

**CASTRO COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR YEAR ENDED**  
**SEPTEMBER 30, 2023**

**CASTRO COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR YEAR ENDED SEPTEMBER 30, 2023**

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**PART I**

**INTRODUCTORY SECTION**

**CASTRO COUNTY, TEXAS**  
**PRINCIPAL COUNTY OFFICIALS**  
**SEPTEMBER 30, 2023**

Mandy Gfeller	County Judge
Paul Ramirez	Commissioner, Precinct #1
Tim Elliott	Commissioner, Precinct #2
Michael Goolsby	Commissioner, Precinct #3
Ralph Brockman	Commissioner, Precinct #4
Danah Zirpoli	Judge, 64 <sup>th</sup> Judicial District
Kregg Hukill	Judge, 242 <sup>nd</sup> Judicial District
Shalyn Hamlin	County and District Attorney
JoAnna Blanco	County and District Clerk
Connie Gilbreath	County Tax Assessor/Collector
Elaine D. Flynt	County Treasurer
Salvador Rivera	County Sheriff
Mary Ewing	Justice of the Peace

**PART II**  
**FINANCIAL SECTION**



To The Honorable County Judge and  
Commissioners Comprising the  
Commissioners' Court of  
Castro County, Texas

## INDEPENDENT AUDITORS' REPORT

### ***Opinions***

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

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

### ***Basis for Opinions***

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

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Castro County, Texas'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.

### ***Auditors' 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 auditors' 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Castro County, Texas'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 Castro County, Texas'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 (pages 4 – 8), budgetary comparison information, the schedule of changes in net pension liability and related ratios, and the schedule of employer contributions on pages 40 – 49 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 Castro County, Texas's basic financial statements. The accompanying combining and individual nonmajor and fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor and fiduciary fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2024, on our consideration of Castro County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Castro County, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Castro County, Texas's internal control over financial reporting and compliance.

*DOSHIER, PICKENS & FRANCIS, L.L.C.*

DOSHIER, PICKENS & FRANCIS, LLC

Amarillo, Texas

February 12, 2024

# CASTRO COUNTY DIMMITT, TEXAS

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FINANCIAL ADMINISTRATOR

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DIMMITT, TEXAS  
78027



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

### **Financial Highlights**

#### **Government-Wide Financial Statements**

- The assets of Castro County exceed its liabilities at September 30, 2023 by \$9,944,248 (net position). Of this amount \$1,517,339 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors, \$1,269,858 (restricted net position) legally must be used for expenditures for specified purposes, such as library, juvenile probation, etc., and \$7,157,054 of the County's equity is invested in capital assets, net of related debt.
- The County's total long-term debt outstanding at September 30, 2023 was \$2,890,000.
- The net position (equity) of the County increased by \$220,013 during the 2023 fiscal year.

#### **Fund Financial Statements**

- As of September 30, 2023, Castro County's governmental funds reported combined ending fund balances of \$3,110,806. This fund balance reflects a decrease of \$187,232 for the current year. Approximately 42.01% of fund balance \$1,306,957 is available for spending at the government's discretion.
- As of September 30, 2023 non-spendable fund balance consisted of \$76,108 for prepaid expenses, restricted fund balance and fund balance committed special funds was \$1,727,741.

#### **Overview of the Financial Statements**

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

#### **Government-Wide Financial Statements**

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

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

The government-wide financial statements reflect functions of Castro County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Castro County include administrative, judicial, legal, public facilities, public safety, public services and road and bridge.

The government-wide financial statements can be found on pages 4-5 of this report.

## **Fund Financial Statements**

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

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

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

Castro County maintains two governmental fund types which are the general fund and special revenue funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds balance sheet for the general fund, the general road and bridge fund (special revenue fund), and individual road and bridge funds for each of the County's four precincts (also special revenue funds), which are all considered to be major funds. Data from the other non-major governmental funds (special revenue funds) are combined into the aggregated presentation. Individual fund data for each of these non-major governmental funds (special revenue funds) is provided in the form of combined statements elsewhere in this report.

The governmental fund financial statements can be found on pages 6-9 of this report.

Castro County adopts an annual appropriated budget for its general fund, road and bridge fund (special revenue fund), and various other special revenue funds. Budgetary comparison statements have been provided for the general fund and the County's various road and bridge funds to demonstrate the County's compliance with the budget on pages 35-41.

**Fiduciary funds.** Fiduciary funds are used to account for assets held by Castro County in a trustee capacity or as an agent for other governmental units. The County's fiduciary funds are all reported as Agency Funds. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's basic programs. The basic agency fund financial statement can be found on page 10 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements in this report.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds (special revenue funds) and agency funds are presented immediately following the required supplementary information. Combining statements can be found on pages 45-52 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Castro County, assets exceeded liabilities by \$9,944,248 at September 30, 2023 as detailed below:

### Statement of Net Position - Governmental Activities

	<u>9/30/2023</u>	<u>9/30/2022</u>
Current and other assets	\$ 3,595,811	\$ 4,644,353
Capital assets (net of accumulated depreciation)	<u>10,443,027</u>	<u>10,969,208</u>
Total assets	<u>14,038,838</u>	<u>15,613,561</u>
Deferred outflows of resources:		
Pension contributions	225,666	234,563
Pension economic/demographic losses	20,013	83,104
Pension assumption changes	<u>239,188</u>	<u>222,973</u>
Total deferred outflows of resources	<u>484,867</u>	<u>540,640</u>
Current and other liabilities	1,235,774	1,232,193
Net pension liability	732,665	-
Long-term liabilities	<u>2,536,651</u>	<u>3,451,113</u>
Total liabilities	<u>4,505,090</u>	<u>4,683,306</u>
Deferred inflows of resources:		
Pension economic/demographic gains	45,815	17,189
Pension excess earnings	-	1,672,368
Pension assumption changes	<u>28,552</u>	<u>57,103</u>
Total deferred inflows of resources	<u>74,367</u>	<u>1,746,660</u>
Net position:		
Net investment in capital assets	7,157,054	6,769,185
Restricted net position	1,269,858	1,650,748
Unrestricted net position	<u>1,517,336</u>	<u>1,304,302</u>
Total net position	<u>\$ 9,944,248</u>	<u>\$ 9,724,235</u>

\$7,157,051 of Castro County's net position (71.97 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is outstanding. Castro County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Castro County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The government's net position increased by \$220,013 during the year ended September 30, 2023 as noted below:

Statement of Activities

	Net Change	09/30/23	09/30/22
Governmental Activities			
Revenues			
Program Revenues			
Charges for service	\$ 108,431	\$ 1,097,463	\$ 989,032
Operating grants and contributions	(745,562)	510,155	1,255,717
Capital grants and contributions	-	-	-
General Revenue			
Property taxes	408,828	3,812,488	3,403,660
Payments in lieu of taxes	-	952,000	952,000
Other taxes	(9,371)	251,115	260,486
Investment earnings	143,346	178,371	35,025
Miscellaneous revenues	(21,979)	186,619	208,598
Gain on sale of assets	(91,908)	30,000	121,908
Total revenues	<u>(208,215)</u>	<u>7,018,211</u>	<u>7,226,426</u>
Expenses			
Administrative	71,589	989,755	918,166
Judicial	(705)	374,650	375,355
Public facilities	164,031	586,405	422,374
Public safety	328,106	2,548,989	2,220,883
Road and bridge	194,460	1,711,599	1,517,139
Public services	5,115	491,286	486,171
Interest on long-term debt	(21,501)	95,514	117,015
Total expenses	<u>741,095</u>	<u>6,798,198</u>	<u>6,057,103</u>
Change in net position	<u>\$ (949,310)</u>	220,013	1,169,323
Net assets - beginning of year		<u>9,724,235</u>	<u>8,554,912</u>
Net assets - ending of year		<u>\$ 9,944,248</u>	<u>\$ 9,724,235</u>

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

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

As of September 30, 2023, Castro County's governmental funds reported combined ending fund balances of \$3,110,806. Approximately 42.01 percent of this total amount or \$1,306,957 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either restricted for special revenue purposes or committed to special projects, \$1,727,741 is nonspendable form (prepaid insurance) in the amount of \$76,108.

The general fund is the chief operating fund of the County. The unassigned fund balance at September 30, 2023 represents 48.97 percent of the total general fund expenditures.

**FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund reflected a loss of \$255,730 which reduced fund balance. The final amended budget resulted in a loss of \$257,130. The actual expenditures were \$259,699 less than the final budgeted amounts, and the actual revenues and net transfers in were \$174,359 less than was budgeted resulting in a favorable variance of \$434,803.

In the Road and Bridge Funds (special revenue funds), the combined original budgets reflect a deficit of \$228,118 which drew upon fund balance. The final amended budgets resulted in a deficit of \$228,118. The combined actual expenditures were \$262,020 under the final budgeted amounts, and combined actual revenues and net transfers were \$82,485 more than was budgeted resulting in a favorable variance of \$344,505.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets. Castro County’s investment in capital assets for its governmental activities as of September 30, 2023, amounts to \$10443,027 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment. The County follows guidance from the Governmental Accounting Standards Board (“GASB”) for accounting for and reporting of infrastructure assets (roads and bridges). Consequently, the County does not currently have any infrastructure assets that are required to be included on the government wide financial statements.

Governmental activities capital assets were as follows:

**GOVERNMENTAL ACTIVITIES (NET OF DEPRECIATION)**

	<u>9/30/2023</u>	<u>9/30/2022</u>
Land	\$ 59,771	\$ 59,771
Buildings and improvements	8,602,673	8,856,343
Vehicles and equipment	941,821	909,307
Leased equipment	<u>838,762</u>	<u>1,143,787</u>
Total	<u>\$ 10,443,027</u>	<u>\$ 10,969,208</u>

Additional information on Castro County’s capital assets can be found in Note 6 of this report.

**CAPITAL LEASES PAYABLE**

Capital Leases Payable. During the year ended September 30, 2023 Castro County had \$395,973 in capital lease payables.

**ECONOMIC FACTORS AND NET YEAR’S BUDGET AND RATES**

- The agriculture economy in the region is stable.
- The County promotes and encourages economic development to improve the economy.
- Castro County’s goal is to improve the quality of life of all its citizens.

All of these factors were considered in preparing Castro County’s budget for the 2023 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of Castro County’s finances for those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County Financial Administrator, Castro County Courthouse, 100 E. Bedford, Dimmitt, TX 79027.

