

POTTER COUNTY, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024



OFFICE OF THE COUNTY AUDITOR

POTTER COUNTY, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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INTRODUCTORY SECTION



OFFICE OF THE COUNTY AUDITOR

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Amarillo, Texas 79101-3412

Brandon Boston
County Auditor
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806-349-4800
806-349-4808 (fax)

March 26, 2025

The Annual Comprehensive Financial Report of Potter County, Texas (the "County"), for the year ended September 30, 2024, is submitted herewith. This report is submitted in accordance with Section 114.025 of the Local Government Code.

This report consists of management's representations concerning the finances of Potter County, Texas. Management assumes full responsibility for both the accuracy of the data and the completeness and fairness of this report, including all disclosures. To provide a reasonable basis for making these representations, Potter County management has established a comprehensive internal control framework designed both to protect governmental assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. The internal accounting controls are designed to provide reasonable, but not absolute assurance, regarding the reliability of financial reporting, the effectiveness and efficiency of operations, and compliance with existing law and regulations. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

These financial statements and supplemental financial information have been audited by Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC ("HankinsEastup"), a firm of licensed certified public accountants engaged by the Potter County Commissioners' Court. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2024, are free of material misstatement. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2024, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Potter County was part of the broader federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Other Supplemental Information sections of this financial report and in separately issued Single Audit reports dated March 24, 2025.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Potter County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Potter County, created in 1876 from Bexar District, was organized in 1887 and named for a Republic of Texas leader, Robert Potter. The County consists of approximately 591,577 acres of mostly level plain, broken by the Canadian River and its tributaries. Potter County is located in the Texas Panhandle with the City of Amarillo as the county seat. Due to its strategic location, the County, along with Randall County to the South, has become a trade center for a five-state area. The County is traversed from east and west by Interstate Highway 40 and from north and south by U.S. 287/87 along with State Highway 136. Railroads and an international airport serve the County along with bus lines and other motor-freight carriers.

Potter County, operating as specified under the State Constitution and statutes, is governed by a Commissioners' Court, which consists of the County Judge and four Commissioners, one from each of the four geographical precincts who are elected for staggered four-year terms. Commissioners' Court duties included setting the County Ad Valorem tax rate, approval of the annual budget, calling certain elections, approval and awarding contracts, issuance of bonds, and appointing or participating in the appointment of certain county officials and boards.

The County, as a political subdivision of the State of Texas provides services allowed, or implied, by the State Constitution and statutes. The County serves an estimated 2024 population of 114,647 and provides a full range of county services normally associated with a Texas county, including administration of general government, adult and juvenile justice programs, assistance to indigents, courts, elections, fire protections, jails, law enforcement, law library, and recording offices, as well as the construction and maintenance of roads, bridges and other infrastructure.

The annual budget serves as the foundation of Potter County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Judge, who serves as the Budget Officer. The County Judge uses these requests as the starting point for developing a proposed budget, with revenue estimates provided by the County Auditor. The appropriate budget is adopted by fund, then by department, then by the categories of salaries and benefits, travel, contract services, general operations, prisoner care, equipment/vehicle maintenance, building repairs/maintenance, special expense, juvenile services and other. The County's budgetary system is fully integrated with the accounting and financial system to allow for the matching of budget appropriations with actual expenditures, obligations, and encumbrances on a daily basis. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

A budget to actual comparison is included in this report for all funds for which an annual operating budget is adopted.

Local Economy

The economy of Potter County, Texas, is greatly diversified. The largest industries in the County are manufacturing, followed closely by health care and social assistance, and retail trade. Historically, major industries in the Amarillo area also included grains, cattle, beef processing, natural gas, oil, helium and other petroleum byproducts, and refining operations. In addition to these industries, today, its economy also includes food processing, defense industry, distribution, traffic and transportations, banking, criminal justices, and education.

Long-term Financial Planning and Relevant Financial Policies

The County has an important responsibility to the citizens of Potter County to carefully account for public funds and to plan for adequate funding of services. To meet this responsibility, policies and procedures are in place to achieve responsible stewardship and full disclosure, such as compliance with Local Government Code 111.003 to maintain a balanced budget; a fund balance policy requiring 90 days of operating expenses held in reserve; a system of budgetary control using monitoring and encumbrances accounting to ensure budget compliance; a purchasing policy to ensure cost-effective purchasing; and an investment policy to ensure the safety of the County's funds.

Major Initiatives

The County has contracted with architects Hellmuth, Obata & Kassabaum, Inc., and general contractors Adolfson and Peterson Construction to take down the old district court building and install a parking lot.

The Commissioners' Courts of Potter and Armstrong Counties, in coordination with the trial courts established a public defense program to address its most urgent, long-term, fundamental indigent defense needs. The public defense program was established in Potter County and is taking a dual-model approach by simultaneously serving as a public defender's office under Art. 26.044, and a managed assigned counsel (MAC) program under Art. 26.047. By establishing a managed assigned counsel program in conjunction with the public defender's office, the Commissioners' Courts goal is to relieve the trial courts of the administrative challenges of assigning, monitoring and reviewing payment vouchers for assigned counsel.

Acknowledgements

The preparation of this report would not be possible without the efficient and dedicated services of the entire staff of the County Auditor's Office and the professional services provided by our independent auditors, Hankins, Eastup, Deaton, Tonn, Seay, and Scarborough, LLC (HankinsEastup). I appreciate the commitment of the County Auditor's Office for its efforts to produce timely and accurate records for Potter County. Credit must also be given to the District Judges, the Commissioners' Court, and all the elected officials and department heads for their interest and support in planning and conducting the financial operations of Potter County in a responsible manner.

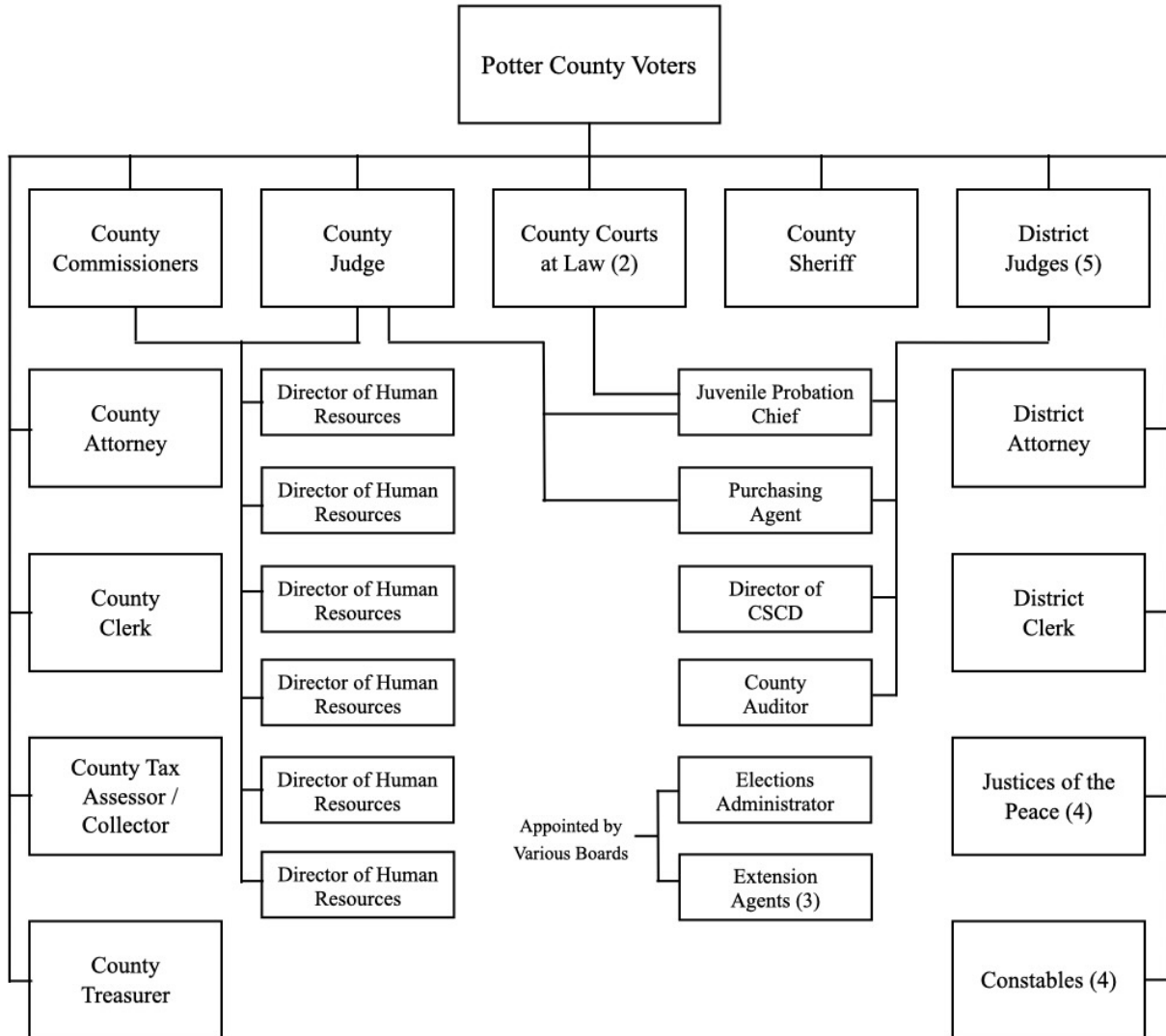
This financial report is designed to provide an overview of the County's finances for individuals who are interested in this information. Questions concerning any of the data provided in this report or requests for additional financial information should be addressed to the Potter County Auditor, 900 S. Polk, Suite 716, Amarillo, Texas 79101, or emailed to auditor@co.potter.tx.us.

