pension liability	3,468,587	3,292,856	3,147,776	3,029,788	3,112,978	2,928,202	2,546,892	2,503,133	2,523,339	2,357,748
Effect of plan changes	824,899	-	174,539	-	(3,082,847)	(150,442)	2,847,868	(3,403,227)	(192,524)	-
Effect of assumption changes or inputs	-	-	(80,952)	2,250,679	-	-	168,325	-	415,741	-
Effect of economic/demographic (gains) or losses	52,529	167,106	(372,086)	(413,081)	(293,307)	143,741	(272,062)	(336,008)	(989,135)	(109,415)
Benefit payments/refunds of contributions	(2,529,641)	(2,146,842)	(2,106,216)	(1,881,092)	(1,805,679)	(1,678,293)	(1,636,946)	(1,373,929)	(1,336,135)	(1,354,829)
Net change in total pension liability	3,003,402	2,478,956	1,901,665	4,065,079	(968,417)	2,316,932	4,649,184	(1,402,305)	1,468,094	1,911,722
Total pension liability, beginning	45,693,936	43,214,980	41,313,315	37,248,236	38,216,653	35,899,721	31,250,537	32,652,842	31,184,748	29,273,026
Total pension liability, ending (a)	<u>\$ 48,697,338</u>	<u>\$ 45,693,936</u>	<u>\$ 43,214,980</u>	<u>\$ 41,313,315</u>	<u>\$ 37,248,236</u>	<u>\$ 38,216,653</u>	<u>\$ 35,899,721</u>	<u>\$ 31,250,537</u>	<u>\$ 32,652,842</u>	<u>\$ 31,184,748</u>
Fiduciary Net Position										
Employer contributions	\$ 1,149,971	\$ 1,189,956	\$ 1,142,024	\$ 1,055,052	\$ 956,238	\$ 973,986	\$ 856,180	\$ 868,018	\$ 887,413	\$ 836,369
Member contributions	645,016	605,742	556,422	558,119	560,604	543,693	536,931	512,318	517,657	483,850
Investment income net of investment expenses	4,816,758	(2,725,675)	8,505,344	3,673,327	5,061,849	(590,482)	4,055,653	1,923,170	(48,568)	1,684,170
Benefit payments/refunds of contributions	(2,529,641)	(2,146,842)	(2,106,216)	(1,881,092)	(1,805,678)	(1,678,293)	(1,636,946)	(1,373,929)	(1,336,135)	(1,354,829)
Administrative expenses	(25,028)	(25,723)	(25,431)	(28,490)	(27,100)	(24,756)	(21,015)	(20,966)	(18,878)	(19,747)
Other	(19,171)	(10,156)	(467)	(4,404)	(4,935)	(1,811)	(3,489)	(180,009)	(322,305)	(93,265)
Net change in fiduciary net position	4,037,905	(3,112,698)	8,071,676	3,372,512	4,740,978	(777,463)	3,787,314	1,728,802	(320,816)	1,536,548
Fiduciary net position, beginning	43,894,278	47,006,976	38,935,300	35,582,788	30,821,810	31,599,273	27,811,959	26,083,357	26,404,173	24,867,625
Fiduciary net position, ending (b)	<u>\$ 47,932,183</u>	<u>\$ 43,894,278</u>	<u>\$ 47,006,976</u>	<u>\$ 38,935,300</u>	<u>\$ 35,562,788</u>	<u>\$ 30,821,810</u>	<u>\$ 31,599,273</u>	<u>\$ 27,811,959</u>	<u>\$ 26,083,357</u>	<u>\$ 26,404,173</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 765,155</u>	<u>\$ 1,799,658</u>	<u>\$ (3,791,996)</u>	<u>\$ 2,378,015</u>	<u>\$ 1,685,448</u>	<u>\$ 7,394,843</u>	<u>\$ 4,300,448</u>	<u>\$ 3,438,578</u>	<u>\$ 6,569,485</u>	<u>\$ 4,780,575</u>
Fiduciary net position as a % of total pension liability	<u>98.43%</u>	<u>96.06%</u>	<u>108.77%</u>	<u>94.24%</u>	<u>95.48%</u>	<u>80.65%</u>	<u>88.02%</u>	<u>89.00%</u>	<u>79.88%</u>	<u>84.67%</u>
Covered payroll	<u>\$ 9,214,507</u>	<u>\$ 8,653,457</u>	<u>\$ 7,948,879</u>	<u>\$ 7,973,135</u>	<u>\$ 8,008,635</u>	<u>\$ 7,767,043</u>	<u>\$ 7,497,204</u>	<u>\$ 7,318,831</u>	<u>\$ 7,395,103</u>	<u>\$ 6,912,147</u>
Net pension liability as a % of covered payroll	<u>8.30%</u>	<u>20.80%</u>	<u>-47.70%</u>	<u>29.83%</u>	<u>21.05%</u>	<u>95.21%</u>	<u>57.36%</u>	<u>46.98%</u>	<u>88.84%</u>	<u>69.16%</u>

PALO PINTO COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution (1)</u>	<u>Actual Employer Contribution (1)</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (2)</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 836,369	\$ 836,369	\$ -	\$ 6,912,147	12.1%
2016	887,413	887,413	-	7,395,103	12.0%
2017	868,018	868,018	-	7,318,831	11.9%
2018	940,711	940,711	-	7,693,090	12.2%
2019	973,986	973,986	-	7,767,043	12.5%
2020	990,948	1,050,948	(60,000)	8,038,393	13.1%
2021	977,909	1,127,909	(150,000)	7,835,814	14.4%
2022	1,103,658	1,103,658	-	8,843,416	12.5%
2023	1,128,923	1,238,923	(110,000)	9,045,844	13.7%
2024	1,263,117	1,363,117	(100,000)	9,955,405	13.7%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis. If additional assistance is needed, please contact TCDRS.

(2) Payroll is calculated based on contributions as reported to TCDRS.