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## **BASIC FINANCIAL STATEMENTS**

**CASTRO COUNTY, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 897,516
Investments	2,338,078
Delinquent taxes receivable, net	60,823
Accounts receivable, net	152,532
Due from other governmental entities	70,754
Prepaid expenses	76,108
Capital assets, net of accumulated depreciation	10,443,027
Total assets	14,038,838
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension contributions	225,666
Pension economic/demographic losses	20,013
Pension deficient earnings	239,188
Total deferred outflows of resources	484,867
<b>LIABILITIES</b>	
Accounts payable	65,274
Accrued payroll and benefits	229,487
Due to other governmental entities	26,245
Accrued interest	25,604
Noncurrent liabilities:	
Due within one year	889,164
Due in more than one year	2,536,651
Net pension liability	732,665
Total liabilities	4,505,090
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension economic/demographic gains	45,815
Pension assumption changes	28,552
Total deferred inflows of resources	74,367
<b>NET POSITION</b>	
Net investment in capital assets	7,157,054
Restricted:	
By enabling legislation for special projects	286,943
Special projects	979,509
Debt Service	3,406
Unrestricted	1,517,336
Total net position	\$ 9,944,248

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

**CASTRO COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR YEAR ENDED SEPTEMBER 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Primary</u>
					<u>Governmental</u>
					<u>Activities</u>
<b>Primary government</b>					
Governmental Activities:					
Administrative	\$ 989,755	\$ 321,806	\$ 25,200	\$ -	\$ (642,749)
Judicial	374,650	35,721	27,500	-	(311,429)
Public facilities	586,405	24,908	62,306	-	(499,191)
Public safety	2,548,989	201,598	15,100	-	(2,332,291)
Road and bridge	1,711,599	512,542	25,067	-	(1,173,990)
Public services	491,286	888	354,982	-	(135,416)
Interest on long-term debt	95,514	-	-	-	(95,514)
Total	<u>\$ 6,798,198</u>	<u>\$ 1,097,463</u>	<u>\$ 510,155</u>	<u>\$ -</u>	<u>(5,190,580)</u>
<b>General revenues:</b>					
Taxes:					
Property taxes					2,861,705
Property taxes, levied for road and bridge					950,783
Payments in lieu of taxes					952,000
Sales and miscellaneous taxes					251,115
Interest earnings					178,371
Miscellaneous					186,619
Gain on sale of capital assets					30,000
Total general revenues					<u>5,410,593</u>
Change in net position					220,013
Net position - beginning					<u>9,724,235</u>
Net position - ending					<u>\$ 9,944,248</u>

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

**CASTRO COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<u>General</u>	<u>Combined Road and Bridge</u>	<u>Debt Service</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 43,751	\$ 241,325	\$ 3,406
Investments	1,372,466	258,412	-
Delinquent taxes receivable, net	47,895	12,928	-
Accounts receivable, net	152,532	-	-
Due from other funds	103,851	-	-
Due from other governmental entities	68,134	2,620	-
Prepaid items	57,056	18,954	-
	<u>1,845,685</u>	<u>534,239</u>	<u>3,406</u>
Total assets	<u>\$ 1,845,685</u>	<u>\$ 534,239</u>	<u>\$ 3,406</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 30,683	\$ 12,642	\$ -
Due to other funds	-	100,251	-
Accrued payroll and benefits	147,849	65,738	-
Due to other governmental entities	25,737	-	-
	<u>204,269</u>	<u>178,631</u>	<u>-</u>
Total liabilities	<u>204,269</u>	<u>178,631</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	40,320	10,704	-
Unavailable revenue - other receivables	112,975	-	-
	<u>153,295</u>	<u>10,704</u>	<u>-</u>
Total deferred inflows of resources	<u>153,295</u>	<u>10,704</u>	<u>-</u>
<b>FUND BALANCES</b>			
Non-spendable:			
Prepaid items	57,056	18,954	-
Restricted:			
By enabling legislation for special projects	-	-	-
Special projects	-	-	-
Debt service	-	-	3,406
Committed:			
Special projects	9,557	440,501	-
Unassigned (deficit)	1,421,508	(114,551)	-
	<u>1,488,121</u>	<u>344,904</u>	<u>3,406</u>
Total fund balances	<u>1,488,121</u>	<u>344,904</u>	<u>3,406</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,845,685</u>	<u>\$ 534,239</u>	<u>\$ 3,406</u>

<u>American Relief</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 146,983	\$ 462,051	\$ 897,516
707,200	-	2,338,078
-	-	60,823
-	-	152,532
-	-	103,851
-	-	70,754
-	98	76,108
<u>\$ 854,183</u>	<u>\$ 462,149</u>	<u>\$ 3,699,662</u>
\$ 13,743	\$ 8,206	\$ 65,274
-	3,600	103,851
-	15,900	229,487
-	508	26,245
<u>13,743</u>	<u>28,214</u>	<u>424,857</u>
-	-	51,024
-	-	112,975
<u>-</u>	<u>-</u>	<u>163,999</u>
-	98	76,108
-	286,943	286,943
840,440	139,069	979,509
-	-	3,406
-	7,825	457,883
-	-	1,306,957
<u>840,440</u>	<u>433,935</u>	<u>3,110,806</u>
<u>\$ 854,183</u>	<u>\$ 462,149</u>	<u>\$ 3,699,662</u>

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

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

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

Total fund balance - governmental funds	\$	3,110,806
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		10,443,027
Certain accounts receivable are not available to pay for current-period expenditures and, therefore, are shown as unavailable revenues in the fund financial statements.		163,999
Pension losses, deficient earnings, and assumption changes are shown as deferred outflows of resources in the government-wide financial statements.		
Pension economic/demographic losses		20,013
Pension deficient earnings		239,188
Pension contributions paid after the measurement date, December 31, 2022, and before September 30, 2023 are expensed in the governmental funds and shown as deferred outflows of resources in the government-wide financial statements.		225,666
Pension gains and excess earnings are shown as deferred inflows of resources in the government-wide financial statements.		
Pension economic/demographic gains		(45,815)
Pension assumption changes		(28,552)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(25,604)
Certificates of obligation and capital leases		(3,285,973)
Bond premium		(106,337)
Accrued compensated absences		(33,505)
Net pension liability		(732,665)
		(732,665)
Net position - governmental activities	\$	9,944,248

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

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

	<u>General</u>	<u>Combined Road and Bridge</u>	<u>Debt Service</u>
<b>REVENUES</b>			
Property taxes	\$ 2,868,268	\$ 951,968	\$ -
Payments in lieu of taxes	952,000	-	-
Sales and miscellaneous taxes	251,115	-	-
Licenses and fees	306,545	511,926	-
Fines and forfeitures	177,214	616	-
Intergovernmental	67,800	25,068	-
Interest earnings	95,535	29,213	728
Miscellaneous	84,219	30,541	-
	<u>4,802,696</u>	<u>1,549,332</u>	<u>728</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Administrative	938,455	-	350
Judicial	363,274	-	-
Public facilities	350,276	-	-
Public safety	1,976,442	-	-
Road and bridge	-	1,076,116	-
Public services	67,891	-	-
Debt service:			
Principal	13,662	233,905	665,000
Interest	222	24,524	103,575
Capital outlay	149,001	98,400	-
	<u>3,859,223</u>	<u>1,432,945</u>	<u>768,925</u>
Total expenditures			
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>943,473</u>	<u>116,387</u>	<u>(768,197)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of assets	-	30,000	-
Transfers in	-	-	767,800
Transfers out	(897,800)	-	-
	<u>(897,800)</u>	<u>30,000</u>	<u>767,800</u>
Total other financing sources (uses)			
<b>NET CHANGE IN FUND BALANCES</b>	45,673	146,387	(397)
<b>FUND BALANCES - BEGINNING</b>	<u>1,442,448</u>	<u>198,517</u>	<u>3,803</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,488,121</u>	<u>\$ 344,904</u>	<u>\$ 3,406</u>



<u>American Relief</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 3,820,236
-	-	952,000
-	-	251,115
-	68,027	886,498
-	-	177,830
-	417,287	510,155
39,329	13,566	178,371
-	71,859	186,619
39,329	570,739	6,962,824
63,706	20,575	1,023,086
-	10,224	373,498
-	138,340	488,616
198,169	62,008	2,236,619
172,138	-	1,248,254
-	418,565	486,456
-	1,482	914,049
-	18	128,339
28,280	5,458	281,139
462,293	656,670	7,180,056
(422,964)	(85,931)	(217,232)
-	-	30,000
-	130,000	897,800
-	-	(897,800)
-	130,000	30,000
(422,964)	44,069	(187,232)
1,263,404	389,866	3,298,038
\$ 840,440	\$ 433,935	\$ 3,110,806

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

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

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

Net change in fund balances - total governmental funds:	\$	(187,232)
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p> <p>This is the amount by which capital outlays, \$281,139, were exceeded by depreciation, \$807,320, in the current period.</p>		
		(526,181)
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. This amount represents the change in unavailable revenue.</p>		
		25,387
<p>In the Statement of Net Position, incurring debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayments of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.</p> <p>Principal repayments:</p>		
Certificates of Obligation		665,000
Capital lease financing		249,049
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Accrued interest on debt, net change		6,238
Amortization of bond premium		26,585
Compensated absences, net change		2,712
Deferred outflows of resources, pension		(55,773)
Deferred inflows of resources, pension		1,672,293
Net pension asset, net change		(925,400)
Net pension liability, net change		(732,665)
		(732,665)
Change in net position of governmental activities	\$	220,013

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

**CASTRO COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2023**

	<b>ASSETS</b>	Custodial Funds
Cash and cash equivalents		\$ 292,682
Accounts receivable		1,342
		<hr/>
Total assets		294,024
		<hr/>
	<b>LIABILITIES</b>	
Due to other governments		27,238
		<hr/>
Total liabilities		27,238
		<hr/>
	<b>NET POSITION</b>	
Restricted for:		
Individuals		266,786
		<hr/>
Total net position		\$ 266,786
		<hr/> <hr/>

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

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

	<u>Custodial Funds</u>
<b>Additions</b>	
Tax collections	\$ 1,740,899
Trust/Escrow contributions	77,925
Investment earnings	4,263
	<hr/>
<b>Total additions</b>	<b>1,823,087</b>
	<hr/>
<b>Deductions</b>	
Payments to local governments	1,740,899
Trust/Escrow disbursements	39,031
	<hr/>
<b>Total deductions</b>	<b>1,779,930</b>
	<hr/>
<b>NET CHANGE IN NET POSITION</b>	<b>43,157</b>
<b>NET POSITION - BEGINNING</b>	<b>223,629</b>
	<hr/>
<b>NET POSITION - ENDING</b>	<b>\$ 266,786</b>
	<hr/> <hr/>

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

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Castro County, Texas (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles) (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

**A. Financial Reporting Entity**

The County, incorporated in 1876, is a public corporation and political subdivision of the State of Texas. The County is governed by the Commissioners Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County provides a variety of services to advance the welfare, morale, comfort, safety and convenience of the County and its citizens.

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

**B. Financial Statement Presentation, Measurement Focus and Basis of Accounting**

Government-Wide Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *Business-type activities*, which rely to a significant extent on fees and charges for support. The County has no Business-type activities.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Fines and forfeitures are recognized when they have been assessed and adjudicated and earned. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**B. Financial Statement Presentation, Measurement Focus and Basis of Accounting – Continuation**

Government-Wide Statements – Continuation

The Statement of Activities demonstrates the degree to which the direct expenses of the County’s programs are offset by those programs’ revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the program and 2) grants and contributions that are restricted to meeting the operational and/or capital requirements of a particular program. Taxes and other items not included among program revenue are reported instead as *general revenue*. In miscellaneous general revenues are non-program specific contributions including capital assets contributions.

Fiduciary funds are excluded in the government-wide presentation of the financial statements.

Fund-Level Statements

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes and other revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Grant and entitlement revenues are also susceptible to accrual. These funds are accounted for on a spending “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Any fiduciary funds, including custodial funds, are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using an economic resources measurement focus.

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The County reports the following major governmental funds:

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

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**B. Financial Statement Presentation, Measurement Focus and Basis of Accounting – Continuation**

Fund-Level Statements – Continuation

The **Combined Road and Bridge Fund** is a special revenue fund used to account for the revenues derived from property taxes and license fees levied for purposes of road and bridge expenditures.

The **Debt Service Fund** accounts for the accumulation and disbursement of resources associated with the County's debt obligations. Property taxes and interest income provide the resources necessary to pay the annual principal and interest payments.

The **American Relief Fund** is used to account for funds received through various federal agencies passed through the State of Texas. The pass through grant is to be used to reimburse the County for qualified incurred costs and lost revenue related to the COVID-19 pandemic.

Additionally, the County reports the following fund types:

The **Special Revenue Funds** account for the proceeds of specific revenue sources (other than fiduciary funds) that are legally restricted to expenditures for specified purposes.

The **Custodial Funds** account for assets received by the governmental unit in its capacity as trustee or agent for the County, other governmental entities, or individuals. The receipts and disbursements of such funds are governed by the terms of the statutes, ordinances, regulations or other authority.

**C. 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.

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity**

**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. Statutes authorize the County to keep funds in demand deposits, time deposits, or securities of the United States. The County's custodial banks are required to pledge for the purpose of securing County funds, securities of the following kind, in an amount equal to the amount of such County funds: bonds and notes of the United States, securities of indebtedness of the United States, bonds of the State of Texas, or of any county, city, or independent school district, and various other bonds as described in Texas Statutes.