Respectfully submitted,

A handwritten signature in black ink that reads "Brandon Boston". The script is cursive and fluid, with the first letters of "Brandon" and "Boston" being capitalized and prominent.

Brandon Boston
Potter County Auditor

POTTER COUNTY, TEXAS
ORGANIZATION CHART
FOR THE YEAR ENDED SEPTEMBER 30, 2024



POTTER COUNTY, TEXAS
LISTING OF PRINCIPAL COUNTY OFFICIALS
SEPTEMBER 30, 2024

Nancy Tanner.....County Judge

H.R. Kelly.....Commissioner, Precinct #1

Blair Schaffer.....Commissioner, Precinct #2

John Coffee.....Commissioner, Precinct #3

Warren Coble, Sr.....Commissioner, Precinct #4

Dee Johnson.....Judge, 47th District Court

Douglas Woodburn.....Judge, 108th District Court

Titiana Frausto.....Judge, 181st District Court

Ana Estevez.....Judge, 251st District Court

Steven Denny.....Judge, 320th District Court

Walt Weaver.....Judge, County Court-at-Law #1

Matt Hand.....Judge, County Court-at-Law #2

Jason Herring.....District Attorney

Stephanie Menke.....District Clerk

Scott Brumley.....County Attorney

Julie Smith.....County Clerk

Sherri Aylor.....County Tax Assessor/Collector

Brooke Graves.....County Treasurer

Brian Thomas.....County Sheriff

Debbie Horn.....Justice of the Peace, Precinct #1

Robert Taylor.....Justice of the Peace, Precinct #2

Gary JohnsonJustice of the Peace, Precinct #3

Thomas JonesJustice of the Peace, Precinct #4

Darryl WertzConstable, Precinct #1

Georgia Estrada.....Constable, Precinct #2

Robert Parker.....Constable, Precinct #3

Idella Jackson.....Constable, Precinct #4

Alyson Villalon.....Purchasing Agent

Brandon Boston.....County Auditor

FINANCIAL SECTION

HankinsEastup

★
Deaton Tonn Seay & Scarborough / A Texas LLC

Independent Auditor's Report

Honorable County Judge and Commissioners
Commissioners' Court
Potter County, Texas

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility 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 general 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 the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Hankins Eastup Deaton Tonn Seay & Scarborough, LLC

Amarillo, Texas
March 26, 2025

POTTER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

As management of Potter County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources as of September 30, 2024, by \$156.2 million (its "net position"). Of this amount, \$45.6 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased \$4.2 million during fiscal 2024.
- Property tax revenue increased \$3.5 million.
- At the close of fiscal 2024, the County's governmental funds reported combined fund balances of \$88.0, an increase of \$3.5 million from the prior fiscal year. Approximately 50.3% of the fund balance (\$44.3 million) is available for spending at the government's discretion (unassigned fund balance).
- At the end of fiscal 2024, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$44.4 million or approximately 67% of total general fund expenditures.
- Potter County's total outstanding long-term bonded indebtedness decreased by \$2.7 million during fiscal 2024.

Overview of the Financial Statements

The information provided here is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detailed information to support the basic financial statements, themselves.

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

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

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

Both government-wide financial statements report functions of the County that are principally supported by taxes and intergovernmental revenues (i.e., *governmental activities*). The governmental activities of the County include general government; judicial; public safety; correctional, health and human services; roads and bridges; and facilities.

The government-wide financial statements can be found on pages 12 through 14 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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

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

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

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

Proprietary Funds. The County maintains only one proprietary fund—an internal service fund. An internal service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the management of a self-insured fund for employee and retiree health benefits.

The proprietary fund financial statements can be found on pages 19 through 21 of this report.

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

The County maintains one type of fiduciary funds. *Custodial funds* are resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found on pages 22 and 23 of this report.

Notes to the Financial Statements. The notes provide additional information that are necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on page 24 of this report.

Required Supplementary Information. The required supplementary information includes a budget to actual comparison for the County's general fund revenues and expenditures and schedules pertaining to the County's participation in the Texas Counties and District Retirement System (TCDRS) pension plan and its own self-insured healthcare plan, which provides other post-employment benefits (OPEB) to the County's eligible retirees.

The required supplementary information can be found on pages 49 through 56 of this report.

Other Supplementary Information. Other supplementary information includes a more detailed budget to actual comparison of revenues and expenditures by budgetary unit for the County's general fund and budget to actual comparisons for the County's capital projects fund and proprietary fund.

The other supplementary information can be found on pages 58 through 74 of this report.

Combining and Individual Fund Statements and Schedules. Combining and individual nonmajor fund statements and schedules, which include budget to actual comparisons of budgeted revenues and expenditures of nonmajor governmental funds, are presented immediately following the other supplementary information.

The combining and individual fund statements and schedules can be found on pages 78 through 112 of this report.

Government-wide Overall Financial Analysis

Net position is measure of a government's financial position at a point in time. As of September 30, 2024, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$151.9 million (its "net position").

The County's Net Position (in thousands of dollars)

	Governmental Activities	
	2024	2023
Current assets	\$ 97,973	\$ 96,621
Net pension asset		
Capital assets	143,680	145,958
Total assets	241,653	242,579
Deferred outflows - pension and OPEB	6,804	13,190
Current liabilities	9,853	11,276
Non-current liabilities	66,130	69,264
Net pension and OPEB liability	13,750	21,668
Total liabilities	89,733	102,208
Deferred inflows - pension and OPEB	2,539	1,618
Net position:		
Net investment in capital assets	76,199	84,539
Restricted	34,367	35,714
Unrestricted	45,619	31,691
Total net position	\$ 156,185	\$ 151,944

The largest portion of the County's net position (44.8%) is its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, infrastructure, and capitalized software licenses), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. These assets, therefore, are not available for future spending. Other resources must be used to repay the related debt because the capital assets themselves cannot be liquidated to repay the debt.

An additional 22.0% of the County's net position are resources subject to external restrictions on how they may be used. 29.2% of the County's net position, \$45.6 million, is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

Significant changes to the County's net position relate primarily to changes to the County net pension and OPEB liabilities, which change as the investment performance of related plan assets and plan assumptions change from year to year. Additional information about the County's pension and OPEB plans can be found in Notes 14 and 16 on pages 37 and 43 of this report.

The County's Increase in Net Position (in thousands of dollars)

	Governmental Activities	
	2024	2023
Charges for services	\$ 4,693	\$ 5,852
Operating grants and contributions	10,139	3,038
Capital grants and contributions		2,690
Property taxes	64,511	61,029
Other taxes	5,210	7,183
Other revenues	11,269	6,633
Total revenues	95,822	86,425
General administrative	11,832	8,970
Facilities maintenance	3,206	6,033
Election administration	706	730
Judicial	23,865	16,981
Public safety	25,541	24,676
Corrections and rehabilitation	16,737	13,175
Health and human services	1,280	990
Roads and bridges	2,988	3,789
Community service	3,234	975
Loss on disposal of assets	-	434
Interest on long-term debt	2,192	2,354
Total expenses	91,581	79,107
Increase (decrease) in net position	4,241	7,318
Net position, beginning	151,944	144,626
Net position, ending	\$ 156,185	\$ 151,944

During fiscal 2024, net position increased \$4.2 million.

Significant changes relate primarily to increased amounts of grant funding and increases in judicial expenses during the fiscal year.

Financial Analysis of Governmental Funds

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

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unassigned fund balances serve as useful measures of a government's net resources available for discretionary use as they represent the portion of fund balances that has not yet been limited to a particular purpose by either an external party or the County, itself.

As of September 30, 2024, the County's governmental funds reported combined fund balances of \$88.0 million, an increase of \$3.5 million during the fiscal year. Approximately 50.3% of this amount (\$44.3 million) constitutes unassigned fund balance that is available for spending at the government's discretion.

The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is not in spendable form (\$0.7 million), restricted for particular purposes (\$33.7 million), committed for particular purposes (\$9.3 million), or assigned for particular purposes, respectively.