PALO PINTO COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability										
Service cost	\$ 13,244	\$ 21,014	\$ 18,182	\$ 17,155	\$ 11,940	\$ 13,994	\$ 12,537	N/A	N/A	N/A
Interest on total OPEB liability	17,942	12,539	12,663	14,451	16,815	14,803	15,226	N/A	N/A	N/A
Effect of plan changes	-	-	-	-	-	-	-	N/A	N/A	N/A
Effect of assumption changes or inputs	38,183	(164,520)	10,445	63,093	105,318	(45,807)	17,627	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(18,702)	23,895	(19,879)	(13,085)	(9,594)	10,291	(9,405)	N/A	N/A	N/A
Benefit payments	(10,136)	(12,980)	(12,718)	(12,757)	(12,013)	(10,874)	(8,997)	N/A	N/A	N/A
Net change in total OPEB liability	40,531	(120,052)	8,693	68,857	112,466	(17,593)	26,988	N/A	N/A	N/A
 Total OPEB liability, beginning	 474,088	 594,140	 585,447	 516,590	 404,124	 421,717	 394,729	 N/A	 N/A	 N/A
Total OPEB liability, ending	<u>\$ 514,619</u>	<u>\$ 474,088</u>	<u>\$ 594,140</u>	<u>\$ 585,447</u>	<u>\$ 516,590</u>	<u>\$ 404,124</u>	<u>\$ 421,717</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
 Pensionable Covered payroll	 <u>\$ 9,214,507</u>	 <u>\$ 8,653,457</u>	 <u>\$ 7,948,879</u>	 <u>\$ 7,973,135</u>	 <u>\$ 8,008,635</u>	 <u>\$ 7,767,043</u>	 <u>\$ 7,497,204</u>	 <u>N/A</u>	 <u>N/A</u>	 <u>N/A</u>
 Net OPEB liability as a % of covered payroll	 <u>5.58%</u>	 <u>5.48%</u>	 <u>7.47%</u>	 <u>7.34%</u>	 <u>6.45%</u>	 <u>5.20%</u>	 <u>5.62%</u>	 <u>N/A</u>	 <u>N/A</u>	 <u>N/A</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

PALO PINTO COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 PALO PINTO COUNTY RETIREE HEALTH CARE PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability										
Service cost	\$ 222,303	\$ 222,303	\$ 339,207	\$ 339,207	\$ 257,481	\$ 257,481	\$ 247,435	N/A	N/A	N/A
Interest cost	187,931	177,957	115,887	109,931	177,915	157,817	157,892	N/A	N/A	N/A
Change of benefit terms	-	-	-	-	-	-	-	N/A	N/A	N/A
Difference between expected and actual experience	(343,163)	-	(147,800)	-	(204,297)	-	-	N/A	N/A	N/A
Changes in assumptions	331,300	-	(1,421,882)	-	371,429	-	-	N/A	N/A	N/A
Other changes	-	-	-	-	-	-	-	N/A	N/A	N/A
Contributions-employer	-	-	-	-	-	-	-	N/A	N/A	N/A
Net investment income	-	-	-	-	-	-	-	N/A	N/A	N/A
Benefit payments	(194,073)	(188,260)	(188,262)	(180,590)	(180,590)	(164,666)	(164,666)	N/A	N/A	N/A
Administrative expense	-	-	-	-	-	-	-	N/A	N/A	N/A
Net change in total OPEB liability	204,298	212,000	(1,302,850)	268,548	421,938	250,432	240,661	N/A	N/A	N/A
Total OPEB liability, beginning	<u>3,814,589</u>	<u>3,602,589</u>	<u>4,905,439</u>	<u>4,636,891</u>	<u>4,214,953</u>	<u>3,964,521</u>	<u>3,723,880</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total OPEB liability, ending	<u>\$ 4,018,887</u>	<u>\$ 3,814,589</u>	<u>\$ 3,602,589</u>	<u>\$ 4,905,439</u>	<u>\$ 4,636,891</u>	<u>\$ 4,214,953</u>	<u>\$ 3,964,521</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered payroll	<u>\$ 8,497,884</u>	<u>\$ 7,652,911</u>	<u>\$ 7,652,911</u>	<u>\$ 7,052,997</u>	<u>\$ 7,052,997</u>	<u>\$ 6,627,588</u>	<u>\$ 6,627,588</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net OPEB liability as a % of covered payroll	<u>47.29%</u>	<u>49.84%</u>	<u>47.07%</u>	<u>69.55%</u>	<u>65.74%</u>	<u>63.60%</u>	<u>59.82%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

PALO PINTO COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2024

BUDGET

Annual budgets are adopted on the GAAP basis of accounting for all governmental funds except capital project funds. All annual appropriations lapse at fiscal year-end.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. 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 revenues and available fund balance.

Once 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 members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. No amendments may be made without Commissioners' Court approval to the total budget for each department within a fund. Thus, the legal level of budgetary control is at the department level. No supplemental appropriations were required during the year.

For the year ended September 30, 2024, expenditures exceeded appropriations in the General Fund's Road and Bridge – Precinct No. 1 and Road and Bridge – Precinct No. 4 functional areas by \$258,314 and \$2,374, respectively. The over-expenditures were funded by available fund balance.

DEFINED BENEFIT PENSION PLAN

Texas County and District Retirement System

Changes in benefit terms or assumptions

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

DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN

Texas County and District Retirement System

Changes in benefit terms or assumptions

The only changes of the benefit terms or assumptions that affected measurement of the Texas County and District Retirement System total OPEB plan liability during the measurement period was a decrease in the Investment Real Rate of Return from 3.72% per year to 3.26% per year.

PALO PINTO COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D.)
YEAR ENDED SEPTEMBER 30, 2024

Palo Pinto County Retiree Health Care Plan

Changes in benefit terms or assumptions

The only changes of the benefit terms or assumptions that affected measurement of the Palo Pinto County Retiree Health Care Plan total OPEB plan liability during the measurement period was a decrease in the Real Rate of Return from 2.27% per year to 1.56% per year.

***COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AS OTHER SUPPLEMENTARY INFORMATION***

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

PALO PINTO COUNTY, TEXAS
COMBINING BALANCE SHEET - GENERAL FUND
SEPTEMBER 30, 2024

	10	11/12/13/14	
	General	Road	
	Fund	and Bridge	Total
	Fund	Fund	
ASSETS			
Cash	\$ 6,347,081	\$ 1,692,594	\$ 8,039,675
Investments	13,364,751	3,779,387	17,144,138
Receivables, net:			
Property taxes	300,161	63,327	363,488
Sales tax	464,782	-	464,782
Accounts	101,213	27,414	128,627
Due from other funds	160,432	31,911	192,343
Prepaid expenses	319,566	220	319,786
Inventory	1,718	115,552	117,270
Total assets	<u>\$ 21,059,704</u>	<u>\$ 5,710,405</u>	<u>\$ 26,770,109</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 224,552	\$ 155,696	\$ 380,248
Accrued liabilities	161,854	25,760	187,614
Due to other funds	7,094	-	7,094
Due to others	281,658	-	281,658
Unearned revenue	214,379	-	214,379
Total liabilities	<u>889,537</u>	<u>181,456</u>	<u>1,070,993</u>
Deferred inflows of resources:			
Unavailable property taxes	<u>300,161</u>	<u>63,327</u>	<u>363,488</u>
Fund balances:			
Nonspendable	321,284	115,772	437,056
Restricted	44,963	-	44,963
Committed	6,941	-	6,941
Assigned	27,381	577,521	604,902
Unassigned	19,469,437	4,772,329	24,241,766
Total fund balances	<u>19,870,006</u>	<u>5,465,622</u>	<u>25,335,628</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,059,704</u>	<u>\$ 5,710,405</u>	<u>\$ 26,770,109</u>

PALO PINTO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	10	11/12/13/14	
	General	Road	Total
	Fund	and Bridge	
	Fund	Fund	
Revenues			
Property taxes	\$ 13,301,539	\$ 2,953,544	\$ 16,255,083
Sales taxes	2,649,784	-	2,649,784
Mixed beverage tax	93,325	-	93,325
Licenses, fees and fines	2,241,330	690,151	2,931,481
Governmental grants	275,642	-	275,642
Inmate revenue	79,822	-	79,822
Interest earned	1,171,291	302,374	1,473,665
Other revenue	474,085	2,398	476,483
Total revenues	20,286,818	3,948,467	24,235,285
Expenditures			
29th District Court	523,320	-	523,320
Commissioners' Court	69,445	-	69,445
Constable	524,736	-	524,736
County Attorney	316,614	-	316,614
County Auditor	320,580	-	320,580
County Clerk	505,577	-	505,577
County Court	243,622	-	243,622
County Extension Service	124,399	-	124,399
County Treasurer	160,764	-	160,764
District Attorney	374,604	-	374,604
District Clerk	218,073	-	218,073
Election Administration	268,002	-	268,002
Emergency Management	98,293	-	98,293
Emergency Medical & Health Services	144,000	-	144,000
General operations	4,090,734	-	4,090,734
Health services	10,000	-	10,000
Information Technology	145,179	-	145,179
Jail and detention	2,741,179	-	2,741,179
Justice of the Peace	684,883	-	684,883
Narcotics Unit	107,642	-	107,642
Public Works	486,058	-	486,058
Road and Bridge:			
Precinct No. 1	-	965,216	965,216
Precinct No. 2	-	1,073,704	1,073,704
Precinct No. 3	-	751,253	751,253
Precinct No. 4	-	874,477	874,477
Sheriff	2,710,992	-	2,710,992
Tax Assessor-Collector	724,333	-	724,333
Veteran's Administration	45,879	-	45,879
Total expenditures	15,638,908	3,664,650	19,303,558
Excess of revenues over expenditures before other			
sources and (uses)	4,647,910	283,817	4,931,727
Other sources and (uses):			
Issuance of lease financing liabilities	-	506,376	506,376
Proceeds from the sale of capital assets	5,000	95,721	100,721
Transfers out	(1,800,000)	(9,104)	(1,809,104)
Total other sources and (uses)	(1,795,000)	592,993	(1,202,007)
Net change in fund balances	2,852,910	876,810	3,729,720
Fund balances, beginning of year	17,017,096	4,588,812	21,605,908
Fund balances, end of year	\$ 19,870,006	\$ 5,465,622	\$ 25,335,628

PALO PINTO COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General (10)		
	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 13,045,835	\$ 13,301,539	\$ 255,704
Sales taxes	2,500,000	2,649,784	149,784
Mixed beverage tax	70,000	93,325	23,325
Licenses, fees and fines	2,197,500	2,241,330	43,830
Governmental grants	251,770	275,642	23,872
Inmate revenue	82,000	79,822	(2,178)
Interest earned	150,500	1,171,291	1,020,791
Other revenue	178,500	474,085	295,585
Total revenues	18,476,105	20,286,818	1,810,713
Expenditures			
29th District Court	639,257	523,320	115,937
Commissioners' Court	72,085	69,445	2,640
Constable	550,594	524,736	25,858
County Attorney	331,060	316,614	14,446
County Auditor	330,951	320,580	10,371
County Clerk	537,552	505,577	31,975
County Court	253,235	243,622	9,613
County Extension Service	132,563	124,399	8,164
County Treasurer	164,511	160,764	3,747
District Attorney	407,964	374,604	33,360
District Clerk	292,951	218,073	74,878
Election Administration	285,289	268,002	17,287
Emergency Management	105,479	98,293	7,186
Emergency Medical & Health Services	144,000	144,000	-
General operations	4,938,816	4,090,734	848,082
Health services	10,000	10,000	-
Information Technology	154,890	145,179	9,711
Jail and detention	2,917,000	2,741,179	175,821
Justice of the Peace	710,316	684,883	25,433
Narcotics Unit	188,582	107,642	80,940
Public Works	515,749	486,058	29,691
Road and Bridge:			
Precinct No. 1	-	-	-
Precinct No. 2	-	-	-
Precinct No. 3	-	-	-
Precinct No. 4	-	-	-
Sheriff	3,128,457	2,710,992	417,465
Tax Assessor-Collector	778,649	724,333	54,316
Veteran's Administration	50,828	45,879	4,949
Total expenditures	17,640,778	15,638,908	2,001,870
Excess of revenues over (under) expenditures before other sources and (uses)	835,327	4,647,910	3,812,583
Other sources and (uses):			
Issuance of lease financing liabilities	-	-	-
Proceeds from the sale of capital assets	10,000	5,000	(5,000)
Transfers out	(1,800,000)	(1,800,000)	-
Total other sources and (uses):	(1,790,000)	(1,795,000)	(5,000)
Net change in fund balances	(954,673)	2,852,910	3,807,583
Fund balances, beginning of year	17,017,096	17,017,096	-
Fund balances, end of year	\$ 16,062,423	\$ 19,870,006	\$ 3,807,583