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

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**1. Deposits and Investments – Continuation**

The Act requires an annual audit of investment policies. Audit procedures in this area, conducted as a part of the audit of the basic financial statements, disclosed that in the area of investment practices, management has established and reports appropriate policies. The County adheres to the requirements of the Act. Additionally, investment practices of the County are in accordance with local polices.

**2. Receivables and Payables**

Activities 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 inter-fund loans) or “advances to/from other funds” (i.e., the noncurrent portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unavailable revenue in the fund statements. Receivables are shown net of an allowance for uncollectible accounts of \$3,330,532.

Payables consist of vendor obligations for goods and services as well as funds payable to others when the criteria for their release have been met.

**3. Property Tax Calendar and Revenues**

Property taxes are based on taxable value at January 1 and become due October 1 and past due after January 31 of the following year unless the half payment option is elected in which one-half the tax is due November 30, and the balance the following June 30. Tax collections between October and December are considered early and are entitled to discounts. Tax collections after February 1 are treated as late payments and are subject to penalty and interest. Uncollected taxes from the current tax roll become delinquent on July 1 and are subject to additional penalties and interest. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior years’ levies are shown net of an allowance for uncollectible accounts of \$277,079.

Continued



**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**4. Restricted Assets/Funds**

The following accounts reflect restricted status by third-party or statutory obligations for specific purposes:

- Other Non-Major Governmental fund balances (amounts restricted for other specific purposes such as management, preservation, and retention of public records, personnel and security for the courthouse, technology requirements for the justice court, administration of pre-trial diversion programs, defraying the County’s voter registration expenses, continuing education costs, enhancement of law enforcement operations with seized and forfeited funds, supplementing salaries, holding and disbursing unclaimed funds to the State Comptroller, maintenance of the County’s Law Library, and enhancement of the County Attorney’s operations with fees from processing dishonored and forged checks. All restrictions are enacted according to Texas statutes.)
- In addition to the statutory restrictions the County has also received grant awards from various State and Federal agencies. These awards are all restricted for the stated purposes of the grant.
- The County has also received donations from outside donors. Those donations are restricted for the for the enhancement of Centennial Plaza, the Rhoads Memorial Library, and the maintenance of the tip-based hotline operated out of the Sheriff’s Department.

**5. Prepaid Items**

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. The County uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed. In the fund financial statements, they are offset by a designation of non-spendable fund balance which indicates they do not represent “available spendable resources”.

**6. Capital Assets**

Capital assets, which include buildings and improvements, and vehicles and equipment, are reported in the government-wide financial statements. The County has opted to not retroactively report infrastructure assets. According to the County’s capitalization policy, capital assets, such as equipment, are defined as individual assets (or systems of assets) having a cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated lives:

Buildings and improvements	5 - 40 years
Vehicles and equipment	5 - 20 years

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**7. Compensated Absences**

A liability for unused vacation and comp time for all full-time employees is calculated and reported in the government-wide financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered
- leave or compensation is not contingent on a specific event (such as illness).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

Regular full-time employees are entitled to vacation of one to three weeks (depending upon years of service and employee classification) per year as earned. Vacation time earned, but not taken, is paid upon termination, but cannot be accumulated beyond what would be earned in one year plus one week. Compensation time is accrued at one and one-half the employee's regular rate for each hour worked over forty hours in a work week. After it is accrued, it is treated like vacation time earned and is paid upon termination. Sick leave accrues at 6.66 hours per month; however, unused sick leave is not paid upon termination. Accrued vacation leave and comp time are accrued in the government-wide financial statements.

**8. Long-term Obligations**

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

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

**9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow or resources (expense/expenditure) until then. The government has multiple items that qualify for reporting in this category. They are the contributions, losses, and assumption changes related to the County's pension plan reported in the government-wide statement of net position.

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**9. Deferred Outflows/Inflows of Resources – Continuation**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has several items that qualify for reporting in this category. One item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items, pension economic/demographic gains, excess earnings, and assumption changes are related to the changes in the County's net pension liability and are reported in the government-wide statement of net position.

**10. Pensions**

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

**11. Fund Balances**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

**Non-spendable Fund Balance** – includes amounts that are (a) not in spendable forms, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

**Restricted Fund Balance** – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

**Committed Fund Balance** – includes amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, the Commissioners' Court. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution or ordinance).

**Assigned Fund Balance** – includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (a) Commissioners' Court or (b) a body (budget, finance committee, or County Official) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as non-spendable, restricted or committed.

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**11. Fund Balances – Continuation**

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

**12. Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in three categories.

**Net Investment in Capital Assets** – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

**Restricted Net Position** – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, or constitutional provisions.

**Unrestricted Net Position** – This amount includes all net position amounts that do not meet the definition of “net investment in capital assets” or “restricted net position.”

**13. Fund Balance Policies**

When the County incurs an expenditure for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first, then unrestricted funds. When expenditures are 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.

Committed fund balance amounts may be used for other purposes with appropriate action by the Commissioners’ Court to either modify or rescind a fund balance commitment. Commitments are typically done through adoption and amendment of the budget.

The County’s highest level of decision-making authority is the Commissioners’ Court. The Court has not yet delegated the authority to assign fund balance amounts to a specific individual nor does it have a policy to authorize the assignment of fund balances outside the Court.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

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

1. Prior to September 1, the proposed budget is submitted to the Commissioners' Court.
2. The Commissioners' Court provides for a public hearing on the County budget subsequent to August 15, and prior to the levy of taxes by the Commissioners' Court.

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continuation**

**A. Budgetary Information – Continuation**

3. Prior to October 1, the budget is legally adopted by order of the Commissioners' Court for the General Fund, the Road and Bridge Funds, and the American Relief Fund.
4. The budget is prepared by fund and department with the legal level of control at the department level. Administrative control is maintained through the establishment of more detailed account or object class budgets within the departments. Emergency expenditures to meet unusual and unforeseen conditions which could not, by reasonable diligent thought and attention, have been included in the original budget, whereby total expenditures of a department have been increased must be authorized by the Court as emergency amendments to the original budget. Management may not amend the budget at any level without approval of the Commissioners' Court. The Court has the authority to make such changes in the budget, in its judgment of facts, the law warrant, and the interest of the taxpayers demand, provided the amounts budgeted for the current expenditures from the various funds for the County do not exceed appropriations, including fund balances from the prior fiscal periods. Amounts shown in the financial statements represent the original budget amounts and all supplemental appropriations. Supplemental appropriations to the original adopted budget are in the Final Budget Amounts column of the Budgetary Comparison Schedule for the General Fund, the Road and Bridge Funds, and the American Relief Fund.
5. Budgets for the General and the Road and Bridge and American Relief Special Revenue Funds are adopted on a basis consistent with GAAP on the modified accrual basis of accounting on an annual basis.
6. Formal budgetary integration on an annual basis is employed as a management control device during the year for the General Fund, the Road and Bridge Funds, and the American Relief Funds.
7. All appropriations, except those in grant funds, lapse at the end of the County's fiscal year and may be re-budgeted the next year.

**B. Excess of Disbursements Over Appropriations**

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

<u>Violation</u>	<u>Action Taken</u>
Expenditures exceeded the budget in various departments of the General Fund and Road and Bridge Funds.	A combination of underspending in other departments have covered such overspending.

**C. Deficit Fund Balance**

The Road and Bridge, Precincts 2 and 4 Funds had deficit unassigned fund balances of \$37,092 and \$77,459, respectively. In the current year the funds incurred expenditures in excess of the collected revenues. The County plans on covering the deficits with subsequent collections.

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Following is a reconciliation of the County’s cash and deposit balances as of September 30, 2023:

Cash and deposit balances consist of:

Cash on hand	\$ 1,100
Bank deposits	1,189,098
	1,190,198
Total	\$ 1,190,198

Cash and deposit balances are reported in the basic financial statements as follows:

Government-wide Statement of Net Position:

Unrestricted	\$ 897,516
Fiduciary Funds Statement of Net Position	292,682
	1,190,198
Total	\$ 1,190,198

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

Investment Type	Fair Value	Weighted Average Maturity (Days)
Governmental activities		
Unrestricted		
Certificates of deposit (interest rates at 5.00% - 5.76%)	\$ 2,338,078	
Total fair value	\$ 2,338,078	
Portfolio weighted average maturity		349

**Custodial credit risk – deposits.** As of September 30, 2023, the carrying amount of the County's deposits with financial institutions was \$3,527,176 and the bank's balance was \$3,668,681. Of the bank balance, \$564,714 was insured through the Federal Depository Insurance Corporation (FDIC) and the remaining \$3,103,967 was collateralized with securities held by the pledging institution’s agent in the County’s name.

**Interest rate risk** is the risk that adverse changes in interest rates will result in an adverse effect on the fair value of an investment. The County manages its exposure to interest rate risk by maintaining its cash in interest-bearing demand accounts, or in certificates of deposit with weighted average maturities of one year or less.

**Credit risk** is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law and County policy limit investments in local government pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

**Concentration of credit risk** is the risk of loss attributed to the magnitude of a government’s investment in a single insurer. As of September 30, 2023, 100% of the County’s carrying value of cash was deposited with the County’s depository banks and was adequately secured as described above.

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 4 – CAPITAL ASSETS**

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB Statement No. 34, depreciation policies were adopted to include useful lives and classification by function. As stated earlier, the County has not opted to report its infrastructure retroactively.

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 59,771	\$ -	\$ -	\$ 59,771
Total capital assets, not being depreciated	59,771	-	-	59,771
Capital assets, being depreciated				
Buildings and improvements	10,454,907	-	-	10,454,907
Vehicles and equipment	3,926,129	281,139	(34,500)	4,172,768
Leased equipment	1,671,472	-	-	1,671,472
Total capital assets, being depreciated	16,052,508	281,139	(34,500)	16,299,147
Less accumulated depreciation for:				
Buildings and improvements	(1,598,564)	(253,670)	-	(1,852,234)
Vehicles and equipment	(3,016,822)	(248,625)	34,500	(3,230,947)
Leased equipment	(527,685)	(305,025)	-	(832,710)
Total accumulated depreciation	(5,143,071)	(807,320)	34,500	(5,915,891)
Total capital assets, being depreciated, net	10,909,437	(526,181)	-	10,383,256
Governmental activities capital assets, net	\$ 10,969,208	\$ (526,181)	\$ -	\$ 10,443,027

Continued

**CASTRO COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 – CAPITAL ASSETS – Continuation**

Depreciation expense for the year ended September 30, 2023 was charged to the functions/programs of the primary government as follows:

Governmental activities	
Administrative	\$ 23,448
Public facilities	34,300
Public safety	299,143
Road and bridge	450,429
Total Depreciation Expense	\$ 807,320

**NOTE 5 – PROPERTY TAX**

The State of Texas Constitutional tax rate limit for both operations and debt service is \$0.80 on each \$100 of assessed valuation. The tax rate on the 2022 tax roll was \$0.4245 per \$100, which means that the County has a tax margin of \$0.3755 per \$100 and could raise up to \$2,580,302 additional revenue from the 2022 assessed valuation of \$687,164,244 before the limit is reached.

The State of Texas Constitutional tax rate limit for the maintenance of farm-to-market roads is \$0.30 on each \$100 of assessed valuation. The tax rate on the 2022 tax roll was \$0.1415 per \$100, which means that the County has a tax margin of \$0.1585 per \$100 and could raise up to \$1,086,058 additional revenue from the 2022 assessed valuation of \$685,209,854 before the limit is reached.

Real and personal property values are assessed for the period January 1 to December 31, as of January 1 at which date property taxes attach as an enforceable lien on property. Taxes are levied by October 1 of the current year and are collected from October 1 to June 30 of the following year. Payments received after February 1 are considered late and are subject to penalty and interest. Taxes become delinquent on July 1 of the following year.

**NOTE 6 – SALES TAX**

The County is entitled by provision of the State of Texas to a one-cent sales tax on all sales that occur within the County. The tax is assessed as a property tax reduction for the County to use as general revenues. This sales tax is remitted monthly by the Comptroller of the State of Texas.