The general fund is the primary operating fund of the County. As of September 30, 2024, the unassigned fund balance of the general fund was \$44.4 million, while total fund balance increased to \$45.2 million.

As a measure of the general fund's liquidity, it is useful to compare both the unassigned fund balance and total fund balance of the general fund to total general fund expenditures during the most recent fiscal year. Unassigned fund balance in the general fund as of September 30, 2024, is 67% of total general fund expenditures for the year ended September 30, 2024, while total general fund balance is 68% of total general fund expenditures.

The County's general fund balance increased by \$5.6 million during fiscal 2024.

The District Courts Building capital projects fund, a major governmental fund, was established to account for proceeds from the 2019 sale of certificates of obligation, which were issued to construct a new District Courts facility. The fund had capital expenditures of \$1 million during the fiscal 2024.

Proprietary Funds. The County's proprietary fund for employee and retiree healthcare is an internal service fund that accounts for the activities of self-insured plans. In the government-wide financial statements, this fund is reported as a governmental activity.

Unrestricted net position of the internal service fund as of September 30, 2024, was \$3.7 million. The decrease in net position was \$0.5 million.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. During fiscal 2024, there were multiple adjustments among budget categories, but there were no individually significant amendments that changed the original budget.

Final Budget Compared to Actual Results. The most significant differences between estimated revenues and actual revenues were as follows:

- Increases in interest income relative to budget.
- Lower than budgeted expenses across all county functions.
- Lower than budgeted expenses in the capital projects fund for the district courts building.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$143.7 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads and bridges, and capitalized subscription-based information technology arrangement.

The County implemented GASB Statement No. 96 in fiscal 2024, which requires the capitalization of subscription-based information technology arrangements and the recording of related liabilities that meet specified requirements in the new accounting standard.

The major capital asset addition during fiscal year 2024 was the completion of the new District Courts Building.

Capital Assets (in thousands of dollars)

	2024	2023
<i>Capital assets - governmental activities</i>		
Capital assets not being depreciated/amortized:		
Land	\$ 4,912	\$ 4,912
Construction in progress		58,634
	4,912	63,545
Capital assets being depreciated/amortized:		
Roads and bridges	39,687	39,687
Buildings and improvements	160,545	100,738
Furniture and equipment	30,598	27,453
Leased equipment	3,707	3,604
Subscription-based information technology arrangements	1,283	1,283
	235,819	172,764
Accumulated depreciation/amortization:		
Roads and bridges	(29,270)	(32,940)
Buildings and improvements	(45,994)	(40,980)
Furniture and equipment	(19,102)	(14,929)
Leased equipment	(1,807)	(998)
Subscription-based information technology arrangements	(878)	(504)
	(97,051)	(90,351)
Capital assets, net of accumulated depreciation/amortization	\$ 143,680	\$ 145,958

Additional information about the County's capital assets can be found in Note 7 on page 34 of this report.

Long-term Debt. At the end of fiscal 2024, the County had total outstanding bonded indebtedness of \$61.5 million. Repayment of this amount is made from ad valorem taxes.

Bonded Indebtedness (in thousands of dollars)

The County's general obligation debt decreased \$2.7 million during fiscal 2024. The County has an "AA-" bond rating from Standard & Poor's on its general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue; the limit is 5 percent of the assessed valuation of real property. The current debt limitation for the County is significantly higher than the County's outstanding general obligation debt.

Additional information about the County's long-term debt can be found in Notes 8 through 11 on pages 34 through 36 of this report.

Economic Factors and Next Year's Budgets and Tax Rates

The County Judge, who is the County's budget officer, under advisement from elected and appointed officials considered many factors when proposing the fiscal year 2025 operating budget and tax rates. Those factors included the state of the economy, the County's population trends, current property tax rates, the County's fund balances, and projected grant revenues from both Federal and State sources. The County adopted a balanced budget for its debt service funds and a deficit budget for its general fund for fiscal year 2025. The

County adopted a maintenance and operations tax rate of \$0.53986 per \$100 valuation, which is lower than the fiscal year 2024 rate of \$0.55170 per \$100 valuation. The County's debt service tax rate was also lowered to \$.04622 per \$100 valuation, which was lower than the 2024 rate of \$.04907 per \$100 valuation. Population decline is projected over the next decade, which will impact the County's ability to raise tax revenue.

Requests for Information

This financial report is designed to provide an overview of the County's finances to everyone who has an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Potter County Auditor's Office, 900 S. Polk, Suite 716, Amarillo, Texas 79101-3412.

BASIC FINANCIAL STATEMENTS

POTTER COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
<i>Current assets</i>	
Cash and cash equivalents	\$ 92,894,570
Taxes receivable, net of allowance for doubtful accounts	495,685
Due from custodial funds	223,895
Due from other governmental entities	1,346,085
Other receivables	2,269,008
Prepaid expenses	743,489
Total current assets	97,972,732
<i>Noncurrent assets</i>	
Capital assets, net of accumulated depreciation and amortization	143,680,484
Total assets	241,653,216
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pension plan	5,917,787
Deferred outflows of resources related to OPEB plan	886,058
Total deferred outflows of resources	6,803,845
LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	3,025,050
Accrued payroll	1,842,502
Unearned revenue	70,125
Due to other governmental entities	866,909
Bonds payable, current portion	2,805,000
Capital leases payable, current portion	299,428
Subscription-based information technology arrangements payable, current portion	310,198
Compensated absences, current portion	251,331
Accrued interest payable	382,090
Total current liabilities	9,852,633

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

POTTER COUNTY, TEXAS
STATEMENT OF NET POSITION (continued)
SEPTEMBER 30, 2024

	Governmental Activities
<i>Noncurrent liabilities</i>	
Bonds payable	\$ 58,730,000
Bond premiums	3,448,344
Capital leases payable	1,631,518
Subscription-based information technology arrangements payable	57,678
Compensated absences	2,261,977
Net pension liability	10,542,110
Net OPEB liability	3,208,462
Total noncurrent liabilities	<u>79,880,089</u>
Total liabilities	<u>89,732,722</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pension plan	534,061
Deferred inflows of resources related to OPEB plan	<u>2,005,229</u>
Total deferred inflows of resources	<u>2,539,290</u>
 NET POSITION	
Net investment in capital assets	76,199,359
Restricted:	
Debt service	4,258,111
Other purposes	30,108,158
Unrestricted	<u>45,619,421</u>
Total net position	<u><u>\$ 156,185,049</u></u>

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

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

Function / Program	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental activities					
Administrative	\$ 11,831,823	\$ 624,836	\$ 104,764	\$ -	\$ (11,102,223)
Judicial	23,864,808	1,027,452	5,023,991		(17,813,365)
Elections	705,835	62,948	705		(642,182)
Public facilities	3,205,934				(3,205,934)
Public safety	25,541,352		3,881,209		(21,660,143)
Corrections and rehabilitation	16,737,304	615,166	768,054		(15,354,084)
Roads and bridges	2,987,409	2,362,489	18,991		(605,929)
Health and human services	1,280,200				(1,280,200)
Community service	3,234,406		340,823		(2,893,583)
Loss on disposal of assets					-
Interest on long-term debt	2,192,319				(2,192,319)
Total	91,581,390	4,692,891	10,138,537	-	(76,749,962)
General revenues:					
					59,291,428
					5,219,847
					5,209,534
					6,084,034
					5,186,266
					80,991,109
					4,241,147
					151,943,902
					\$ 156,185,049

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

POTTER COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	American Rescue Fund	District Courts Building	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 45,634,950	\$ 10,500,542	\$ 3,600,611	\$ 29,171,857	\$ 88,907,960
Taxes receivable, net	478,498			17,187	495,685
Due from other governmental funds	90,595			34,145	124,740
Due from custodial funds	195,187			28,709	223,896
Due from other governmental entities	843,879			502,206	1,346,085
Other receivables	1,941,555			118,648	2,060,203
Prepaid items	743,489				743,489
Total assets	<u>\$ 49,928,153</u>	<u>\$ 10,500,542</u>	<u>\$ 3,600,611</u>	<u>\$ 29,872,752</u>	<u>\$ 93,902,058</u>
LIABILITIES					
Accounts payable	\$ 1,558,054	\$ 60,002	\$ 44,691	\$ 835,265	\$ 2,498,012
Retainage payable			38,671		38,671
Due to other governmental funds	49,094			75,646	124,740
Due to other governmental entities	823,645			43,264	866,909
Accrued payroll	1,768,272			74,230	1,842,502
Unearned revenue	70,125				70,125
Total liabilities	<u>4,269,190</u>	<u>60,002</u>	<u>83,362</u>	<u>1,028,405</u>	<u>5,440,959</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	478,498			17,187	495,685
Total deferred inflows of resources	<u>478,498</u>	<u>-</u>	<u>-</u>	<u>17,187</u>	<u>495,685</u>
FUND BALANCES					
Non-spendable:					
Prepaid items	743,489				743,489
Restricted for:					
Debt service				3,513,977	3,513,977
Administrative		10,440,540		13,011,366	23,451,906
Judicial				2,392,615	2,392,615
Elections				478,822	478,822
Public safety				3,784,815	3,784,815
Committed to:					
Capital projects			3,517,249	5,745,871	9,263,120
Unassigned (deficit)	44,436,976			(100,306)	44,336,670
Total fund balances	<u>45,180,465</u>	<u>10,440,540</u>	<u>3,517,249</u>	<u>28,827,160</u>	<u>87,965,414</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 49,928,153</u>	<u>\$ 10,500,542</u>	<u>\$ 3,600,611</u>	<u>\$ 29,872,752</u>	<u>\$ 93,902,058</u>