Road and Bridge (11/12/13/14)			Total		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,602,912	\$ 2,953,544	\$ 350,632	\$ 15,648,747	\$ 16,255,083	\$ 606,336
-	-	-	2,500,000	2,649,784	149,784
-	-	-	70,000	93,325	23,325
699,400	690,151	(9,249)	2,896,900	2,931,481	34,581
-	-	-	251,770	275,642	23,872
-	-	-	82,000	79,822	(2,178)
68,000	302,374	234,374	218,500	1,473,665	1,255,165
1,000	2,398	1,398	179,500	476,483	296,983
3,371,312	3,948,467	577,155	21,847,417	24,235,285	2,387,868
-	-	-	639,257	523,320	115,937
-	-	-	72,085	69,445	2,640
-	-	-	550,594	524,736	25,858
-	-	-	331,060	316,614	14,446
-	-	-	330,951	320,580	10,371
-	-	-	537,552	505,577	31,975
-	-	-	253,235	243,622	9,613
-	-	-	132,563	124,399	8,164
-	-	-	164,511	160,764	3,747
-	-	-	407,964	374,604	33,360
-	-	-	292,951	218,073	74,878
-	-	-	285,289	268,002	17,287
-	-	-	105,479	98,293	7,186
-	-	-	144,000	144,000	-
-	-	-	4,938,816	4,090,734	848,082
-	-	-	10,000	10,000	-
-	-	-	154,890	145,179	9,711
-	-	-	2,917,000	2,741,179	175,821
-	-	-	710,316	684,883	25,433
-	-	-	188,582	107,642	80,940
-	-	-	515,749	486,058	29,691
706,902	965,216	(258,314)	706,902	965,216	(258,314)
1,280,145	1,073,704	206,441	1,280,145	1,073,704	206,441
1,005,652	751,253	254,399	1,005,652	751,253	254,399
872,103	874,477	(2,374)	872,103	874,477	(2,374)
-	-	-	3,128,457	2,710,992	417,465
-	-	-	778,649	724,333	54,316
-	-	-	50,828	45,879	4,949
3,864,802	3,664,650	200,152	21,505,580	19,303,558	2,202,022
(493,490)	283,817	777,307	341,837	4,931,727	4,589,890
-	506,376	506,376	-	506,376	506,376
95,721	95,721	-	105,721	100,721	(5,000)
(39,372)	(9,104)	30,268	(1,839,372)	(1,809,104)	30,268
56,349	592,993	536,644	(1,733,651)	(1,202,007)	531,644
(437,141)	876,810	1,313,951	(1,391,814)	3,729,720	5,121,534
4,588,812	4,588,812	-	21,605,908	21,605,908	-
\$ 4,151,671	\$ 5,465,622	\$ 1,313,951	\$ 20,214,094	\$ 25,335,628	\$ 5,121,534

PALO PINTO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR FUNDS
SEPTEMBER 30, 2024

	Special Revenue Funds							
	15	20	21	23	24	25	30	32
	CETRZ	Commissary	Sheriff SB22	Historical Commission	Marlow Cemetery Trust	County Attorney	District Attorney Fees	Tax Assessor- Collector
ASSETS								
Cash	\$ (41,640)	\$ 52,127	\$ 185,735	\$ 26,533	\$ 1,086	\$ 507	\$ 1,751	\$ 16,962
Investments	-	-	-	-	-	-	-	-
Receivables, net:								
Property taxes	-	-	-	-	-	-	-	-
Occupancy taxes	-	-	-	-	-	-	-	-
Accounts	41,640	11	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	318
Prepaid expenses	-	-	-	120	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 52,138</u>	<u>\$ 185,735</u>	<u>\$ 26,653</u>	<u>\$ 1,086</u>	<u>\$ 507</u>	<u>\$ 1,751</u>	<u>\$ 17,280</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 7,065	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	1,551	-	-	-	-	-
Due to others	-	101	-	-	-	-	-	-
Unearned revenues	-	-	177,119	-	-	-	-	-
Total liabilities	<u>-</u>	<u>101</u>	<u>185,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:								
Unavailable property taxes	-	-	-	-	-	-	-	-
Fund balances:								
Restricted	-	52,037	-	26,653	-	507	1,751	17,280
Committed	-	-	-	-	1,086	-	-	-
Total fund balances	<u>-</u>	<u>52,037</u>	<u>-</u>	<u>26,653</u>	<u>1,086</u>	<u>507</u>	<u>1,751</u>	<u>17,280</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 52,138</u>	<u>\$ 185,735</u>	<u>\$ 26,653</u>	<u>\$ 1,086</u>	<u>\$ 507</u>	<u>\$ 1,751</u>	<u>\$ 17,280</u>

Special Revenue Funds								
35 Hotel/ Motel Fund	36 District Attorney SB22	37 Co. Attorney Pretrial Intervention	38 Opioid Settlement	41 District Attorney SB22	42 District Attorney Forfeited	45 Sheriff Forfeited	48 District Attorney State	49 Election Services Fund
\$ 63,143 24,481	\$ 74,753 -	\$ 30,757 -	\$ 50,170 -	\$ 2,572 -	\$ 88,975 -	\$ 5,462 30,432	\$ 41,416 -	\$ 7,715 -
-	-	-	-	-	-	-	-	-
111,093	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 198,697</u>	<u>\$ 74,753</u>	<u>\$ 30,757</u>	<u>\$ 50,170</u>	<u>\$ 2,572</u>	<u>\$ 88,975</u>	<u>\$ 35,894</u>	<u>\$ 41,416</u>	<u>\$ 7,715</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,104	160	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	73,649	-	-	2,572	-	-	-	-
<u>-</u>	<u>74,753</u>	<u>160</u>	<u>-</u>	<u>2,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
198,697	-	30,597	50,170	-	88,975	35,894	41,416	7,715
-	-	-	-	-	-	-	-	-
<u>198,697</u>	<u>-</u>	<u>30,597</u>	<u>50,170</u>	<u>-</u>	<u>88,975</u>	<u>35,894</u>	<u>41,416</u>	<u>7,715</u>
<u>\$ 198,697</u>	<u>\$ 74,753</u>	<u>\$ 30,757</u>	<u>\$ 50,170</u>	<u>\$ 2,572</u>	<u>\$ 88,975</u>	<u>\$ 35,894</u>	<u>\$ 41,416</u>	<u>\$ 7,715</u>