**NOTE 7 – RETIREMENT PLAN**

**Plan Description:** Castro County provides retirement and death benefits for all of its employees, except temporary employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 677 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 and is available at [www.tcdrs.org](http://www.tcdrs.org).

Continued



**CASTRO COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 7 – RETIREMENT PLAN** – Continuation

**Benefits Provided:** The plan provisions are adopted by the governing body of the County (employer), 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, 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.

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

**Employees Covered by Benefit Terms:** At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	79
Active employees	64

**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 County is actuarially determined annually.

The County contributed using the actuarially determined rate of 12.56% for the months of the accounting year in 2022 and 11.43% for the months of the accounting year in 2023. The contribution rate payable by the employee members is 7.0% for fiscal year 2023 as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

**Net Pension Liability:** The County's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date.

**Actuarial Assumptions:** The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

The actuarial assumptions that determined the total pension liability as of December 31, 2022, were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 68. The economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 7 – RETIREMENT PLAN – Continuation**

**TCDRS system-wide economic assumptions:**

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The assumed long-term investment return of 7.5% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.5% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.

**Employer-specific economic assumptions:**

Growth in membership	0.00%
Payroll growth for funding calculations	3.00%

The payroll growth assumption is for the aggregate covered payroll of an employer.

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 are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10-year time horizon.

Note that the valuation assumption for the long-term expected return is re-assessed in detail at 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. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 7 – RETIREMENT PLAN – Continuation**

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

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

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

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

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

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

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

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 7 – RETIREMENT PLAN** – Continuation

**Discount Rate:** The discount rate used to measure the total pension liability was 7.60%. The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

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

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

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

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

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

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

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

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 7 – RETIREMENT PLAN – Continuation**

**Changes in the Net Pension Liability / (Asset):**

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2021	\$ 13,664,945	\$ 14,590,345	\$ (925,400)
Changes for the year:			
Service cost	308,460	-	308,460
Interest on total pension liability (1)	1,036,661	-	1,036,661
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	(68,723)	-	(68,723)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(26,514)	(26,514)	-
Benefit payments	(652,183)	(652,183)	-
Administrative expenses	-	(7,929)	7,929
Member contributions	-	171,917	(171,917)
Net investment income	-	(838,396)	838,396
Employer contributions	-	308,468	(308,468)
Other (3)	-	(15,727)	15,727
Balances as of December 31, 2022	<u>\$ 14,262,646</u>	<u>\$ 13,529,981</u>	<u>\$ 732,665</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) Relates to allocation of system-wide items.

**Sensitivity of the net pension liability / (asset) to changes in the discount rate:** 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 / (asset) 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%
Total pension liability	\$ 15,967,901	\$ 14,262,646	\$ 12,826,085
Fiduciary net position	<u>13,529,981</u>	<u>13,529,981</u>	<u>13,529,981</u>
Net pension liability / (asset)	<u>\$ 2,437,920</u>	<u>\$ 732,665</u>	<u>\$ (703,896)</u>

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 7 – RETIREMENT PLAN – Continuation**

**Pension plan fiduciary net position:** Detailed information about the pension plan’s fiduciary net position is available in the separately issued TCDRS financial report.

**Pension Expense / (Income):**

	January 1, 2022 to December 31, 2022
Service cost	\$ 308,460
Interest on total pension liability (1)	1,036,661
Effect of plan changes	-
Administrative expenses	7,929
Member contributions	(171,917)
Expected investment return net of investment expenses	(1,100,586)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	22,994
Recognition of assumption changes or inputs	194,422
Recognition of investment gains or losses	27,426
Other (2)	15,727
Pension expense / (income)	\$ 341,116

(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 Inflows / Outflows of Resources:** As of September 30, 2023, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 45,815	\$ 20,013
Changes of assumptions	28,552	-
Net difference between projected and actual earnings	-	239,188
Contributions made subsequent to measurement date	N/A	225,666

Continued

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 7 – RETIREMENT PLAN – Continuation**

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

2023	\$ (209,850)
2024	(34,280)
2025	41,166
2026	387,798
2027	-
Thereafter	-

**NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Individual Fund Inter-fund Receivables and Payables**

Fund	Inter-fund Receivables	Inter-fund Payables
General Fund	\$ 103,851	\$ -
Special Revenue Funds:		
Road and Bridge, Precinct 2	-	31,133
Road and Bridge, Precinct 4	-	69,118
Castro/Swisher Juvenile Probation	-	3,600
	<u>\$ 103,851</u>	<u>\$ 103,851</u>

The primary purpose of inter-fund receivables and payables is the loaning of funds from the General Fund to Special Revenue Funds for the purpose of meeting current year expenditures.

Fund	Inter-fund Transfers In	Inter-fund Transfers Out
General Fund	\$ -	\$ 897,800
Special Revenue Funds:		
Castro/Swisher Juvenile Probation	68,000	-
Rhoads Memorial Library	62,000	-
Debt Service Fund	767,800	-
	<u>\$ 897,800</u>	<u>\$ 897,800</u>

The primary purpose for inter-fund transfers is to move revenues from the General Fund to finance various programs and operations in other funds that the County must account for separately in accordance with budgetary authorizations, including debt service principal and interest and amounts provided as subsidies or matching funds for various grant programs.

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 9 – TAX ABATEMENTS**

During the year ended September 30, 2013, Castro County entered into a 10 year property tax abatement agreement with a business under the Texas Property Redevelopment and Tax Abatement Act. Under the Act, localities may grant tax abatement of up to 100 percent of a business' property tax bill for the purpose of attracting or retaining business within the jurisdictions. The abatement may be granted to any business located within or promising to relocate to Castro County. To be eligible the Company agreed to construct improvements consisting of a wind power facility with a currently anticipated capacity of 306 megawatts of overall Turbine Nameplate Capacity. The Chief Appraiser will determine the certified appraised value annually pursuant to the terms of the abatement under this agreement. The amount of the abatement will automatically be deducted from the property owner's tax bill. In the event of default the County shall use the certified appraised values which were abated to determine the taxes due. In addition to the commitments for eligibility the Company has agreed to make payments in lieu of taxes annually in the amount of \$1,200 per megawatt of turbine nameplate capacity during the abatement period. This has not resulted in a payment to County as of September 30, 2023 as the Company has not presented a Certificate of Completed Construction to the County.

During the year ended September 30, 2013, Castro County entered into a 10 year property tax abatement agreement with a business under the Texas Property Redevelopment and Tax Abatement Act. Under the Act, localities may grant tax abatement of up to 100 percent of a business' property tax bill for the purpose of attracting or retaining business within the jurisdictions. The abatement may be granted to any business located within or promising to relocate to Castro County. To be eligible the Company agreed to construct improvements consisting of a wind power facility with a minimum capacity of 100 megawatts of overall Turbine Nameplate Capacity. In addition, the project will add at least \$1,000,000 to the tax roll and create no fewer than 3 new permanent full-time jobs. The Chief Appraiser will determine the certified appraised value annually pursuant to the terms of the abatement under this agreement. The amount of the abatement will automatically be deducted from the property owner's tax bill. In the event of default the County shall use the certified appraised values which were abated to determine the taxes due. In addition to the commitments for eligibility the Company has agreed to make payments in lieu of taxes annually in the amount of \$2,000 per megawatt of turbine nameplate capacity during the abatement period. This resulted in payments in lieu of taxes for the current year of \$400,000.

During the year ended September 30, 2014, Castro County entered into a 10 year property tax abatement agreement with a business under the Texas Property Redevelopment and Tax Abatement Act. Under the Act, localities may grant tax abatement of up to 100 percent of a business' property tax bill for the purpose of attracting or retaining business within the jurisdictions. The abatement may be granted to any business located within or promising to relocate to Castro County. To be eligible the Company agreed to construct improvements consisting of a wind power facility with a currently anticipated capacity of approximately 300 megawatts of overall Turbine Nameplate Capacity. In addition, the project will have an initial market value of approximately \$365,000. The Chief Appraiser will determine the certified appraised value annually pursuant to the terms of the abatement under this agreement. The amount of the abatement will automatically be deducted from the property owner's tax bill. In the event of default the County shall use the certified appraised values which were abated to determine the taxes due. In addition to the commitments for eligibility the Company has agreed to make payments in lieu of taxes annually in the amount of \$1,200 per megawatt of turbine nameplate capacity during the abatement period. This has not resulted in a payment to County as of September 30, 2023 as the Company has not presented a Certificate of Completed Construction to the County.

Continued



**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 9 – TAX ABATEMENTS** – Continuation

During the year ended September 30, 2015, Castro County entered into a 10 year property tax abatement agreement with a business under the Texas Property Redevelopment and Tax Abatement Act. Under the Act, localities may grant tax abatement of up to 100 percent of a business’ property tax bill for the purpose of attracting or retaining business within the jurisdictions. The abatement may be granted to any business located within or promising to relocate to Castro County. To be eligible the Company agreed to construct improvements consisting of a wind power facility with a minimum capacity of 100 megawatts and a currently anticipated capacity of approximately 200 megawatts of overall Turbine Nameplate Capacity. In addition, the project will add at least \$1,000,000 to the tax roll and create no fewer than 3 new permanent full-time jobs. The Chief Appraiser will determine the certified appraised value annually pursuant to the terms of the abatement under this agreement. The amount of the abatement will automatically be deducted from the property owner’s tax bill. In the event of default the County shall use the certified appraised values which were abated to determine the taxes due. In addition to the commitments for eligibility the Company has agreed to make payments in lieu of taxes annually in the amount of \$2,000 per megawatt of turbine nameplate capacity during the abatement period. This resulted in payments in lieu of taxes for the current year of \$552,000.

During the year ended September 30, 2016, Castro County entered into a 10 year property tax abatement agreement with a business under the Texas Property Redevelopment and Tax Abatement Act. Under the Act, localities may grant tax abatement of up to 100 percent of a business’ property tax bill for the purpose of attracting or retaining business within the jurisdictions. The abatement may be granted to any business located within or promising to relocate to Castro County. To be eligible the Company agreed to construct improvements consisting of a wind power facility with a minimum capacity of 15 megawatts of overall Turbine Nameplate Capacity. In addition, the project will have an initial market value of approximately \$25,000,000. The Chief Appraiser will determine the certified appraised value annually pursuant to the terms of the abatement under this agreement. The amount of the abatement will automatically be deducted from the property owner’s tax bill. In the event of default the County shall use the certified appraised values which were abated to determine the taxes due. In addition to the commitments for eligibility the Company has agreed to make payments in lieu of taxes annually in the amount of \$1,800 per megawatt of turbine nameplate capacity during the abatement period. This has not resulted in a payment to County as of September 30, 2023 as the Company has not presented a Certificate of Completed Construction to the County.

For the fiscal year ended September 30, 2023, Castro County abated property taxes totaling \$2,060,513 under this program, including the following tax abatement agreements:

- A 100 percent tax abatement to TX Hereford Wind II, LLC, for \$1,070,013.
- A 100 percent tax abatement to Bethel Wind, LLC, for \$990,500.

**NOTE 10 – CONCENTRATION OF TAXPAYERS**

As of September 30, 2023, the following taxpayers accounted for a significant portion of the County’s total tax levy.

Taxpayer	Industry	Tax Amount	Percent of Total Levy
Taxpayer A	Dairy	\$ 375,434	9.66 %
Taxpayer B	Utilities	249,712	6.43 %
Taxpayer C	Utilities	230,515	5.93 %

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 11 – LONG-TERM LIABILITIES**

The County has entered into multiple capital leases, each for heavy equipment, copiers, and other equipment. The obligations under capital lease have been recorded in the accompanying financial statements at the present value of the minimum lease payments, discounted at an interest rates ranging from .521% to 5.722%. The terms of these obligations range from fiscal years ended 2023 to 2026.

In 2017, the County issued \$6,565,000 of Certificates of Obligation, Series 2017, for the purpose of constructing and equipping the Castro County Law Enforcement Center. Principal payments on the bonds are made annually, each February 15, and interest payments are made semi-annually, each February 15 and August 15. Interest rates range from 2.0% - 4.0%.