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

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

Total fund balances - governmental funds	\$ 87,965,414
Assets and liabilities of internal service funds are not included in the governmental funds financial statements.	3,707,047
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	143,680,484
Bonds payable, capitalized lease liabilities, capitalized subscription-based information technology arrangements, and accrued interest payable are not reported in the fund financial statements.	(67,664,256)
Accrued compensated absences are not reported in the fund financial statements.	(2,513,308)
Deferred property tax revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.	495,685
The County's net pension liability is not reported in the fund financial statements.	(10,542,110)
Deferred resource outflows (\$5,917,787) and deferred resource inflows (\$534,061) pertaining to the pension plan are not reported in the fund financial statements.	5,383,726
The County's net Other Post-Employment Benefit (OPEB) liability pertaining to retiree health benefits is not reported in the fund financial statements.	(3,208,462)
Deferred resource outflows (\$886,058) and deferred resource inflows (\$2,005,229) pertaining to the OPEB plan are not reported in the fund financial statements.	(1,119,171)
Net position of governmental activities	<u><u>\$ 156,185,049</u></u>

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

POTTER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	American Rescue Fund	District Courts Building	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 59,581,997	\$ -	\$ -	\$ 5,148,780	\$ 64,730,777
Sales and other taxes	933,509			4,276,025	5,209,534
Licenses and fees	4,629,943			901,894	5,531,837
Fines and forfeitures	613,362				613,362
Intergovernmental	5,378,450			4,841,711	10,220,161
Interest income	3,116,211	798,157	337,058	1,591,754	5,843,180
Other	1,773,522			741,531	2,515,053
Total revenues	76,026,994	798,157	337,058	17,501,695	94,663,904
EXPENDITURES					
Administrative	\$ 9,519,320	\$ -	\$ -	\$ 1,030,875	10,550,195
Judicial	20,464,322		157,129	696,936	21,318,387
Elections	587,430			40,080	627,510
Public facilities	2,856,441				2,856,441
Public safety	13,784,268			8,982,736	22,767,004
Corrections and rehabilitation	14,922,900				14,922,900
Roads and bridges	2,658,588				2,658,588
Health and human services	1,135,987				1,135,987
Capital outlay	425,009	1,215,667	1,031,439	3,378,493	6,050,608
Community service		3,221,644			3,221,644
Debt service - principal				2,715,000	2,715,000
Debt service - interest				2,355,136	2,355,136
Total expenditures	66,354,265	4,437,311	1,188,568	19,199,256	91,179,400
OTHER FINANCING SOURCES (USES)					
Transfers in	2,001,201			6,048,791	8,049,992
Transfers out	(6,048,791)	(2,001,201)		-	(8,049,992)
Total other financing sources (uses)	(4,047,590)	(2,001,201)	-	6,048,791	-
Net change in fund balance	5,625,139	(5,640,355)	(851,510)	4,351,230	3,484,504
Beginning fund balance, October 1	39,555,326	16,080,895	4,368,759	24,475,930	84,480,910
Ending fund balance, September 30	\$ 45,180,465	\$ 10,440,540	\$ 3,517,249	\$ 28,827,160	\$ 87,965,414

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

POTTER COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net change in fund balances - governmental funds	\$ 3,484,504
The net profit (loss) of internal service funds is not included in the governmental funds financial statements.	(508,312)
Capital asset additions are expenditures in the fund financial statements, but they are capitalized in the government-wide financial statements.	5,228,106
Depreciation and amortization expense is not reported in the fund financial statements.	(7,505,943)
Principal payments on bonds payable, capitalized lease liabilities, and capitalized subscription-based information technology arrangements are recorded as debt service expenditures in the fund financial statements, but they are reported as reductions of long-term debt in the government-wide financial statements.	3,463,215
Accrued interest and the amortization of bond premiums are not reported in the fund financial statements.	162,817
The incurrence of long-term debt is not reported in the fund financial statements.	(26,186)
Unavailable property tax revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.	(219,502)
Accrued compensated absences are not reported in the fund financial statements.	(447,752)
Pension expense is recognized in the government-wide financial statements in lieu of retirement contributions in the fund level financial statements.	3,607,244
OPEB expense for retiree healthcare is not reported in the fund financial statements.	(2,997,044)
Change in net position of governmental activities	<u>\$ 4,241,147</u>

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

POTTER COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2024

	Internal Service Fund
	<hr/>
ASSETS	
<i>Current assets</i>	
Cash and cash equivalents	\$ 3,986,609
Other	208,805
	<hr/>
Total current assets	4,195,414
	<hr/>
Total assets	4,195,414
LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	51,231
Claims payable	437,136
Other	
	<hr/>
Total current liabilities	488,367
	<hr/>
Total liabilities	488,367
NET POSITION	
Unrestricted	3,707,047
	<hr/>
Total net position	\$ 3,707,047
	<hr/> <hr/>

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

POTTER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Internal Service Fund
OPERATING REVENUES	
Healthcare contributions - employees	\$ 6,753,492
Healthcare contributions - retirees	179,891
Reinsurance recoveries	<u>1,137,282</u>
Total operating revenues	8,070,665
OPERATING EXPENSES	
Medical claims	4,087,646
Pharmacy claims	2,763,038
Dental premiums	-
Vision premiums	442,860
Life insurance premiums	197,692
Third-part administrator fees	1,176,595
Contracted services	152,000
Other	<u>-</u>
Total operating expenses	8,819,831
Operating income (loss)	<u>(749,166)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	<u>240,854</u>
Total non-operating revenues (expenses)	240,854
Change in net position	<u>(508,312)</u>
Beginning net position, October 1	<u>4,215,359</u>
Ending net position, September 30	<u><u>\$ 3,707,047</u></u>

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

POTTER COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from healthcare contributions	\$ 6,492,800
Receipts from reinsurance recoveries	1,137,282
Payments for healthcare claims	(7,358,501)
Payments to vendors	(1,344,624)
Total cash flows from operating activities	(1,073,043)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other	-
Total cash flows from noncapital financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	240,854
Total cash flows from investing activities	240,854
Net increase in cash and cash equivalents	(832,189)
Beginning cash and cash equivalents, October 1	4,818,798
Ending cash and cash equivalents, September 30	\$ 3,986,609
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net operating income (loss)	\$ (749,166)
<i>Adjustments to reconcile net operating income (loss) to net cash flows from operating activities</i>	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(205,915)
Increase (decrease) in accounts payable	(117,962)
Net cash provided by operating activities	\$ (1,073,043)

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

POTTER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 6,710,908
Taxes receivable for other governments	5,372,255
Accounts receivable	1,150
Due from County	69,841
Total assets	<u>12,154,154</u>
LIABILITIES	
Accounts payable	40,101
Due to other governments	2,371,254
Due to County	293,736
Total liabilities	<u>2,705,091</u>
NET POSITION	
Net position held as custodian	<u>9,449,063</u>
Total net position	<u><u>\$ 9,449,063</u></u>

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

POTTER COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Custodial Funds
Additions:	
Collection of funds for other entities	\$ 3,856,109
Taxes for other governments	153,363,223
Interest income	10,161
	<u>157,229,493</u>
Deductions:	
Distribution of funds to other entities	157,572,990
	<u>(343,497)</u>
Change in fiduciary net position	
	<u>9,792,560</u>
Beginning fiduciary net position, October 1	
	<u>\$ 9,449,063</u>
Ending fiduciary net position, September 30	<u><u>\$ 9,449,063</u></u>

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

POTTER COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Potter County, Texas (the “County”) have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County’s basic financial statements.

A. Financial Reporting Entity

The County is a public corporation and political subdivision of the State of Texas. The Commissioners’ Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general administration, tax and recording (tax collection), judicial (courts, juries, etc.), legal (district attorney, county attorney, etc.) public safety (sheriff, jail, etc.), transportation, facilities, and public service (rural fire protection and emergency management).