PALO PINTO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR FUNDS
SEPTEMBER 30, 2024

	Special Revenue Funds						
	50 County Clerk PRF	51 District Clerk PRF	52 Preservation of Records	53 Juvenile Case Management	54 Law Library Fund	55 Courthouse Security Fund	56 Justice Technology Fund
ASSETS							
Cash	\$ 231,826	\$ 82,857	\$ 25,818	\$ 16,491	\$ 24,658	\$ 12,618	\$ 30,702
Investments	745,054	73,928	85,302	-	100,734	8,887	90,989
Receivables, net:							
Property taxes	-	-	-	-	-	-	-
Occupancy taxes	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-
Due from other funds	13,604	1,626	62	30	2,030	1,199	38
Prepaid expenses	-	-	-	-	-	-	-
Total assets	<u>\$ 990,284</u>	<u>\$ 158,411</u>	<u>\$ 111,182</u>	<u>\$ 16,521</u>	<u>\$ 127,422</u>	<u>\$ 22,704</u>	<u>\$ 121,729</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 16,742	\$ -	\$ -	\$ -	\$ 886	\$ 204	\$ 204
Accrued liabilities	354	-	-	-	-	5,115	-
Due to others	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Total liabilities	<u>17,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>886</u>	<u>5,319</u>	<u>204</u>
Deferred inflows of resources:							
Unavailable property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted	973,188	158,411	111,182	16,521	126,536	17,385	121,525
Committed	-	-	-	-	-	-	-
Total fund balances	<u>973,188</u>	<u>158,411</u>	<u>111,182</u>	<u>16,521</u>	<u>126,536</u>	<u>17,385</u>	<u>121,525</u>
Total liabilities and fund balances	<u>\$ 990,284</u>	<u>\$ 158,411</u>	<u>\$ 111,182</u>	<u>\$ 16,521</u>	<u>\$ 127,422</u>	<u>\$ 22,704</u>	<u>\$ 121,729</u>

			Debt Service Funds		Capital Projects Funds					Total Other Governmental Funds
57 Justice Court Security Fee	58 Employee Fund	59 Special Court Fund	62 Texas Capital Fund	63 TWDB Fund	70 Texas Capital Fund	71 Sewer Plant	72 Dempsey Facility	73 HAVA Project	75 Court Facility	
\$ 46,554	\$ 3,614	\$ 15,596	\$ -	\$ 23,727	\$ 100	\$ 366,376	\$ 358,024 374,011	\$ 49,605	\$ 29,141	\$ 1,925,531 1,533,798
-	-	-	-	-	-	-	-	-	-	400
-	-	-	-	400	-	-	-	-	-	111,093
-	-	-	-	-	-	-	-	-	-	41,851
7	96	-	-	65	-	-	-	-	1,160	20,235
-	-	-	-	-	-	-	-	-	-	120
<u>\$ 46,561</u>	<u>\$ 3,710</u>	<u>\$ 15,596</u>	<u>\$ -</u>	<u>\$ 24,192</u>	<u>\$ 100</u>	<u>\$ 366,376</u>	<u>\$ 732,035</u>	<u>\$ 49,605</u>	<u>\$ 30,301</u>	<u>\$ 3,632,828</u>
\$ -	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ 43,135
-	-	-	-	-	-	-	-	-	-	8,284
-	-	-	-	-	-	-	-	-	-	101
-	-	-	-	-	-	-	-	-	-	253,340
-	34	-	-	-	-	18,000	-	-	-	304,660
-	-	-	-	400	-	-	-	-	-	400
46,561	-	15,596	-	23,792	100	348,376	-	49,605	-	2,560,470
-	3,676	-	-	-	-	-	732,035	-	30,301	767,098
<u>46,561</u>	<u>3,676</u>	<u>15,596</u>	<u>-</u>	<u>23,792</u>	<u>100</u>	<u>348,376</u>	<u>732,035</u>	<u>49,605</u>	<u>30,301</u>	<u>3,327,568</u>
<u>\$ 46,561</u>	<u>\$ 3,710</u>	<u>\$ 15,596</u>	<u>\$ -</u>	<u>\$ 24,192</u>	<u>\$ 100</u>	<u>\$ 366,376</u>	<u>\$ 732,035</u>	<u>\$ 49,605</u>	<u>\$ 30,301</u>	<u>\$ 3,632,828</u>