Certificates of Obligations are supported by a pledge of the County’s full faith and credit. The related bond ordinance requires a levy and collection of ad valorem taxes on taxable property located within the County. Tax levy and collections began in 2018.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 36,217	\$ 57,766	\$ (60,478)	\$ 33,505	\$ 3,000
Capital leases	645,022	-	(249,049)	395,973	196,164
Certificates of Obligation					
Series 2017	3,555,000	-	(665,000)	2,890,000	690,000
Bond premium	132,922	-	(26,585)	106,337	
Governmental activity long-term liabilities	<u>\$ 4,369,161</u>	<u>\$ 57,766</u>	<u>\$ (1,001,112)</u>	<u>\$ 3,425,815</u>	<u>\$ 889,164</u>

The County incurred interest expense of \$95,514 during the year ended September 30, 2023.

The annual debt service requirement on long-term liabilities outstanding as of September 30, 2023 is as follows:

Fiscal Year	Total	Capital leases		Certificates of Obligation Series 2017	
		Interest	Principal	Interest	Principal
2024	\$ 982,487	\$ 16,523	\$ 196,164	\$ 79,800	\$ 690,000
2025	944,765	8,438	170,977	55,350	710,000
2026	798,257	750	28,832	33,675	735,000
2027	766,325	-	-	11,325	755,000
	<u>\$ 3,491,834</u>	<u>\$ 25,711</u>	<u>\$ 395,973</u>	<u>\$ 180,150</u>	<u>\$ 2,890,000</u>

**CASTRO COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 12 – RISK MANAGEMENT**

The County's major areas of risk management are: public officials', law enforcement, and automobile liability, general comprehensive liability and property damage, workers' compensation, and employee health insurance. The County has obtained insurance with an insurance company and a public entity risk pool in which all risk is transferred to those entities for all the above areas. The County pays a deductible per incident except on the employee health insurance in which the deductible is the responsibility of the employee. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage for the current year or the previous three years.

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**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 2,829,502	\$ 2,829,502	\$ 2,868,268	\$ 38,766
Payments in lieu of taxes	952,000	952,000	952,000	-
Sales and miscellaneous taxes	236,000	236,000	251,115	15,115
Licenses and fees	264,905	264,905	306,545	41,640
Fines and forfeitures	156,000	156,000	177,214	21,214
Intergovernmental	118,200	118,200	67,800	(50,400)
Interest earnings	39,630	39,630	95,535	55,905
Miscellaneous	32,100	32,100	84,219	52,119
	<u>4,628,337</u>	<u>4,628,337</u>	<u>4,802,696</u>	<u>174,359</u>
<b>EXPENDITURES</b>				
Current:				
Administrative				
County Judge	147,885	147,030	147,298	(268)
County Clerk	233,745	232,995	201,535	31,460
County Tax Assessor/Collector	184,590	184,590	177,034	7,556
County Treasurer	179,760	178,675	174,597	4,078
Elections	25,320	25,320	19,779	5,541
Professional services	180,300	188,505	185,465	3,040
Non-departmental	19,400	10,870	10,485	385
Other	29,275	29,275	22,262	7,013
	<u>1,000,275</u>	<u>997,260</u>	<u>938,455</u>	<u>58,805</u>
Judicial				
242nd District Court	78,500	78,500	64,918	13,582
64th District Court	73,650	73,650	71,905	1,745
Justice of the Peace	108,525	108,525	94,268	14,257
County Attorney	138,695	138,695	131,063	7,632
Miscellaneous judicial	4,500	2,500	1,120.00	1,380
	<u>403,870</u>	<u>401,870</u>	<u>363,274</u>	<u>38,596</u>
Public facilities				
Courthouse	287,885	329,285	309,505	19,780
Ross building	7,700	10,785	10,774	11
APPR annex	9,750	9,750	7,436	2,314
Expo	26,000	26,000	21,185	4,815

Continued

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

Continuation

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Public facilities - continuation				
Sunnyside dam	\$ 2,000	\$ 2,000	\$ 1,376	\$ 624
Total public facilities	<u>333,335</u>	<u>377,820</u>	<u>350,276</u>	<u>27,544</u>
Public safety				
County Sheriff	971,825	965,055	961,618	3,437
Jail	964,725	966,125	969,225	(3,100)
Department of public safety	2,725	2,725	1,271	1,454
Fire prevention	<u>54,900</u>	<u>54,900</u>	<u>44,328</u>	<u>10,572</u>
Total public safety	<u>1,994,175</u>	<u>1,988,805</u>	<u>1,976,442</u>	<u>12,363</u>
Public services				
Health and welfare	9,657	9,982	9,976	6
Extension office	<u>63,680</u>	<u>63,680</u>	<u>57,915</u>	<u>5,765</u>
Total public services	<u>73,337</u>	<u>73,662</u>	<u>67,891</u>	<u>5,771</u>
Debt service:				
Principal	-	-	13,662	(13,662)
Interest	<u>-</u>	<u>-</u>	<u>222</u>	<u>(222)</u>
Total debt service	<u>-</u>	<u>-</u>	<u>13,884</u>	<u>(13,884)</u>
Capital outlay	<u>312,500</u>	<u>279,475</u>	<u>149,001</u>	<u>130,474</u>
Total expenditures	<u>4,117,492</u>	<u>4,118,892</u>	<u>3,859,223</u>	<u>259,669</u>
<b>EXCESS OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	<u>510,845</u>	<u>509,445</u>	<u>943,473</u>	<u>434,028</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	766,575	-	-	-
Transfers out	<u>-</u>	<u>(898,575)</u>	<u>(897,800)</u>	<u>775</u>
Total other financing sources (uses)	<u>766,575</u>	<u>(898,575)</u>	<u>(897,800)</u>	<u>775</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,277,420	(389,130)	45,673	434,803
<b>FUND BALANCE - BEGINNING</b>	<u>1,442,448</u>	<u>1,442,448</u>	<u>1,442,448</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,719,868</u>	<u>\$ 1,053,318</u>	<u>\$ 1,488,121</u>	<u>\$ 434,803</u>

**CASTRO COUNTY, TEXAS**  
**PRECINCT #1 ROAD AND BRIDGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 235,121	\$ 235,121	\$ 237,992	\$ 2,871
Licenses and fees	128,000	128,000	133,100	5,100
Fines and forfeitures	-	-	154	154
Intergovernmental	6,400	6,400	6,267	(133)
Investment earnings	853	853	5,464	4,611
Miscellaneous	-	-	3,222	3,222
	<u>370,374</u>	<u>370,374</u>	<u>386,199</u>	<u>15,825</u>
<b>EXPENDITURES</b>				
Current:				
Road and bridge	353,410	353,410	264,903	88,507
Debt service:				
Principal	106,700	104,540	104,915	(375)
Interest	1,300	3,460	1,733	1,727
	<u>461,410</u>	<u>461,410</u>	<u>371,551</u>	<u>89,859</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(91,036)	(91,036)	14,648	105,684
<b>FUND BALANCE - BEGINNING</b>	<u>(3,924)</u>	<u>(3,924)</u>	<u>(3,924)</u>	<u>-</u>
<b>FUND BALANCE - ENDING (DEFICIT)</b>	<u>\$ (94,960)</u>	<u>\$ (94,960)</u>	<u>\$ 10,724</u>	<u>\$ 105,684</u>



**CASTRO COUNTY, TEXAS**  
**PRECINCT #2 ROAD AND BRIDGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 235,121	\$ 235,121	\$ 237,992	\$ 2,871
Licenses and fees	128,000	128,000	133,101	5,101
Fines and forfeitures	-	-	154	154
Intergovernmental	6,400	6,400	6,267	(133)
Investment earnings	325	325	1,132	807
Miscellaneous	-	-	20,500	20,500
	<u>369,846</u>	<u>369,846</u>	<u>399,146</u>	<u>29,300</u>
<b>Total revenues</b>				
<b>EXPENDITURES</b>				
Current:				
Road and bridge	339,700	339,725	256,037	83,688
Debt service:				
Principal	85,000	80,705	79,231	1,474
Interest	10,300	14,570	14,800	(230)
	<u>435,000</u>	<u>435,000</u>	<u>350,068</u>	<u>84,932</u>
<b>Total expenditures</b>				
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(65,154)	(65,154)	49,078	114,232
<b>FUND BALANCE - BEGINNING (DEFICIT)</b>	<u>(80,643)</u>	<u>(80,643)</u>	<u>(80,643)</u>	<u>-</u>
<b>FUND BALANCE - ENDING (DEFICIT)</b>	<u>\$ (145,797)</u>	<u>\$ (145,797)</u>	<u>\$ (31,565)</u>	<u>\$ 114,232</u>

**CASTRO COUNTY, TEXAS**  
**PRECINCT #3 ROAD AND BRIDGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 235,121	\$ 235,121	\$ 237,992	\$ 2,871
Licenses and fees	118,500	118,500	122,862	4,362
Fines and forfeitures	-	-	154	154
Intergovernmental	6,400	6,400	6,267	(133)
Investment earnings	6,290	6,290	20,623	14,333
Miscellaneous	-	-	4,722	4,722
	<u>366,311</u>	<u>366,311</u>	<u>392,620</u>	<u>26,309</u>
<b>EXPENDITURES</b>				
Current:				
Road and bridge	308,310	308,310	260,773	47,537
Capital outlay	35,000	35,000	30,500	4,500
	<u>343,310</u>	<u>343,310</u>	<u>291,273</u>	<u>52,037</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	23,001	23,001	101,347	78,346
<b>FUND BALANCE - BEGINNING</b>	<u>337,289</u>	<u>337,289</u>	<u>337,289</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 360,290</u>	<u>\$ 360,290</u>	<u>\$ 438,636</u>	<u>\$ 78,346</u>

**CASTRO COUNTY, TEXAS**  
**PRECINCT #4 ROAD AND BRIDGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 235,121	\$ 235,121	\$ 237,992	\$ 2,871
Licenses and fees	118,500	118,500	122,863	4,363
Fines and forfeitures	-	-	154	154
Intergovernmental	6,400	6,400	6,267	(133)
Investment earnings	295	295	1,994	1,699
Miscellaneous	-	-	2,097	2,097
	<u>360,316</u>	<u>360,316</u>	<u>371,367</u>	<u>11,051</u>
<b>EXPENDITURES</b>				
Current:				
Road and bridge	321,275	321,275	294,403	26,872
Debt service:				
Principal	57,820	57,820	49,759	8,061
Interest	6,150	6,150	7,991	(1,841)
Capital outlay	70,000	70,000	67,900	2,100
	<u>455,245</u>	<u>455,245</u>	<u>420,053</u>	<u>35,192</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(94,929)</u>	<u>(94,929)</u>	<u>(48,686)</u>	<u>46,243</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of assets	-	-	30,000	30,000
	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(94,929)	(94,929)	(18,686)	76,243
<b>FUND BALANCE - BEGINNING (DEFICIT)</b>	<u>(54,205)</u>	<u>(54,205)</u>	<u>(54,205)</u>	<u>-</u>
<b>FUND BALANCE - ENDING (DEFICIT)</b>	<u>\$ (149,134)</u>	<u>\$ (149,134)</u>	<u>\$ (72,891)</u>	<u>\$ 76,243</u>

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**CASTRO COUNTY, TEXAS**  
**AMERICAN RELIEF**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 2,250	\$ 2,250	\$ 39,329	\$ 37,079
Total revenues	<u>2,250</u>	<u>2,250</u>	<u>39,329</u>	<u>37,079</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	628,000	428,000	63,706	364,294
Public safety	271,230	261,290	198,169	63,121
Road and bridge	-	200,000	172,138	27,862
Capital outlay	<u>-</u>	<u>-</u>	<u>28,280</u>	<u>(28,280)</u>
Total expenditures	<u>899,230</u>	<u>889,290</u>	<u>462,293</u>	<u>426,997</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(896,980)	(887,040)	(422,964)	464,076
<b>FUND BALANCE - BEGINNING</b>	<u>1,263,404</u>	<u>1,263,404</u>	<u>1,263,404</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 366,424</u>	<u>\$ 376,364</u>	<u>\$ 840,440</u>	<u>\$ 464,076</u>