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

1. The organization is legally separate (can sue and be sued in its name).
2. The County holds the corporate powers of the organization.
3. The County appoints a voting majority of the organization’s board.
4. The County is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the County.
6. There is fiscal dependency by the organization on the County.
7. The exclusion of the organization would result in misleading or incomplete financial statements.

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

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 the non-fiduciary activities of the primary government and its component units. 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-like activities, which rely to a significant extent on fees for services provided to customers.

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, adjudicated, and earned. Grants and similar items recognize revenue when expenses are incurred in accordance with requirements imposed by the provider of funds.

The Statement of Activities demonstrates the degree to which direct expenses of the County's programs are offset by program revenues. 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 as *general revenue*. Included in miscellaneous general revenues are non-program specific contributions including capital assets contributions.

Fiduciary funds are not included in the government-wide presentation financial statements.

Fund-level Statements

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. Expenditures are recorded when the related fund liability is incurred. Principal and interest on governmental long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. 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 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 present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds (including internal service funds) and fiduciary funds (including custodial funds) are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. Claims incurred but not reported are included in internal service fund payables and expenses. These funds are accounted for using an economic resources measurement focus.

The accounts of the County are organized and operated in accordance with fund accounting; each fund is accounted for as 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 balance, revenue 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.

Funds are classified into three categories: *Governmental, Proprietary and Fiduciary*.

Governmental Funds

The County reports the following major governmental funds:

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

Capital Projects Fund - District Courts Building. The District Courts Building Fund accounts for the financial resources used to construct a new District Courts Building.

Special Revenue Fund - American Rescue Fund. The American Rescue Fund accounts for federal funds passed through the State of Texas. These funds are used to reimburse the County for government services impacted by the COVID-19 pandemic and to purchase qualified equipment.

Other nonmajor governmental funds include the following:

Other Special Revenue Funds. Other Special Revenue Funds account for grant funds and proceeds from other revenue sources (other than fiduciary funds) that are legally restricted to expenditures for specified purposes.

Debt Service Funds. Debt Service Funds 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 annual principal and interest payments.

Proprietary Funds

Internal Service Fund. The Internal Service Fund accounts for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of costs to internal users of the provided services on a cost-reimbursement basis. The County uses an internal service fund is used to account for the provision of health insurance to its employees and retirees; the general fund is contingently liable for the obligations of this fund. Because the principal users of internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary Funds

Custodial Funds. Custodial Funds account for assets received by the governmental unit in its capacity as trustee or agent for other governmental entities or individuals. The receipts and disbursements of such funds are governed by the terms of related statutes, ordinances, regulations or other authority. The County's Custodial Funds consist of amounts collected by County offices for state court costs, state vehicle registration fees, victim restitution payments, merchant hot check fees, inmate trust funds, and District and County Clerk trust beneficiaries.

All the County's fiduciary funds are custodial funds and are reported in custodial fund financial statements. Because these assets are held in a trustee or agent capacity and not available to support County programs, these funds are not included in the County's government-wide statements.

C. Deposits and Investments

The County's cash and cash equivalents include cash on hand, demand deposits, government securities, money market funds, and the Texas Local Government Investment Pool. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

The County records investments at fair value in accordance with provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." All investment income is recognized as revenue in the appropriate fund's statement of revenues, expenditures and changes in fund balance.

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.

D. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The County allows for trade accounts receivable in excess of 180 days. The allowance for uncollectible property taxes receivables is equal to 79 percent of outstanding property taxes as September 30, 2024.

Property taxes are levied on October 1 each year and attach as an enforceable lien on property as of the following January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

Payables consist of vendor obligations for goods and services and amounts payable to others when the criteria for their release have been satisfied.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the 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 expenses/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.”

F. Inter-fund Transactions

During the course of normal operations, the County has many transactions between funds. The accompanying fund level financial statements record transfers of funds for internal services, the construction of assets, and to pay employee health claims in excess of budgeted amounts. The effect of all other inter-fund activity has been eliminated in the government-wide financial statements with the exception of amounts owed between governmental funds and custodial funds.

G. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g. roads, bridges, sidewalks and similar items), and subscription-based information technology arrangements are reported in the governmental column of the government-wide financial statements. The County defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

For the year ended September 30, 2023, the County’s financial statements include capital assets and related liabilities resulting from the implementation of GASB Statement No. 96, which requires the capitalization of subscription-based information technology arrangements that meet specified requirements in the new accounting standard.

Buildings, plant, equipment, infrastructure, and subscription-based information technology arrangement (SBITA) are depreciated or amortized using the straight-line method over the following useful lives:

Infrastructure (roads and bridges)	15 – 50 years
Buildings and improvements	40 years
Vehicles	5 – 15 years
Furniture and equipment	5 years
SBITA assets	Subscription term

H. Deferred Outflows/Inflows of Resources

In addition to assets, governmental financial statements will sometimes report a separate section for deferred outflows and inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (an expense or expenditure) until then. The County reports deferred amounts related to its employee pension plan and other post-employment benefits as deferred outflows of resources in the government-wide statement of net

position. These deferred amounts include pension and OPEB contributions subsequent to the pension liability measurement date, economic/demographic losses, assumption changes and deficient earnings.

Deferred inflows of resources represent 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 governmental fund has only one type of deferred inflows resources, which arises under the modified accrual basis of accounting: unavailable revenues are reported as deferred inflows of resources on the governmental funds' balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. On the government-wide statement of net position, deferred inflows of resources are reported for amounts related to the employee pension plan and the other post-employment benefits. These deferred amounts include economic/demographic gains, excess earnings, and assumption changes.

L. Compensated Absences

A liability for unused vacation and compensatory time for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to qualify for accrual:

- The leave or compensation is attributable to service already rendered.
- The 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 financial statements to the extent the liabilities are expected to be expensed using available financial resources. Compensated absences are accrued as a long-term liability in the government-wide statements.

Upon termination from the County's employment, an employee is entitled to payment for the total amount of accrued but unused days of vacation not to exceed two years. Compensatory time earned but not taken is also paid at termination. Sick leave accrues at one day per month with no maximum limit, but compensation is paid only for an illness-related absence. Unused sick leave is non-vesting and is not paid on termination. Thus, vacation and compensatory time are the only accrued liabilities recorded. Compensated absences is liquidated through salary expenses in the funds from which employees are paid.

J. Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business- type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs in the period incurred. 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 withheld from the actual debt proceeds received are reported as debt service expenditures.

K. Pensions and Other Post-Employment Benefits

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 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 is reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

For purposes of measuring the other post-employment benefit (OPEB) asset or liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the

fiduciary net position of the County's Healthcare Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as is reported by the Healthcare 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.

L. Government-wide Net Position

In the government-wide financial statements, net position is reported 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 then adding back any unspent debt 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 that does not meet the definition of "net investment in capital assets" or "restricted net position."

M. Governmental Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balances in classifications that are based primarily on the extent to which the County is constrained by spending limitations. Fund balances for governmental funds are classified as follows:

Non-spendable Fund Balance. This balance includes amounts that are not in spendable forms or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes such items as inventories and prepaid amounts.

Restricted Fund Balance. This balance includes amounts that are restricted for specific purposes as 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. This balance includes amounts that can only be established, modified, or rescinded by a formal action of the County's highest level of decision-making authority, the Commissioners' Court. Commitments are typically made through the adoption and amendments to the County's annual budget.

Assigned Fund Balance. This balance includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. The Commissioners' Court has delegated the authority to assign fund balance amounts to the County Judge and the County Auditor.

Unassigned Fund Balance. This balance within the General Fund is the amount that is spendable and not restricted, committed, or assigned to specific purposes.

N. Fund Balance Policies

When the County incurs an expenditure for which both restricted and unrestricted fund balance are available, the County uses restricted funds 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 from committed funds, then assigned funds, and finally unassigned funds.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between the total fund balance of governmental funds in the fund financial statements and the net position of governmental activities in the government-wide state of net position. Likewise, the governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between the net changes in governmental fund balances and the change in net position of governmental activities as reported in the government-wide statement of activities.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for the General Fund, Capital Projects Fund - District Courts Building, Capital Projects Fund, County Assistance District, Law Library, Courthouse Security, Justice Courts Building Security, County Clerk Records Management, Court Records Management, District Clerk Records Management, Justice Court Technology, County Clerk/District Clerk Technology, Auto Burglary and Theft Prevention, Law Enforcement Grants, Drug Court, Juvenile Probation, Series 2016 Certificates of Obligation, Series 2017 Tax Notes, and Series 2019 Certificates of Obligation. All annual appropriations lapse at fiscal year-end.

Prior to the beginning of the fiscal year, the County prepares a budget for the next succeeding fiscal year. The budget includes proposed expenditures and the means of financing them. Meetings of the Commissioners' Court are held to discuss the proposed budget. These meetings are open to public discussion and require at least ten days' notice of meeting.