PALO PINTO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds							
	15	20	21	23	24	25	30	32
	CETRZ	Commissary	Sheriff SB22	Historical Commission	Marlow Cemetery Trust	County Attorney	District Attorney Fees	Tax Assessor- Collector
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Occupancy tax	-	-	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	-	498	91	4,046
Governmental grants	36,418	-	172,881	-	-	-	-	-
Commissary revenue	-	59,885	-	-	-	-	-	-
Interest earned	-	-	7,865	1,365	57	-	-	798
Other revenue	-	-	-	736	-	-	-	-
Total revenues	36,418	59,885	180,746	2,101	57	498	91	4,844
Expenditures								
Capital projects	-	-	-	-	-	-	-	-
Commissary	-	78,654	-	-	-	-	-	-
County Attorney	-	-	-	-	-	1,282	-	-
County Clerk	-	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-	-
Debt Service - principal	-	-	-	-	-	-	-	-
Debt Service - interest	-	-	-	-	-	-	-	-
Debt Service - agent fees	-	-	-	-	-	-	-	-
District Attorney	-	-	-	-	-	-	-	-
General operations	-	-	-	769	-	-	-	-
Hotel/motel tax	-	-	-	-	-	-	-	-
Road and Bridge:								
Precinct No. 2	10,291	-	-	-	-	-	-	-
Precinct No. 3	35,231	-	-	-	-	-	-	-
Sheriff	-	-	180,746	-	-	-	-	-
Vending expenditures	-	-	-	-	-	-	-	-
Total expenditures	45,522	78,654	180,746	769	-	1,282	-	-
Excess (deficiency) of revenues over (under) expenditures before other sources/(uses)	(9,104)	(18,769)	-	1,332	57	(784)	91	4,844
Other sources:								
Transfers in	9,104	-	-	500	-	-	-	-
Total other sources	9,104	-	-	500	-	-	-	-
Net change in fund balances	-	(18,769)	-	1,832	57	(784)	91	4,844
Fund balances, beginning of year	-	70,806	-	24,821	1,029	1,291	1,660	12,436
Fund balances, end of year	\$ -	\$ 52,037	\$ -	\$ 26,653	\$ 1,086	\$ 507	\$ 1,751	\$ 17,280

Special Revenue Funds								
35 Hotel/ Motel Fund	36 District Attorney SB22	37 Co. Attorney Pretrial Intervention	38 Opioid Settlement	41 District Attorney SB22	42 District Attorney Forfeited	45 Sheriff Forfeited	48 District Attorney State	49 Election Services Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
305,292	-	-	-	-	-	-	-	-
-	-	4,000	-	-	-	-	-	3,909
-	101,351	-	7,611	172,428	-	-	20,350	-
7,378	3,245	1,763	2,396	2,140	4,693	2,064	165	273
-	-	-	-	-	-	1,322	-	8,200
<u>312,670</u>	<u>104,596</u>	<u>5,763</u>	<u>10,007</u>	<u>174,568</u>	<u>4,693</u>	<u>3,386</u>	<u>20,515</u>	<u>12,382</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	104,596	10,028	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	174,568	1,357	-	15,202	-
-	-	-	-	-	-	-	-	7,200
272,735	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	6,217	-	-
<u>272,735</u>	<u>104,596</u>	<u>10,028</u>	<u>-</u>	<u>174,568</u>	<u>1,357</u>	<u>6,217</u>	<u>15,202</u>	<u>7,200</u>
-	-	-	-	-	-	-	-	-
39,935	-	(4,265)	10,007	-	3,336	(2,831)	5,313	5,182
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
39,935	-	(4,265)	10,007	-	3,336	(2,831)	5,313	5,182
158,762	-	34,862	40,163	-	85,639	38,725	36,103	2,533
<u>\$ 198,697</u>	<u>\$ -</u>	<u>\$ 30,597</u>	<u>\$ 50,170</u>	<u>\$ -</u>	<u>\$ 88,975</u>	<u>\$ 35,894</u>	<u>\$ 41,416</u>	<u>\$ 7,715</u>

PALO PINTO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds						
	50 County Clerk PRF	51 District Clerk PRF	52 Preservation of Records	53 Juvenile Case Management	54 Law Library Fund	55 Courthouse Security Fund	56 Justice Technology Fund
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Occupancy tax	-	-	-	-	-	-	-
Licenses, fees and fines	157,331	19,374	662	14,359	21,035	24,562	12,408
Federal and state grants	-	-	-	-	-	-	-
Commissary revenue	-	-	-	-	-	-	-
Interest earned	50,220	7,449	5,601	1,242	6,072	1,280	5,837
Other revenue	-	-	-	-	-	-	-
Total revenues	207,551	26,823	6,263	15,601	27,107	25,842	18,245
Expenditures							
Capital projects	-	-	-	-	-	-	-
Commissary	-	-	-	-	-	-	-
County Attorney	-	-	-	-	-	-	-
County Clerk	203,786	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	291,426	-
Debt Service - principal	-	-	-	-	-	-	-
Debt Service - interest	-	-	-	-	-	-	-
Debt Service - agent fees	-	-	-	-	-	-	-
District Attorney	-	-	-	-	-	-	-
General operations	-	-	-	18,000	14,620	-	4,847
Hotel/motel tax	-	-	-	-	-	-	-
Road and Bridge:							
Precinct No. 2	-	-	-	-	-	-	-
Precinct No. 3	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-
Vending expenditures	-	-	-	-	-	-	-
Total expenditures	203,786	-	-	18,000	14,620	291,426	4,847
Excess (deficiency) of revenues over (under) expenditures before other sources/(uses)	3,765	26,823	6,263	(2,399)	12,487	(265,584)	13,398
Other sources/(uses):							
Transfers in	-	-	-	-	-	250,000	-
Total other sources/(uses)	-	-	-	-	-	250,000	-
Net change in fund balances	3,765	26,823	6,263	(2,399)	12,487	(15,584)	13,398
Fund balances, beginning of year	969,423	131,588	104,919	18,920	114,049	32,969	108,127
Fund balances, end of year	\$ 973,188	\$ 158,411	\$ 111,182	\$ 16,521	\$ 126,536	\$ 17,385	\$ 121,525