**CASTRO COUNTY, TEXAS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**Last 10 Years (will ultimately be displayed)**

	Year Ended December 31,			
	2022	2021	2020	2019
<b>Total Pension Liability:</b>				
Service cost	\$ 308,460	\$ 332,680	\$ 303,398	\$ 294,066
Interest on total pension liability	1,036,661	990,341	941,322	902,306
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	-	(85,654)	668,919	-
Effect of economic/demographic (gains) or losses	(68,723)	60,037	129,239	(68,762)
Benefit payments/refunds of contributions	(678,697)	(649,277)	(674,703)	(636,570)
Net change in total pension liability	597,701	648,127	1,368,175	491,040
Total pension liability, beginning	13,664,946	13,016,819	11,648,644	11,157,604
Total pension liability, ending (a)	<u>\$ 14,262,647</u>	<u>\$ 13,664,946</u>	<u>\$ 13,016,819</u>	<u>\$ 11,648,644</u>
<b>Fiduciary Net Position:</b>				
Employer contributions	\$ 308,468	\$ 246,704	\$ 253,700	\$ 248,596
Member contributions	171,917	161,517	157,847	160,681
Investment income net of investment expenses	(838,396)	2,650,365	1,167,233	1,628,832
Benefit payments/refunds of contributions	(678,697)	(649,277)	(674,703)	(636,570)
Administrative expenses	(7,929)	(7,894)	(8,921)	(8,614)
Other	(15,727)	(3,473)	(6,667)	(6,207)
Net change in fiduciary net position	(1,060,364)	2,397,942	888,489	1,386,718
Fiduciary net position, beginning	14,590,346	12,192,404	11,303,915	9,917,197
Fiduciary net position, ending (b)	<u>\$ 13,529,982</u>	<u>\$ 14,590,346</u>	<u>\$ 12,192,404</u>	<u>\$ 11,303,915</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 732,665</u>	<u>\$ (925,400)</u>	<u>\$ 824,415</u>	<u>\$ 344,729</u>
Fiduciary net position as a % of total pension liability	94.86%	106.77%	93.67%	97.04%
Pensionable covered payroll	\$ 2,455,960	\$ 2,307,381	\$ 2,254,957	\$ 2,295,440
Net pension liability as a % of covered payroll	29.83%	-40.11%	36.56%	15.02%

Year Ended December 31,

2018	2017	2016	2015	2014	2013
\$ 274,048	\$ 269,770	\$ 309,056	\$ 260,103	\$ 245,996	\$ N/A
862,291	823,818	770,984	716,753	682,578	N/A
-	-	-	(39,004)	-	N/A
-	67,158	-	106,293	-	N/A
(11,893)	(51,594)	12,485	111,407	(101,772)	N/A
<u>(663,801)</u>	<u>(614,068)</u>	<u>(505,059)</u>	<u>(450,109)</u>	<u>(439,673)</u>	<u>N/A</u>
460,645	495,084	587,466	705,442	387,129	N/A
<u>10,696,959</u>	<u>10,201,875</u>	<u>9,614,409</u>	<u>8,908,967</u>	<u>8,521,837</u>	<u>N/A</u>
<u>\$ 11,157,604</u>	<u>\$ 10,696,959</u>	<u>\$ 10,201,875</u>	<u>\$ 9,614,409</u>	<u>\$ 8,908,966</u>	<u>\$ N/A</u>
\$ 229,428	\$ 198,483	\$ 196,529	\$ 326,752	\$ 299,581	\$ N/A
145,867	138,799	137,539	144,713	124,961	N/A
(197,318)	1,359,774	652,147	(51,942)	562,485	N/A
(663,801)	(614,068)	(505,059)	(450,109)	(439,673)	N/A
(7,965)	(6,929)	(7,092)	(6,341)	(6,585)	N/A
<u>(7,548)</u>	<u>(3,775)</u>	<u>44,645</u>	<u>46,787</u>	<u>(18,461)</u>	<u>N/A</u>
(501,337)	1,072,284	518,709	9,860	522,308	N/A
<u>10,418,534</u>	<u>9,346,250</u>	<u>8,827,541</u>	<u>8,817,681</u>	<u>8,295,373</u>	<u>N/A</u>
<u>\$ 9,917,197</u>	<u>\$ 10,418,534</u>	<u>\$ 9,346,250</u>	<u>\$ 8,827,541</u>	<u>\$ 8,817,681</u>	<u>\$ N/A</u>
<u>\$ 1,240,407</u>	<u>\$ 278,425</u>	<u>\$ 855,625</u>	<u>\$ 786,868</u>	<u>\$ 91,285</u>	<u>\$ N/A</u>
88.88%	97.40%	91.61%	91.82%	98.98%	N/A
\$ 2,083,810	\$ 1,982,843	\$ 1,964,843	\$ 2,057,634	\$ 1,785,150	\$ N/A
59.53%	14.04%	43.55%	38.24%	5.11%	N/A

**CASTRO COUNTY, TEXAS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**Last 10 Years (will ultimately be displayed)**

Year Ending September 30:	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 215,865	\$ 315,865	\$ (100,000)	\$ 1,952,330	16.2%
2016	206,720	320,778	(114,058)	2,003,433	16.0%
2017	195,292	200,296	(5,004)	1,948,905	10.3%
2018	221,818	221,818	-	2,064,643	10.7%
2019	244,981	244,981	-	2,252,600	10.9%
2020	250,044	250,044	-	2,245,458	11.1%
2021	256,295	256,295	-	2,364,964	10.8%
2022	294,896	294,896	-	2,431,924	12.1%
2023	299,571	299,571	-	2,562,743	11.7%



**CASTRO COUNTY, TEXAS  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Last 10 Years (will ultimately be displayed)**

**Notes to Schedule:**

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17.9 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation.
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation.
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the PUB-2010 General Retirees Table for males and 120% of the PUB-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule.

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**OTHER SUPPLEMENTARY INFORMATION**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific sources that are legally restricted or committed by the County to expenditures for specified purposes.

**Castro/Swisher Juvenile Probation Department** – The Castro/Swisher Juvenile Probation Department accounts for grants received from the Texas Juvenile Justice Department as well as local funds used for providing juvenile probation services.

**Centennial Plaza** – The Centennial Plaza Fund accounts for funds donated by the residents of Castro County. The funds are restricted by the donors for improvements made to the plaza.

**Hazel Merritt Bequest** – The Hazel Merritt Bequest Fund accounts for funds that were left to Castro County, Texas by Hazel Merritt. The funds are restricted by the terms of the will for the benefit of the library.

**Rhoads Memorial Library Donations & Memorials** – The Rhoads Memorial Library Donations & Memorials Fund accounts for funds that are donated to the County. The funds are restricted by the donors for the benefit of the library.

**Rhoads Memorial Library** – The Rhoads Memorial Library Fund accounts for funds received from the City of Dimmitt to supplement expenditures incurred by the operation of the library. The funds are restricted by the City for the use of the library.

**Chapter 19 – Voter Registration** – The Chapter 19- Voter Registration Fund accounts for funds issued by the Texas Secretary of State to voter registrars in Texas to help defray the County's voter registration expenses. The funds are restricted by law to be spent on any item or services designed to increase the number of registered voters, maintain and report an accurate list of the number of registered voters, and/or increase the efficiency of the voter registration office.

**County Judge Excess Salary Supplement** – The County Judge Excess Salary Supplement Fund accounts for additional received from the State of Texas to supplement the salary of the County Judge. The funds are restricted by law to be used to supplement the County Judge's office.

**Sheriff's Petty Cash** – The Sheriff's Petty Cash Fund accounts for funds committed by the Commissioners' Court to cover the costs associated with prisoner transportation.

**Sheriff's Special Account** – The Sheriff's Special Account Fund accounts for donations received from the residents of Castro County. The funds are restricted by the donors for the use and betterment of the county residents.

**Unclaimed Property** – The Unclaimed Property Fund accounts for outstanding checks from offices that are older than one year.

**Check & Sight** – The Check and Sight Fund accounts for fees collected by the County Attorney for every hot check processed through the office. The fees are dedicated by law to be used at the sole discretion of the County Attorney to defray the salaries and expenses of the prosecutor's office.

**Courthouse Security** – The Courthouse Security Fund accounts for statutory filing fees collected by the District and County Clerks which are dedicated by law to maintain the security of the courthouse.

**County Clerk Records Management** – The County Clerk Records Management Fund accounts for revenue from fees collected by the County Clerk on court cases. The fees are dedicated by law to be used for specific records management projects of the office.

**County Law Library** – The County Law Library Fund accounts for statutory fees collected in civil cases filed in County and District Courts. The fees are restricted by law to provide and maintain a County Law Library.

**Sheriff's Forfeited Funds** – The Sheriff's Forfeited Funds accounts for the assets and proceeds from the disposition of assets used in the commission of criminal activity and subsequently seized. The funds are dedicated by law to be used supplement the costs of the Sheriff's office.

**County/District Attorney Forfeited Funds** – The County/District Attorney Forfeited Funds accounts for the assets and proceeds from the disposition of assets used in the commission of criminal activity and subsequently seized. The funds are dedicated by law to be used supplement the costs of the County/District Attorney's office.

**Sheriff Law Enforcement Education** – The Sheriff Law Enforcement Education Fund accounts for funds received from the State of Texas on behalf of the Sheriff. The funds are dedicated by law for the use of continuing education of law enforcement personnel.

**Justice Court Technology** – The Justice Court Technology Fund accounts for money charged to a defendant convicted of a misdemeanor in a justice court. It is designated for the purpose of financing the purchase of technological enhancements for a justice court.

**District Clerk Records Archive** – The District Clerk Records Archive Fund accounts for fees collected by the District Clerk for the filing of a suit. The fees are dedicated by law to be expended only for the preservation and restoration of the District Clerk's record archive.

**County Clerk Records Archive** – The County Clerk Records Archive Fund accounts for fees collected by the County Clerk for the filing of public documents. The fees are dedicated by law to be expended only for the preservation and restoration of the County Clerk's record archive.

**County/District Clerk Technology** – The County/District Clerk Technology Fund accounts for fees collected from all defendants convicted in the County or District Courts. The fees are dedicated by law to be expended only for the costs of continuing education for county and district judges and clerks regarding technological enhancements for justice courts and the costs of those enhancements.

**Courthouse Records Management** – The Courthouse Records Management Fund accounts for fees collected by the County and District Clerks from all defendants convicted of an offense. The fees are dedicated by law to be used for specific records management and preservation purposes of the County.

**Expo Building** – The Expo Building Fund accounts for the rental income and deposits received in the use of the Expo Building by the residents of Castro County. The Commissioner's Court has committed these funds to be used to supplement the costs of maintaining the Expo Building.

**Crime Line** – The Crime Line Fund accounts for donations received from the residents of Castro County. The funds are restricted by the donors for the maintenance and upkeep of the tip based hotline maintained by the Sheriff's Department.

**Pretrial Diversion** – The Pretrial Diversion Fund accounts for fees charged to any defendant willing to participate in a pretrial intervention program. The fees are dedicated by law to be used to administer and maintain the pretrial diversion programs.

**Court Facility Fee** – The Court Facility Fee Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to be expended only to fund the construction, renovation, or improvement of facilities that house the courts or pay the principal of, interest on, and costs of issuance of bonds, including refunding bonds, issued for the construction, renovation, or improvement of the facilities.

**Language Access** – The Language Access Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to provide language access services for individuals appearing before the court or receiving court services.

**County Juror Fund** – The County Juror Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to fund juror reimbursements and other otherwise finance jury services.

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**Court Reporter Fund** – The Court Reporter Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to be used to maintain a court reporter who is available for assignment in the court.

**Consolidated State Civil Filing Fee** – The Consolidated State Civil Filing Fee Fund accounts for court costs collected by the various courts to be remitted to the State of Texas and other agencies.