The appropriated budget is prepared by fund and department at the category level. Transfers of appropriations between department, fund and category require the approval of the Commissioners' Court. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations), therefore, is the category level.

NOTE 4 – DEPOSITS AND INVESTMENTS

The County's demand deposits are fully covered by collateral held in the County's name by the County's agents. The County's collateral agreements require the fair value of securities held by its agents to exceed the total amount of cash and investments held at depository banks at all times.

Cash and cash equivalents in the Governmental Funds, Internal Service Fund and Custodial Funds as of September 30, 2024, are as follows:

Cash on hand – governmental funds	\$ 10,500
Bank deposits – governmental funds	21,607,396
TexPool deposits – governmental funds	21,067,015
Texas CLASS deposits – governmental funds	26,122,612
Multi-Bank Securities, Inc. – governmental funds	<u>20,100,187</u>
Total governmental funds	88,907,960
Bank deposits – internal service fund	3,946,991
TexPool deposits – internal service fund	36,215
Texas CLASS deposits – internal service fund	<u>3,403</u>
Total internal service funds	3,986,609
Bank deposits – custodial funds	<u>6,710,908</u>
Total custodial funds	<u>6,710,908</u>
Total cash and cash equivalents	<u>\$ 99,605,477</u>

The County's investment policies are in accordance with the laws of the State of Texas. The policies identify authorized investments and investment terms, collateral requirements, and safekeeping requirements for collateral.

Interest Rate Risk

In accordance with its investment policy, the County manages its exposure to declines in fair value due to changes in interest rates by limiting the weighted average maturity of its investment portfolio to less than 365 days. The maximum allowable stated maturity of any individual investment owned by the County does not exceed three years.

Credit Risk

The County is authorized by statute and by depository contract to invest in obligations of the United States of America, direct obligations of the State of Texas, obligations of state agencies, counties, cities, and other political subdivisions of any state having been rated not less than "A" or its equivalent, certificates of deposit issued by state and national banks that are guaranteed, insured or secured by obligations described above having a fair value of not less than 110% of the principal amount of the certificates, money market mutual funds regulated by the SEC with a dollar weighted average portfolio maturity of 90 days or less and eligible investment pools organized and operating in compliance with the Public Funds Investment Act that have been approved by the Commissioners' Court.

As of September 30, 2024, the County has \$20,100,187 invested with Multi-Bank Securities, Inc. (MBS), \$21,103,230 invested with the Texas Treasury Safekeeping Trust Company (TexPool); and \$26,126,015 invested with the Texas Cooperative Liquid Assets Securities System (Texas CLASS). The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, provide for the creation of public funds investment pools, such as MBS, TexPool, and Texas CLASS, through which political subdivisions and other entities may invest public funds.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure.

Texas CLASS is a local government pool that emphasizes safety, liquidity, convenience, and competitive yields. Since 1966, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. This pool is governed by a board of trustees, elected annually by its participants.

Both investment pools use amortized cost to value portfolio assets and follows the criteria of GASB Statement No. 79 for the use of amortized cost. TexPool and Texas CLASS do not place any limitations or restrictions on cash such as notice periods or maximum transaction amounts, on withdrawals. Both pools have a credit rating of AA+ from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principle. TexPool and Texas CLASS each invest in a quality portfolio of debt securities investments that are legally permissible for local governments in the State of Texas.

Concentrations of Credit Risk

The County's investment policy does not limit the dollar amount of investments in any one issuer, but it does specify that the investment portfolio must be diversified in terms of investment instruments, maturities, and financial institutions to reduce the risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

NOTE 5 – OTHER RECEIVABLES

Receivables as of September 30, 2024, in the County's general, other major and non-major governmental and internal service funds are as follows:

	General Fund	Other Governmental Funds	Internal Service Fund	Total
Other receivables:				
Accounts	\$ 28,644	\$ 118,648	\$ 208,805	\$ 356,097
Sales and use tax				-
Fees and reimbursable payroll	1,911,179			1,911,179
Other	1,732			1,732
Other receivables	<u>\$ 1,941,555</u>	<u>\$ 118,648</u>	<u>\$ 208,805</u>	<u>\$ 2,269,008</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenue that is not available to liquidate liabilities of the current period. Typically, this applies to delinquent property taxes at the end of the fiscal year.

NOTE 6 – INTER-FUND BALANCES AND ACTIVITY

	Inter-fund Transfers In	Inter-fund Transfers Out
General Fund	\$ 2,001,201	\$ 6,048,791
Special Revenue Funds:		
American Rescue Fund		2,001,201
County Attorney Pretrial Diversion Fund	14,499	
Panhandle Auto Theft Unit Fund	61,580	
Capital Projects Fund	500,000	
Juvenile Probation	5,472,712	
	<u>\$ 8,049,992</u>	<u>\$ 8,049,992</u>

The General Fund transferred funds to Juvenile Probation to subsidize current year operations. The American Rescue Fund transferred funds to the General Fund in accordance with federal grant provisions. The General Fund transferred funds to the Capital Projects Fund to fund budgeted capital projects. The General Fund transferred funds to the County Attorney Pretrial Diversion Fund to reimburse prior year expenses. Lastly, General Fund transferred funds to the Panhandle Auto Theft Unit Fund as its contribution to the fund.

	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
<i>Among Governmental Funds</i>		
General Fund	\$ 90,595	\$ 49,094
Special Revenue Funds:		
County Assistance District	18,011	18,011
Senate Bill 22 - Sheriff's Office	245	7,480
Senate Bill 22 - County Attorney		4,334
Senate Bill 22 - District Attorney		4,115
Veteran's Treatment Court	687	687
Catalytic Converter Grant		76
County Attorney Forfeiture Fund	141	141
County Attorney Federal Forfeiture Fund	2,990	14,760
County Attorney Pretrial Diversion Fund	607	607
Panhandle Auto Theft Unit Fund	4,612	4,490
Sheriff Federal Forfeiture Fund	570	570
Sheriff's Office Commissary Fund	6,282	20,375
	<u>\$ 124,740</u>	<u>\$ 124,740</u>

	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
<i>Between Governmental Funds and Other Fund Types</i>		
General Fund	\$ 195,187	\$ -
Special Revenue Funds:		
Law Library	7,117	
Courthouse Security	6,225	
Justice Courts Building Security	2	
County Clerk Records Management	8,015	
Court Records Management	120	
District Clerk Records Management	5,686	
Justice Court Technology	1,314	
County Clerk / District Clerk Technology	230	
Total Governmental Funds	<u>\$ 223,896</u>	<u>\$ -</u>

<i>Between Custodial Funds and Other Fund Types</i>		
State Court Costs	\$ 69,841	\$ 12,194
State Collections		281,542
Total Other Fund Types	<u>\$ 69,841</u>	<u>\$ 293,736</u>

In the fund financial statements, inter-fund balances are the result of routine transactions between funds and are typically liquidated in the subsequent fiscal year.

NOTE 7 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Capital assets - governmental activities</i>					
Capital assets not being depreciated/amortized:					
Land	\$ 4,911,954	\$ -	\$ -	\$ -	\$ 4,911,954
Construction in progress	58,633,511	1,174,390		(59,807,901)	-
	63,545,465	1,174,390	-	(59,807,901)	4,911,954
Capital assets being depreciated/amortized:					
Roads and bridges	39,686,827				39,686,827
Buildings and improvements	100,737,680			59,807,901	160,545,581
Furniture and equipment	27,453,452	3,950,342	(806,276)		30,597,518
Leased equipment	3,603,595	103,374			3,706,969
Subscription-based information technology arrangements	1,282,591				1,282,591
	172,764,145	4,053,716	(806,276)	59,807,901	235,819,486
Accumulated depreciation/amortization:					
Roads and bridges	(32,940,106)	(407,199)		4,077,357	(29,269,948)
Buildings and improvements	(40,980,439)	(5,013,928)			(45,994,367)
Furniture and equipment	(14,928,603)	(4,931,886)	806,276	(48,027)	(19,102,240)
Leased equipment	(998,416)	(809,051)			(1,807,467)
Subscription-based information technology arrangements	(503,725)	(373,209)			(876,934)
	(90,351,289)	(11,535,273)	806,276	4,029,330	(97,050,956)
Capital assets, net of accumulated depreciation/amortization	\$ 145,958,321	\$ (6,307,167)	\$ -	\$ 4,029,330	\$ 143,680,484

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

Governmental activities:	
Administrative	\$ 1,583,862
Judicial	3,200,455
Elections	94,206
Public facilities	428,828
Public safety	3,417,931
Corrections and rehabilitation	2,240,323
Roads and bridges	399,125
Health and human services	170,542
Total depreciation	<u>\$11,535,273</u>

NOTE 8 – LEASES

The County has multiple capital leases under an umbrella master lease agreement with Enterprise Fleet Management for a fleet of commercial vehicles. The capital lease obligation has been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rates of ranging from 1.35% to 3.35%. The final lease terminates on June 30, 2027.