			Debt Service Funds		Capital Projects Funds					Total Other Governmental Funds
57 Justice Court Security Fee	58 Employee Fund	59 Special Court Fund	62 Texas Capital Fund	63 TWDB Fund	70 Texas Capital Fund	71 Sewer Plant	72 Dempsey Facility	73 HAVA Project	75 Court Facility	
\$ -	\$ -	\$ -	\$ -	\$ 61,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,402
-	-	-	-	-	-	-	-	-	-	305,292
3,478	-	4,348	-	-	-	-	-	-	12,020	282,121
-	-	-	-	-	-	-	-	-	-	511,039
-	-	-	-	-	-	-	-	-	-	59,885
2,309	182	662	6,642	1,030	-	18,722	44,505	2,595	1,174	189,724
-	1,223	-	21,358	-	-	-	68,686	-	-	101,525
<u>5,787</u>	<u>1,405</u>	<u>5,010</u>	<u>28,000</u>	<u>62,432</u>	<u>-</u>	<u>18,722</u>	<u>113,191</u>	<u>2,595</u>	<u>13,194</u>	<u>1,510,988</u>
-	-	-	-	-	-	78,400	739	-	-	79,139
-	-	-	-	-	-	-	-	-	-	78,654
-	-	-	-	-	-	-	-	-	-	115,906
-	-	-	-	-	-	-	-	-	-	203,786
-	-	-	-	-	-	-	-	-	-	291,426
-	-	-	28,000	45,000	-	-	-	-	-	73,000
-	-	-	-	83	-	-	-	-	-	83
-	-	-	-	-	-	400	-	-	-	400
-	-	-	-	-	-	-	-	-	-	191,127
-	-	-	-	-	-	-	-	-	-	45,436
-	-	-	-	-	-	-	-	-	-	272,735
-	-	-	-	-	-	-	-	-	-	10,291
-	-	-	-	-	-	-	-	-	-	35,231
-	-	-	-	-	-	-	-	-	-	186,963
-	1,788	-	-	-	-	-	-	-	-	1,788
<u>-</u>	<u>1,788</u>	<u>-</u>	<u>28,000</u>	<u>45,083</u>	<u>-</u>	<u>78,800</u>	<u>739</u>	<u>-</u>	<u>-</u>	<u>1,585,965</u>
5,787	(383)	5,010	-	17,349	-	(60,078)	112,452	2,595	13,194	(74,977)
-	-	-	-	-	-	-	-	-	-	259,604
-	-	-	-	-	-	-	-	-	-	259,604
5,787	(383)	5,010	-	17,349	-	(60,078)	112,452	2,595	13,194	184,627
40,774	4,059	10,586	-	6,443	100	408,454	619,583	47,010	17,107	3,142,941
<u>\$ 46,561</u>	<u>\$ 3,676</u>	<u>\$ 15,596</u>	<u>\$ -</u>	<u>\$ 23,792</u>	<u>\$ 100</u>	<u>\$ 348,376</u>	<u>\$ 732,035</u>	<u>\$ 49,605</u>	<u>\$ 30,301</u>	<u>\$ 3,327,568</u>

PALO PINTO COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

	40 District Attorney Seized Funds	79 Sheriff's Department Civil Process	80 Tax Collection	81 Auto Registration	82 Justice of the Peace Precinct #2
Assets					
Cash	\$ 121,865	\$ 20,418	\$ 153,911	\$ 337,849	\$ 3,199
Investments	-	-	-	-	-
Other receivables	-	-	99,150	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>121,865</u>	<u>20,418</u>	<u>253,061</u>	<u>337,849</u>	<u>3,199</u>
Liabilities					
Due to other funds	901	1,918	26,445	42,884	3,199
Total liabilities	<u>901</u>	<u>1,918</u>	<u>26,445</u>	<u>42,884</u>	<u>3,199</u>
Net Position					
Restricted for other purposes	120,964	18,500	226,616	294,965	-
Total net position	<u>\$ 120,964</u>	<u>\$ 18,500</u>	<u>\$ 226,616</u>	<u>\$ 294,965</u>	<u>\$ -</u>

83	84	85	87	88	89	90
Justice of the Peace Precinct #3	Justice of the Peace Precinct #4	Justice of the Peace Precinct #5	County Treasurer (Special)	County Clerk	Juvenile Rest	District Clerk
\$ 9,097	\$ 10,213	\$ 17,459	\$ 74,031	\$ 40,731	\$ 201	\$ 39,055
-	-	-	-	-	-	-
-	-	-	18,582	-	-	-
-	-	-	22,707	-	-	-
<u>9,097</u>	<u>10,213</u>	<u>17,459</u>	<u>115,320</u>	<u>40,731</u>	<u>201</u>	<u>39,055</u>
<u>9,097</u>	<u>10,213</u>	<u>17,459</u>	<u>658</u>	<u>40,731</u>	<u>201</u>	<u>37,753</u>
<u>9,097</u>	<u>10,213</u>	<u>17,459</u>	<u>658</u>	<u>40,731</u>	<u>201</u>	<u>37,753</u>
-	-	-	114,662	-	-	1,302
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,302</u>

PALO PINTO COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

	92	93	94	95	96
	Justice of the Peace Precinct #1	County Clerk	County Attorney	District Clerk	District Attorney
Assets					
Cash	\$ 31,898	\$ 160,228	\$ 1,627	\$ 493,889	\$ 6,505
Investments	-	-	-	87,465	-
Other receivables	16	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>31,914</u>	<u>160,228</u>	<u>1,627</u>	<u>581,354</u>	<u>6,505</u>
Liabilities					
Due to other funds	<u>31,914</u>	<u>400</u>	<u>6</u>	<u>50</u>	<u>-</u>
Total liabilities	<u>31,914</u>	<u>400</u>	<u>6</u>	<u>50</u>	<u>-</u>
Net Position					
Restricted for other purposes	-	159,828	1,621	581,304	6,505
Total net position	<u>\$ -</u>	<u>\$ 159,828</u>	<u>\$ 1,621</u>	<u>\$ 581,304</u>	<u>\$ 6,505</u>

97	98	110	
Public Works	Inmate Trust	Deferred Compensation	Totals
\$ 4,347	\$ 7,415	\$ -	\$ 1,533,938
-	-	1,336,244	1,423,709
-	-	-	117,748
-	-	-	22,707
<u>4,347</u>	<u>7,415</u>	<u>1,336,244</u>	<u>3,098,102</u>
4,347	15	-	228,191
<u>4,347</u>	<u>15</u>	<u>-</u>	<u>228,191</u>
-	7,400	1,336,244	2,869,911
<u>\$ -</u>	<u>\$ 7,400</u>	<u>\$ 1,336,244</u>	<u>\$ 2,869,911</u>