**Court Initiated Guardian/Probate Fund** – The Court Initiated Guardian/Probate Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to supplement other available funds to pay the compensation of a guardian ad litem appointed by the Court, pay the compensation of an attorney ad litem appointed by the court, and fund local guardianship programs that provide guardians for indigent incapacitated persons as well as being dedicated by law to support the office of a public probate administrator.

**Sheriff Commissary** – The Sheriff Commissary Fund accounts for the proceeds received by the Sheriff's office from incarcerated persons on the sale of commissary items. The funds are restricted by law to be used to maintain the commissary and for the benefit of the Sheriff's Department.

**CASTRO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

**Special Revenue**

	<b>Castro/Swisher Juvenile Probation Department</b>	<b>Centennial Plaza</b>	<b>Hazel Merritt Bequest</b>	<b>Rhoads Memorial Library Donations &amp; Memorials</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 52,821	\$ 1,857	\$ 42,332	\$ 7,361
Prepaid expenses	80	-	-	-
<b>Total assets</b>	<b>\$ 52,901</b>	<b>\$ 1,857</b>	<b>\$ 42,332</b>	<b>\$ 7,361</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,600	-	-	-
Due to other governments	-	-	-	-
Accrued payroll and benefits	11,605	-	-	-
<b>Total liabilities</b>	<b>15,205</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenditures	80	-	-	-
Restricted:				
By enabling legislation for special projects	-	-	-	-
Special projects	37,616	1,857	42,332	7,361
Committed:				
Special projects	-	-	-	-
<b>Total fund balances</b>	<b>37,696</b>	<b>1,857</b>	<b>42,332</b>	<b>7,361</b>
<b>Total liabilities and fund balances</b>	<b>\$ 52,901</b>	<b>\$ 1,857</b>	<b>\$ 42,332</b>	<b>\$ 7,361</b>



**Special Revenue**

<b>Rhoads Memorial Library</b>	<b>Chapter 19 - Voter Registration</b>	<b>County Judge Excess Salary Supplement</b>	<b>Sheriff's Petty Cash</b>	<b>Sheriff's Special Account</b>	<b>Unclaimed Property</b>
\$ 27,818	\$ 90	\$ 11	\$ 2,934	\$ 1,432	\$ 81,170
18	-	-	-	-	-
<u>\$ 27,836</u>	<u>\$ 90</u>	<u>\$ 11</u>	<u>\$ 2,934</u>	<u>\$ 1,432</u>	<u>\$ 81,170</u>
\$ 450	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
97	-	-	-	-	-
4,295	-	-	-	-	-
<u>4,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
18	-	-	-	-	-
-	90	11	-	-	81,170
22,976	-	-	-	1,432	-
-	-	-	2,934	-	-
<u>22,994</u>	<u>90</u>	<u>11</u>	<u>2,934</u>	<u>1,432</u>	<u>81,170</u>
<u>\$ 27,836</u>	<u>\$ 90</u>	<u>\$ 11</u>	<u>\$ 2,934</u>	<u>\$ 1,432</u>	<u>\$ 81,170</u>

Continued

**CASTRO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

Continuation

**Special Revenue**

	<u>Check &amp; Sight</u>	<u>Courthouse Security</u>	<u>County Clerk Records Management</u>	<u>County Law Library</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,746	\$ 33,703	\$ 36,994	\$ 17,300
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 1,746</u>	<u>\$ 33,703</u>	<u>\$ 36,994</u>	<u>\$ 17,300</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 1,940	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Accrued payroll and benefits	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,940</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenditures	-	-	-	-
Restricted:				
By enabling legislation for special projects	1,746	33,703	35,054	17,300
Special projects	-	-	-	-
Committed:				
Special projects	-	-	-	-
Total fund balances	<u>1,746</u>	<u>33,703</u>	<u>35,054</u>	<u>17,300</u>
Total liabilities and fund balances	<u>\$ 1,746</u>	<u>\$ 33,703</u>	<u>\$ 36,994</u>	<u>\$ 17,300</u>

**Special Revenue**

<b>Sheriff's Forfeited Funds</b>	<b>County/District Attorney Forfeited Funds</b>	<b>Sheriff Law Enforcement Education</b>	<b>Justice Court Technology</b>	<b>District Clerk Records Archive</b>	<b>County Clerk Records Archive</b>
\$ 116	\$ 2,006	\$ 5	\$ 33,792	\$ 8,278	\$ 41,269
-	-	-	-	-	-
<u>\$ 116</u>	<u>\$ 2,006</u>	<u>\$ 5</u>	<u>\$ 33,792</u>	<u>\$ 8,278</u>	<u>\$ 41,269</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
116	2,006	5	33,792	8,278	41,269
-	-	-	-	-	-
-	-	-	-	-	-
<u>116</u>	<u>2,006</u>	<u>5</u>	<u>33,792</u>	<u>8,278</u>	<u>41,269</u>
<u>\$ 116</u>	<u>\$ 2,006</u>	<u>\$ 5</u>	<u>\$ 33,792</u>	<u>\$ 8,278</u>	<u>\$ 41,269</u>

Continued

**CASTRO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

Continuation

**Special Revenue**

	<b>County/District Clerk Technology</b>	<b>Courthouse Records Management</b>	<b>Expo Building</b>	<b>Crime Line</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,552	\$ 10,618	\$ 5,491	\$ 25,495
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 6,552</u>	<u>\$ 10,618</u>	<u>\$ 5,491</u>	<u>\$ 25,495</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 141	\$ 600	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Accrued payroll and benefits	-	-	-	-
Total liabilities	<u>-</u>	<u>141</u>	<u>600</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenditures	-	-	-	-
Restricted:				
By enabling legislation for special projects	6,552	10,477	-	-
Special projects	-	-	-	25,495
Committed:				
Special projects	-	-	4,891	-
Total fund balances	<u>6,552</u>	<u>10,477</u>	<u>4,891</u>	<u>25,495</u>
Total liabilities and fund balances	<u>\$ 6,552</u>	<u>\$ 10,618</u>	<u>\$ 5,491</u>	<u>\$ 25,495</u>

**Special Revenue**

<b>Pretrial Diversion</b>	<b>Court Facility Fee</b>	<b>Language Access Fee</b>	<b>County Juror Fund</b>	<b>Court Reporter Fund</b>	<b>Consolidated State Civil Filing Fee</b>
\$ 7,279	\$ 3,400	\$ 1,634	\$ 960	\$ 3,700	\$ 411
-	-	-	-	-	-
<u>\$ 7,279</u>	<u>\$ 3,400</u>	<u>\$ 1,634</u>	<u>\$ 960</u>	<u>\$ 3,700</u>	<u>\$ 411</u>
\$ 4,213	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	411
-	-	-	-	-	-
<u>4,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>411</u>
-	-	-	-	-	-
3,066	3,400	1,634	960	3,700	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,066</u>	<u>3,400</u>	<u>1,634</u>	<u>960</u>	<u>3,700</u>	<u>-</u>
\$ 7,279	\$ 3,400	\$ 1,634	\$ 960	\$ 3,700	\$ 411

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**CASTRO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

Continuation

	<b>Special Revenue</b>		
	<b>Court Initiated Guardian/Pro- bate Fund</b>	<b>Sheriff Commissary</b>	<b>Total Non- Major Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,124	\$ 2,352	\$ 462,051
Prepaid expenses	-	-	98
Total assets	\$ 1,124	\$ 2,352	\$ 462,149
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 862	\$ 8,206
Due to other funds	-	-	3,600
Due to other governments	-	-	508
Accrued payroll and benefits	-	-	15,900
Total liabilities	-	862	28,214
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid expenditures	-	-	98
Restricted:			
By enabling legislation for special projects	1,124	1,490	286,943
Special projects	-	-	139,069
Committed:			
Special projects	-	-	7,825
Total fund balances	1,124	1,490	433,935
Total liabilities and fund balances	\$ 1,124	\$ 2,352	\$ 462,149

**CASTRO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Special Revenue</u>			
	<u>Castro/Swisher Juvenile Probation Department</u>	<u>Centennial Plaza</u>	<u>Hazel Merritt Bequest</u>	<u>Rhoads Memorial Library Donations &amp; Memorials</u>
<b>REVENUES</b>				
Licenses and fees	\$ 888	\$ -	\$ -	\$ -
Intergovernmental	354,981	-	-	306
Interest	6,711	85	1,940	342
Miscellaneous	-	-	-	-
Total revenues	<u>362,580</u>	<u>85</u>	<u>1,940</u>	<u>648</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	-	-	-	-
Judicial	-	-	-	-
Public facilities	-	-	-	263
Public safety	-	-	-	-
Public services	418,565	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>418,565</u>	<u>-</u>	<u>-</u>	<u>263</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(55,985)</u>	<u>85</u>	<u>1,940</u>	<u>385</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>68,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>68,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	12,015	85	1,940	385
<b>FUND BALANCES - BEGINNING</b>	<u>25,681</u>	<u>1,772</u>	<u>40,392</u>	<u>6,976</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 37,696</u>	<u>\$ 1,857</u>	<u>\$ 42,332</u>	<u>\$ 7,361</u>



**Special Revenue**

<b>Rhoads Memorial Library</b>	<b>Chapter 19 - Voter Registration</b>	<b>County Judge Excess Salary Supplement</b>	<b>Sheriff's Petty Cash</b>	<b>Sheriff's Special Account</b>	<b>Unclaimed Property</b>
\$ 4,984	\$ -	\$ -	\$ -	\$ -	\$ -
62,000	-	-	-	-	-
2,622	-	-	125	114	-
-	-	-	4,097	-	18,434
<u>69,606</u>	<u>-</u>	<u>-</u>	<u>4,222</u>	<u>114</u>	<u>18,434</u>
-	-	1,000	-	-	-
-	-	-	-	-	-
127,442	-	-	-	-	-
-	-	-	4,096	2,610	3,000
-	-	-	-	-	-
1,482	-	-	-	-	-
18	-	-	-	-	-
-	-	-	-	-	-
<u>128,942</u>	<u>-</u>	<u>1,000</u>	<u>4,096</u>	<u>2,610</u>	<u>3,000</u>
<u>(59,336)</u>	<u>-</u>	<u>(1,000)</u>	<u>126</u>	<u>(2,496)</u>	<u>15,434</u>
<u>62,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>62,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,664	-	(1,000)	126	(2,496)	15,434
<u>20,330</u>	<u>90</u>	<u>1,011</u>	<u>2,808</u>	<u>3,928</u>	<u>65,736</u>
<u>\$ 22,994</u>	<u>\$ 90</u>	<u>\$ 11</u>	<u>\$ 2,934</u>	<u>\$ 1,432</u>	<u>\$ 81,170</u>

Continued

**CASTRO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Continuation

**Special Revenue**

	<u>Check &amp; Sight</u>	<u>Courthouse Security</u>	<u>County Clerk Records Management</u>	<u>County Law Library</u>
<b>REVENUES</b>				
Licenses and fees	\$ 104	\$ 7,298	\$ 15,281	\$ 3,255
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>104</u>	<u>7,298</u>	<u>15,281</u>	<u>3,255</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	-	-	17,744	-
Judicial	1,802	-	-	-
Public facilities	-	4,635	-	-
Public safety	-	-	-	-
Public services	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	-	5,458	-	-
Total expenditures	<u>1,802</u>	<u>10,093</u>	<u>17,744</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,698)</u>	<u>(2,795)</u>	<u>(2,463)</u>	<u>3,255</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,698)	(2,795)	(2,463)	3,255
<b>FUND BALANCES - BEGINNING</b>	<u>3,444</u>	<u>36,498</u>	<u>37,517</u>	<u>14,045</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,746</u>	<u>\$ 33,703</u>	<u>\$ 35,054</u>	<u>\$ 17,300</u>