The County has a capital lease with Dell Financial for computer servers and related equipment. The capital lease obligation has been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at an interest rate of 0%. The lease terminates on September 30, 2025.

The County has capital leases with South Plains Communications for the use of communication towers. The capital lease obligation has been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at an interest rate of 2.448%. The leases terminate on December 31, 2047.

The County has additional capital leases for the use of various pieces of equipment. The capital lease obligations under these capital lease have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rates ranging from 0.351% to 1.462%. The leases have various termination dates until November 23, 2026.

The County's future total annual lease obligations as of September 30, 2024, are as follows:

Year Ending September 30	Lease Payments	Principal	Interest
2025	\$ 339,651	\$ 251,140	\$ 88,511
2026	230,034	193,936	36,098
2027	149,678	116,591	33,087
2028	140,454	109,505	30,949
Thereafter	1,509,204	1,211,486	297,718
	<u>\$ 2,369,021</u>	<u>\$ 1,882,658</u>	<u>\$ 486,363</u>

NOTE 9 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the year ended September 30, 2024, the County's financial statements include capital assets and related liabilities resulting from the implementation of GASB Statement No. 96, which requires the capitalization of subscription-based information technology arrangements that meet specified requirements in the new accounting standard.

The County has multiple subscription arrangements for the licensing of software, the most significant of which is with Odyssey Online. Subscription obligations have been recorded in the accompanying financial statements at the present value of future subscription payments discounted at 3.238%.

The County's future total annual subscriptions as of September 30, 2024, are as follows:

Year Ending September 30	Subscription Payments	Principal	Interest
2025	322,083	310,198	11,885
2026	59,563	57,678	1,885
2027			-
2028			-
Thereafter			-
	<u>\$ 381,646</u>	<u>\$ 367,876</u>	<u>\$ 13,770</u>

NOTE 10 – CERTIFICATES OF OBLIGATION

In 2016, the County issued \$21,470,000 of Certificates of Obligation to provide resources to construct the Sheriff's administrative, enforcement, and maintenance facility. Principal payments on the Certificates of Obligation (Series 2016) are made annually, each August 1, with interest payments made semi-annually, each February 1 and August 1, until maturity on August 1, 2036. Interest rates range from 1.25% to 3.00%.

In 2019, the County issued \$50,375,000 of Certificates of Obligation to construct an equip a new District Courts Building. Principal payments on the Certificates of Obligation (Series 2019) are made annually, each August 1, with interest payments made semi-annually, each February 1 and August 1, until maturity on August 1, 2049. Interest rates range from 3.25% to 5.00%.

The County incurred certificate of obligation and tax notes interest expense of \$1,056,981 during the fiscal year ended September 30, 2024, including the amortization of bond premiums, which was \$148,468.

The annual debt service requirements to amortize this debt as of September 30, 2024, are as follows:

Year Ending September 30	Total Principal	Certificates of Obligation Series 2016		Certificates of Obligation Series 2019	
		Principal	Interest	Principal	Interest
2025	\$ 2,805,000	\$ 1,045,000	\$ 429,825	\$ 1,760,000	\$ 3,607,038
2026	2,140,000	1,080,000	397,950	1,060,000	2,819,038
2027	2,285,000	1,110,000	365,100	1,175,000	2,881,038
2028	2,395,000	1,145,000	331,275	1,250,000	2,897,288
2029	2,480,000	1,175,000	296,475	1,305,000	1,584,788
Thereafter	49,430,000	9,295,000	1,008,825	40,135,000	59,121,970
	<u>\$ 61,535,000</u>	<u>\$ 14,850,000</u>	<u>\$ 2,829,450</u>	<u>\$ 46,685,000</u>	<u>\$ 72,911,160</u>

NOTE 11 – COMPENSATED ABSENCES

The County's liability for compensated absences is calculated at the end of each fiscal year based on the employees' pay rates and the number of accumulated vacation and compensatory hours earned but not yet taken. The General Fund liquidates the liability as compensated absences are taken.

NOTE 12 – RISK MANAGEMENT

The County is exposed to various risks of loss: general liability, accidental loss of real and personal property, damage to County assets, errors and omissions, and employee injuries resulting in workers' compensation. The County provides for the management of risks through a combination of self-insurance and commercial insurance. Amounts of coverage for the above risks have not been subject to a significant reduction in the past year.

NOTE 13 – HEALTH INSURANCE

The County has a self-insured Healthcare Plan (the "Plan") for employees and retired employees (under 65 years old) and their covered dependents. The financial activities of the Plan are accounted for in an Internal Service Fund. For the year ended September 30, 2024, the County contributed \$994 per employee per month to the Plan for employee coverage. Employees pay for dependent coverage contribute through regular payroll withholdings. Similarly, covered retirees under 65 years old pay the cost of their Plan coverage.

A third-party plan administrator (TPA) processes claims on behalf of the Plan. The Plan has stop-loss coverage for claims per individual exceeding \$125,000 and aggregate claims exceeding \$7,944,178 annually. The stop-loss policy is with Holmes, Murphy and Associates, a commercial insurer licensed to do business in Texas in accordance with the Texas Insurance Code. A provision for incurred but not reported (IBNR) claims expense is included in claims payable at year-end. This estimate is based on historical claims experience and average time lags in settling such claims after year end. There has been no significant reduction in stop loss coverage as compared to the prior year.

Changes in the Plan's claims liability for the year ended September 30, 2024, are as follows:

Beginning claims liability	\$ 569,871
Incurred claims	6,850,684
Claims payments, net of recoveries	<u>6,983,419</u>
Ending claims liability	<u>\$ 437,136</u>

NOTE 14 – RETIREMENT PLAN

Plan Description

The County participates in the Texas County and District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system. All full- and part-time non-temporary employees participate in the retirement plan, regardless of the number of hours they work in a year. Employees in temporary positions are not eligible for membership. The retirement plan provides retirement, disability and survivor benefits.

TCDRS is a savings-based plan. Under the County's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (currently 210%) and is then converted to an annuity.

There are no automatic cost of living adjustments (COLA). Each year, the County may elect an ad hoc COLA for its retirees. There are two types of COLA adjustments; both are limited by actual inflation.

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

The County's contribution rate is calculated annually on an actuarial basis, although the County may elect to contribute at a higher rate. The County's contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the County and are currently 7%.

The most recent annual comprehensive financial report for TCDRS can be found at the following link: TCDRS.org/employer.

Benefits Provided

The retirement plan provides a monthly benefit after an employee's eligible retirement. The retiree's deposits and interest, employer matching money, employee's age at retirement, and selected payment option determine the amount of the monthly benefit. Depending on the selected benefit option, the age of the retiring employee's beneficiary can also affect the amount of the monthly benefit.

TCDRS offers retiring employees seven different monthly benefit payment options. All options pay the retiree a benefit for life and all the options are equivalent in value; however, the monthly benefit amounts are different for each option. Some of the options allow the retiree to provide a monthly benefit for their beneficiary after the retiree's death.

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

Employer Contributions

Under the TCDRS retirement plan, the County is required to contribute at actuarially determined rates to ensure adequate funding for the retirement plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in TCDRS must pay 100% of their actuarially determined required contributions on an annual basis. The TCDRS Board of Trustees hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. An audit of the valuation is required every four years to test the accuracy of the actuarial methods and assumptions. These audits are conducted by an independent reviewing actuary and alternate between a peer review and a full replication audit of the valuation.

Net Pension Liability

The measurement date for determining the County's net pension liability as of September 30, 2024, is December 31, 2023, which is an acceptable accounting practice in accordance with accounting principles generally accepted in the United States of America.

The number of retirement plan members as of the measurement date was as follows:

Number of inactive employees entitled to but not yet receiving benefits	399
Number of active employees	601
Average monthly salary	\$5,049
Average age:	43.71
Average length of service in years	12.11
Number of benefit recipients	454
Average monthly benefit	\$2,352

The County's *net* pension liability as of the measurement date is \$10,542,110, which is 95.87% of its *total* pension liability as of the measurement date:

Total pension liability	\$255,456,043
Fiduciary net position	244,913,933
Net pension liability	10,542,110
Fiduciary net position as % of total pension liability	95.87%

Actuarial Assumptions

The total pension liability was determined based on an actuarial valuation as of the measurement date, and calculated based on the following *discount rate* and *long-term expected rate of return*:

Discount rate	7.60%
Long-term expected rate of return	7.60%

Demographic assumptions to calculate the retirement plan's pension liability were developed from an actuarial experience investigation of TCDRS over the years 2017 to 2020. They were recommended by TCDRS contracted actuaries and adopted by the TCDRS Board of Trustees in December of 2021. All

economic assumptions were recommended by the actuaries and adopted by the TCDRS Board of Trustees in March of 2021. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

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:

- 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.
- 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.