PALO PINTO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

	40 District Attorney Seized Funds	79 Sheriff's Department Civil Process	80 Tax Collection	81 Auto Registration	82 Justice of the Peace Precinct #2
Additions					
District Attorney	\$ 2,465	\$ -	\$ -	\$ -	\$ -
Sheriff's Department	-	238,858	-	-	-
Tax Assessor/Collector	-	-	86,380,760	10,478,734	-
Justices of the Peace	-	-	-	-	28,647
County Treasurer	-	-	-	-	-
County Clerk	-	-	-	-	-
Juvenile Department	-	-	-	-	-
District Clerk	-	-	-	-	-
County Attorney	-	-	-	-	-
Public Works	-	-	-	-	-
Inmate Trust	-	-	-	-	-
Deferred Compensation	-	-	-	-	-
Total additions	<u>2,465</u>	<u>238,858</u>	<u>86,380,760</u>	<u>10,478,734</u>	<u>28,647</u>
Deductions					
Sheriff's Department	-	224,857	-	-	-
Tax Assessor/Collector	-	-	86,498,546	10,531,504	-
Justices of the Peace	-	-	-	-	28,647
County Treasurer	-	-	-	-	-
County Clerk	-	-	-	-	-
Juvenile Department	-	-	-	-	-
District Clerk	-	-	-	-	-
County Attorney	-	-	-	-	-
Public Works	-	-	-	-	-
Inmate Trust	-	-	-	-	-
Total deductions	<u>-</u>	<u>224,857</u>	<u>86,498,546</u>	<u>10,531,504</u>	<u>28,647</u>
Change in net position	2,465	14,001	(117,786)	(52,770)	-
Net position - beginning	118,499	4,499	344,402	347,735	-
Net position - ending	<u>\$ 120,964</u>	<u>\$ 18,500</u>	<u>\$ 226,616</u>	<u>\$ 294,965</u>	<u>\$ -</u>

83	84	85	87	88	89	90
Justice of the Peace Precinct #3	Justice of the Peace Precinct #4	Justice of the Peace Precinct #5	County Treasurer (Special)	County Clerk	Juvenile Rest	District Clerk
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53,728	59,803	98,238	-	-	-	-
-	-	-	382,901	-	-	-
-	-	-	-	126,886	-	-
-	-	-	-	-	1,134	-
-	-	-	-	-	-	74,347
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>53,728</u>	<u>59,803</u>	<u>98,238</u>	<u>382,901</u>	<u>126,886</u>	<u>1,134</u>	<u>74,347</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53,728	59,803	98,238	-	-	-	-
-	-	-	362,350	-	-	-
-	-	-	-	126,886	-	-
-	-	-	-	-	1,335	-
-	-	-	-	-	-	74,347
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>53,728</u>	<u>59,803</u>	<u>98,238</u>	<u>362,350</u>	<u>126,886</u>	<u>1,335</u>	<u>74,347</u>
-	-	-	20,551	-	(201)	-
-	-	-	94,111	-	201	1,302
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,302</u>

PALO PINTO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

	92	93	94	95
	Justice of the Peace Precinct #1	County Clerk	County Attorney	District Clerk
Additions				
District Clerk	\$ -	\$ -	\$ -	\$ -
Sheriff's Department	-	-	-	-
Tax Assessor/Collector	-	-	-	-
Justices of the Peace	161,077	-	-	-
County Treasurer	-	-	-	-
County Clerk	-	59,769	-	-
Juvenile Department	-	-	-	-
District Clerk	-	-	-	732,112
County Attorney	-	-	7,343	-
Public Works	-	-	-	-
Inmate Trust	-	-	-	-
Deferred Compensation	-	-	-	-
Total additions	<u>161,077</u>	<u>59,769</u>	<u>7,343</u>	<u>732,112</u>
Deductions				
Sheriff's Department	-	-	-	-
Tax Assessor/Collector	-	-	-	-
Justices of the Peace	161,077	-	-	-
County Treasurer	-	-	-	-
County Clerk	-	12,625	-	-
Juvenile Department	-	-	-	-
District Clerk	-	-	-	926,954
County Attorney	-	-	7,343	-
Public Works	-	-	-	-
Inmate Trust	-	-	-	-
Total deductions	<u>161,077</u>	<u>12,625</u>	<u>7,343</u>	<u>926,954</u>
Change in net position	-	47,144	-	(194,842)
Net position - beginning	-	112,684	1,621	776,146
Net position - ending	<u>\$ -</u>	<u>\$ 159,828</u>	<u>\$ 1,621</u>	<u>\$ 581,304</u>

96	97	98	110	
District Attorney	Public Works	Inmate Trust	Deferred Compensation	Totals
\$ -	\$ -	\$ -	\$ -	\$ 2,465
-	-	-	-	238,858
-	-	-	-	96,859,494
-	-	-	-	401,493
-	-	-	-	382,901
-	-	-	-	186,655
-	-	-	-	1,134
-	-	-	-	806,459
-	-	-	-	7,343
-	78,225	-	-	78,225
-	-	167,144	-	167,144
-	-	-	107,248	107,248
-	78,225	167,144	107,248	99,239,419
-	-	-	-	224,857
-	-	-	-	97,030,050
-	-	-	-	401,493
-	-	-	-	362,350
-	-	-	-	139,511
-	-	-	-	1,335
-	-	-	-	1,001,301
-	-	-	-	7,343
-	79,185	-	-	79,185
-	-	167,328	-	167,328
-	79,185	167,328	-	99,414,753
-	(960)	(184)	107,248	(175,334)
6,505	960	7,584	1,228,996	3,045,245
\$ 6,505	\$ -	\$ 7,400	\$ 1,336,244	\$ 2,869,911

PALO PINTO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - COMMISSARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Revenues	
Commissary revenue	\$ 13,436
Phone card revenue	41,358
Over-the-counter revenue	5,091
Other income	-
Total revenues	<u>59,885</u>
Expenditures	
Commissary:	
Operations and management	6,000
Phone card expense	22,365
Commissary supplies	1,958
Over-the-counter supplies	2,539
Indigent supplies	8,615
Cable TV	2,323
Repairs and maintenance	2,426
Miscellaneous expense	14,729
Capital expense	17,699
Total expenditures	<u>78,654</u>
Excess of revenues over (under) expenditures	(18,769)
Fund balance, beginning of year	<u>70,806</u>
Fund balance, end of year	<u>\$ 52,037</u>