**Special Revenue**

<b>Sheriff's Forfeited Funds</b>	<b>County/District Attorney Forfeited Funds</b>	<b>Sheriff Law Enforcement Education</b>	<b>Justice Court Technology</b>	<b>District Clerk Records Archive</b>	<b>County Clerk Records Archive</b>
\$ -	\$ -	\$ 1,533	\$ 3,157	\$ 245	\$ 11,570
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,533	3,157	245	11,570
-	-	-	-	-	-
-	-	-	4,172	-	-
-	-	-	-	-	-
-	-	1,567	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,567	4,172	-	-
-	-	(34)	(1,015)	245	11,570
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(34)	(1,015)	245	11,570
116	2,006	39	34,807	8,033	29,699
<u>\$ 116</u>	<u>\$ 2,006</u>	<u>\$ 5</u>	<u>\$ 33,792</u>	<u>\$ 8,278</u>	<u>\$ 41,269</u>

Continued

**CASTRO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Continuation

**Special Revenue**

	<b>County/District Clerk Technology</b>	<b>Courthouse Records Management</b>	<b>Expo Building</b>	<b>Crime Line</b>
<b>REVENUES</b>				
Licenses and fees	\$ 412	\$ 215	\$ 7,300	\$ 1,455
Intergovernmental	-	-	-	-
Interest	-	-	204	1,145
Miscellaneous	-	-	-	-
Total revenues	<u>412</u>	<u>215</u>	<u>7,504</u>	<u>2,600</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	340	1,491	-	-
Judicial	-	-	-	-
Public facilities	-	-	6,000	-
Public safety	-	-	-	192
Public services	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>340</u>	<u>1,491</u>	<u>6,000</u>	<u>192</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>72</u>	<u>(1,276)</u>	<u>1,504</u>	<u>2,408</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	72	(1,276)	1,504	2,408
<b>FUND BALANCES - BEGINNING</b>	<u>6,480</u>	<u>11,753</u>	<u>3,387</u>	<u>23,087</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 6,552</u>	<u>\$ 10,477</u>	<u>\$ 4,891</u>	<u>\$ 25,495</u>

**Special Revenue**

<b>Pretrial Diversion</b>	<b>Court Facility Fee</b>	<b>Language Access Fee</b>	<b>County Juror Fund</b>	<b>Court Reporter Fund</b>	<b>Consolidated State Civil Filing Fee</b>
\$ 4,136	\$ 1,860	\$ 1,139	\$ 460	\$ 2,105	\$ -
-	-	-	-	-	-
278	-	-	-	-	-
-	-	-	-	-	-
<u>4,414</u>	<u>1,860</u>	<u>1,139</u>	<u>460</u>	<u>2,105</u>	<u>-</u>
-	-	-	-	-	-
4,250	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
164	1,860	1,139	460	2,105	-
-	-	-	-	-	-
-	-	-	-	-	-
164	1,860	1,139	460	2,105	-
2,902	1,540	495	500	1,595	-
<u>\$ 3,066</u>	<u>\$ 3,400</u>	<u>\$ 1,634</u>	<u>\$ 960</u>	<u>\$ 3,700</u>	<u>\$ -</u>

Continued

**CASTRO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Continuation

	<u>Special Revenue</u>		<b>Total Non- Major Governmental Funds</b>
	<b>Court Initiated Guardian/Pro- bate Fund</b>	<b>Sheriff Commissary</b>	
<b>REVENUES</b>			
Licenses and fees	\$ 630	\$ -	\$ 68,027
Intergovernmental	-	-	417,287
Interest	-	-	13,566
Miscellaneous	-	49,328	71,859
	<u>630</u>	<u>49,328</u>	<u>570,739</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Administrative	-	-	20,575
Judicial	-	-	10,224
Public facilities	-	-	138,340
Public safety	-	50,543	62,008
Public services	-	-	418,565
Debt service			
Principal	-	-	1,482
Interest	-	-	18
Capital Outlay	-	-	5,458
	<u>-</u>	<u>50,543</u>	<u>656,670</u>
Total expenditures			
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>630</u>	<u>(1,215)</u>	<u>(85,931)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	-	130,000
	<u>-</u>	<u>-</u>	<u>130,000</u>
Total other financing sources			
<b>NET CHANGE IN FUND BALANCES</b>	630	(1,215)	44,069
<b>FUND BALANCES - BEGINNING</b>	<u>494</u>	<u>2,705</u>	<u>389,866</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,124</u>	<u>\$ 1,490</u>	<u>\$ 433,935</u>

**CASTRO COUNTY, TEXAS  
COMBINING BALANCE SHEET  
ROAD AND BRIDGE GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<b>Precinct #1 Road and Bridge Fund</b>	<b>Precinct #2 Road and Bridge Fund</b>	<b>Precinct #3 Road and Bridge Fund</b>	<b>Precinct #4 Road and Bridge Fund</b>	<b>Total Road and Bridge Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 12,547	\$ 477	\$ 227,880	\$ 421	\$ 241,325
Investments	10,421	9,678	229,795	8,518	258,412
Taxes receivable, net	3,232	3,232	3,232	3,232	12,928
Due from other governmental entities	655	655	655	655	2,620
Prepaid expenses	4,472	5,527	4,387	4,568	18,954
	<u>31,327</u>	<u>19,569</u>	<u>465,949</u>	<u>17,394</u>	<u>534,239</u>
<b>Total assets</b>	<b>\$ 31,327</b>	<b>\$ 19,569</b>	<b>\$ 465,949</b>	<b>\$ 17,394</b>	<b>\$ 534,239</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,868	\$ 83	\$ 6,727	\$ 3,964	\$ 12,642
Due to other funds	-	31,133	-	69,118	100,251
Accrued payroll and benefits	16,059	17,242	17,910	14,527	65,738
	<u>17,927</u>	<u>48,458</u>	<u>24,637</u>	<u>87,609</u>	<u>178,631</u>
<b>Total liabilities</b>	<b>17,927</b>	<b>48,458</b>	<b>24,637</b>	<b>87,609</b>	<b>178,631</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	2,676	2,676	2,676	2,676	10,704
	<u>2,676</u>	<u>2,676</u>	<u>2,676</u>	<u>2,676</u>	<u>10,704</u>
<b>Total deferred inflows of resources</b>	<b>2,676</b>	<b>2,676</b>	<b>2,676</b>	<b>2,676</b>	<b>10,704</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid expenditures	4,472	5,527	4,387	4,568	18,954
Committed:					
Special projects	6,252	-	434,249	-	440,501
Unassigned (deficit)	-	(37,092)	-	(77,459)	(114,551)
	<u>10,724</u>	<u>(31,565)</u>	<u>438,636</u>	<u>(72,891)</u>	<u>344,904</u>
<b>Total fund balances (deficit)</b>	<b>10,724</b>	<b>(31,565)</b>	<b>438,636</b>	<b>(72,891)</b>	<b>344,904</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 31,327</b>	<b>\$ 19,569</b>	<b>\$ 465,949</b>	<b>\$ 17,394</b>	<b>\$ 534,239</b>

**CASTRO COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**ROAD AND BRIDGE GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Precinct #1</b>	<b>Precinct #2</b>	<b>Precinct #3</b>	<b>Precinct #4</b>	<b>Total Road and</b>
	<b>Road and</b>	<b>Road and</b>	<b>Road and</b>	<b>Road and</b>	<b>Bridge</b>
	<b>Bridge Fund</b>	<b>Bridge Fund</b>	<b>Bridge Fund</b>	<b>Bridge Fund</b>	<b>Governmental</b>
	<b>Funds</b>				<b>Funds</b>
<b>REVENUES</b>					
Property taxes	\$ 237,992	\$ 237,992	\$ 237,992	\$ 237,992	\$ 951,968
Licenses and fees	133,100	133,101	122,862	122,863	511,926
Fines and forfeitures	154	154	154	154	616
Intergovernmental	6,267	6,267	6,267	6,267	25,068
Interest	5,464	1,132	20,623	1,994	29,213
Miscellaneous	3,222	20,500	4,722	2,097	30,541
Total revenues	<u>386,199</u>	<u>399,146</u>	<u>392,620</u>	<u>371,367</u>	<u>1,549,332</u>
<b>EXPENDITURES</b>					
Current:					
Road and bridge	264,903	256,037	260,773	294,403	1,076,116
Debt Service					
Principal	104,915	79,231	-	49,759	233,905
Interest and other charges	1,733	14,800	-	7,991	24,524
Capital Outlay	-	-	30,500	67,900	98,400
Total expenditures	<u>371,551</u>	<u>350,068</u>	<u>291,273</u>	<u>420,053</u>	<u>1,432,945</u>
<b>EXCESS OF REVENUES</b>					
<b>OVER (UNDER) EXPENDITURES</b>	<u>14,648</u>	<u>49,078</u>	<u>101,347</u>	<u>(48,686)</u>	<u>116,387</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	-	-	-	30,000	30,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	14,648	49,078	101,347	(18,686)	146,387
<b>FUND BALANCES - BEGINNING (DEFICIT)</b>	<u>(3,924)</u>	<u>(80,643)</u>	<u>337,289</u>	<u>(54,205)</u>	<u>198,517</u>
<b>FUND BALANCES - ENDING (DEFICIT)</b>	<u>\$ 10,724</u>	<u>\$ (31,565)</u>	<u>\$ 438,636</u>	<u>\$ (72,891)</u>	<u>\$ 344,904</u>



## **FIDUCIARY FUNDS**

## **CUSTODIAL FUNDS**

The Custodial Funds account for assets received in the capacity of trustee or agent for the County, other governmental entity or individual.

**County Attorney** – The County Attorney Fund accounts for the partial payments of restitution and fees associated with the collection of hot checks within the County limits.

**County/ District Clerk** – The County/District Clerk Fund accounts for registry funds held by the County and District Clerk.

**Tax Assessor Collector** – The Tax Assessor Collector Fund accounts for money collected by the Tax Assessor Collector and remitted to The State of Texas.

**CASTRO COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**SEPTEMBER 30, 2023**

	<u>County Attorney</u>	<u>County and District Clerk</u>	<u>Tax Assessor Collector</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 633	\$ 266,153	\$ 25,896	\$ 292,682
Accounts receivable	-	-	1,342	1,342
Total assets	<u>633</u>	<u>266,153</u>	<u>27,238</u>	<u>294,024</u>
<b>LIABILITIES</b>				
Due to other governments	-	-	27,238	27,238
Total liabilities	<u>-</u>	<u>-</u>	<u>27,238</u>	<u>27,238</u>
<b>NET POSITION</b>				
Restricted for:				
Individuals	<u>633</u>	<u>266,153</u>	<u>-</u>	<u>266,786</u>
Total net position	<u>\$ 633</u>	<u>\$ 266,153</u>	<u>\$ -</u>	<u>\$ 266,786</u>

**CASTRO COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>County Attorney</u>	<u>County and District Clerk</u>	<u>Tax Assessor Collector</u>	<u>Total</u>
<b>Additions</b>				
Tax collections	\$ -	\$ -	\$ 1,740,899	\$ 1,740,899
Trust/Escrow contributions	27,500	50,425	-	77,925
Investment earnings	-	4,263	-	4,263
<b>Total additions</b>	<u>27,500</u>	<u>54,688</u>	<u>1,740,899</u>	<u>1,823,087</u>
<b>Deductions</b>				
Payments to local governments	-	-	1,740,899	1,740,899
Trust/Escrow disbursements	27,500	11,531	-	39,031
<b>Total deductions</b>	<u>27,500</u>	<u>11,531</u>	<u>1,740,899</u>	<u>1,779,930</u>
<b>NET CHANGE IN NET POSITION</b>	-	43,157	-	43,157
<b>NET POSITION - BEGINNING</b>	<u>633</u>	<u>222,996</u>	<u>-</u>	<u>223,629</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 633</u></u>	<u><u>\$ 266,153</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 266,786</u></u>

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**PART III**  
**COMPLIANCE**



To The Honorable County Judge and  
Commissioners Comprising the  
Commissioners' Court of  
Castro County, Texas

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Castro County, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Castro County, Texas's basic financial statements, and have issued our report thereon dated February 12, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

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

DOSHIER, PICKENS & FRANCIS, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC

Amarillo, Texas

February 12, 2024