Our alternative method reflects the funding requirements under an employer's funding policy and the legal requirements under the TCDRS Act:

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

Based on the above, TCDRS has determined that 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 used for purposes of calculating the total pension liability and net pension liability of the County is equal to the long-term assumed rate of return on investments. Therefore, actuaries of TCDRS have used a discount rate of 7.60%.

The *long-term expected rate of return* on TCDRS assets is determined by adding expected inflation to expected long-term real returns plus expected investment and administrative expenses:

Real rate of return	5.00%
Inflation	2.50%
Investment and administrative expenses	0.10%

The capital market assumptions and information shown below were provided by TCDRS' investment consultant. The returns shown below are based on January 2024 information over a 10-year investment time horizon:

Asset Class	Benchmark	Geometric Real Rate of Return (Expected Minus Inflation (2))	
		Target Allocation (1)	
U. S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High Yield Cash Pay Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leveraged Loan TR		
	USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities		
	Index	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index +	2.00%	4.10%
	33% S & P Global REIT (net) Index		
Master Limited Partnerships	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity &		
	Venture Capital Index	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of		
	Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U. S. Treasury	2.00%	0.60%
		<u>100.00%</u>	

(1) Target asset allocation adopted at the March 2024 TCDRS board meeting.

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.2%.

The valuation assumption for the long-term expected return is reassessed at a minimum every four years and is based on a long-term investment time horizon. It is reviewed annually for continued compliance relevant actuarial standards of practice.

Change in Net Pension Liability

The County's change in net pension liability from the last measurement date to the current measurement date is due to the following:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability (Asset)
Beginning net pension liability (asset) - prior measurement date	\$ 242,917,441	\$ 224,089,677	\$ 18,827,764
Increases (decreases) during the year:			
Service cost	4,937,745		4,937,745
Interest on total pension liability	18,360,041		18,360,041
Effect of plan changes	1,112,868		1,112,868
Effect of economic/demographic gains or losses	913,457		913,457
Effect of assumption changes or inputs			-
Refund of contributions	(488,253)	(488,253)	-
Benefit payments	(12,297,256)	(12,297,256)	-
Administrative expenses		(127,885)	127,885
Member contributions		2,549,273	(2,549,273)
Net investment income		24,592,541	(24,592,541)
Employer contributions		6,683,793	(6,683,793)
Other		(87,957)	87,957
	12,538,602	20,824,256	(8,285,654)
Ending net pension liability (asset) - current measurement date	\$ 255,456,043	\$ 244,913,933	\$ 10,542,110

Sensitivity Analysis of a Change in 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 would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 288,403,710	\$ 255,456,043	\$ 227,869,798
Fiduciary net position	244,913,933	244,913,933	244,913,933
Net pension liability (asset)	\$ 43,489,777	\$ 10,542,110	\$ (17,044,135)

Pension Expense

The County's pension expense for the year ending September 30, 2024 (based on a measurement date of December 31, 2023), is \$3,571,572. The components of pension expense are as follows:

	Pension Expense
Service cost	\$ 4,937,745
Interest on total pension liability	18,360,041
Effect of plan changes	1,112,868
Administrative expenses	127,885
Member contributions	(2,549,273)
Expected investment return net of investment expenses	(16,890,243)
Other	87,957
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(231,438)
Recognition of assumption changes or inputs	3,092,942
Recognition of investment gains or losses	(4,476,912)
Pension expenses (income)	<u>\$ 3,571,572</u>

Deferred Inflows / Outflows of Resources – Pension Plan

As of September 30, 2024, the County's deferred inflows and outflows of resources pertaining to the TCDRS pension plan are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experiences	\$ 444,057	\$ 685,093
Changes of assumptions	90,004	
Net difference between projected and actual earnings		709,898
Contributions made subsequent to the measurement date		4,522,796
	<u>\$ 534,061</u>	<u>\$ 5,917,787</u>

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

Measurement Year:	
2024	\$ (1,992,872)
2025	(723,345)
2026	5,117,606
2027	(1,540,459)
	<u>\$ 860,930</u>

NOTE 15 – GROUP TERM LIFE INSURANCE

The County participates in a cost-sharing multiple-employer group-term life insurance plan administered by TCDRS. The Group Term Life Fund (GTLF) provides term life insurance coverage to current eligible employees. Each participating employer contributes to GTLF at a contractually required rate. An annual actuarial valuation is performed to determine the contractual rate of providing term life insurance equal to one-year of an employee's annual salary at death. The County contributed \$44,023 to the GTLF for the year ended September 30, 2024, which equaled its contractually required contribution amount.

TCDRS issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for the GTLF. This report is available at TCDRS.org/employer.

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – RETIREE HEALTHCARE

Plan Description

As described in Note 13 – Health Insurance, the County provides other post-employment benefits (OPEB) retiree healthcare benefits to eligible retirees under 65 years old through a self-insured single-employer OPEB plan. Eligible retirees are the same retirees who satisfy the TCDRS eligibility requirements for pension benefits. At retirement, retirees may elect to remain on the County's healthcare plan along with dependent coverages. Dependent coverages cease when a retiree becomes eligible for Medicare at age 65. Retiree healthcare is funded entirely through retiree monthly contributions. The County contributes nothing to the healthcare plan for retiree coverage.

Benefits Provided

Eligible retirees and dependents covered by the County's healthcare plan receive the same medical and dental benefits as active employees as described in the employee and retiree healthcare manual.

Retirees Covered by the Healthcare Plan

As of September 30, 2024, 7 retirees were covered by the County's healthcare plan. The number of active employees at the County is 455.

OPEB Liability

The County's OPEB liability for retiree healthcare was calculated by actuaries using an actuarial valuation date of September 30, 2022.

The County's OPEB liability as of September 30, 2024, is \$3,208,462.

Actuarial Assumptions

The County's OPEB liability for retiree healthcare was calculated using the following actuarial assumptions:

Actuarial cost method	Individual entry-age normal
Discount rate	3.81%
Inflation	2.5%
Demographic assumptions	Based on the TCDRS experience study covering the four-year period ending December 31, 2020.
Mortality	For healthy retirees, the Pub-2010 General Retirees Tables for males and females with male rates multiplied by 135% and

female rates multiplied by 120%. These rates are projected on a fully generational basis based on 100% of the ultimate rates of the mortality improvement scale MP-2021.

Healthcare trend rates	Initial rate of 7.20% declining to 4.25% after 15 years.
Participation rates	15% for eligible retirees.

The demographic assumptions that are specific to OPEB retiree healthcare are based on the plan's historical experience and are revisited during each full valuation. The healthcare cost trend assumption is based on a framework developed in the Society of Actuaries' Getzen Model.

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purposes of the actuarial valuation, the municipal bond rate is 4.63% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-year Municipal GO AA Index. The discount rate was 4.4% as of the prior measurement date.

Change in OPEB Liability

	<u>OPEB Liability</u>
Beginning OPEB liability - prior measurement date	\$ 2,840,169
Increases (decreases) during the year:	
Service cost	139,734
Interest on total OPEB liability	132,437
Changes to benefit terms	
Difference between expected and actual experience	(352,221)
Changes in assumptions	547,582
Benefit payments	(99,239)
	<u>368,293</u>
Ending OPEB liability - current measurement date	<u><u>\$ 3,208,462</u></u>

Change in assumptions reflect a change in the discount rate from 4.63% to 3.81%

Sensitivity Analysis of a Change in Discount Rate

The following presents the OPEB liability of the County, calculated using the discount rate of 3.81%, as well as what the County's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$ 3,550,647	\$ 3,208,462	\$ 2,900,956

Sensitivity Analysis of a Change in Healthcare Trend Rate

The following presents the OPEB liability of the County, calculated using the current healthcare trend rate as well as what the County's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1%	Current	1%
	Decrease	Healthcare Trend Rate	Increase
Total OPEB liability	\$ 2,781,990	\$ 3,208,462	\$ 3,727,716

OPEB Expense

OPEB expense for the year ended September 30, 2024, is \$77,123.

	OPEB Expense
Service Cost	\$ 139,734
Interest on total OPEB liability	132,437
Current period benefit changes	
Administrative expenses	
Recognition of deferred outflows/inflows of resources	(195,048)
OPEB expense	<u>\$ 77,123</u>

Deferred Inflows / Outflows of Resources – OPEB Retiree Healthcare

As of September 30, 2024, the County's deferred inflows and outflows of resources pertaining to the County's self-insured retiree healthcare plan are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experiences	\$ -	\$ 1,283,688
Changes of assumptions	886,058	721,541
	<u>\$ 886,058</u>	<u>\$ 2,005,229</u>

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

Measurement Year:

2024	\$ (192,108)
2025	(165,627)
2026	(165,627)
2027	(222,464)
2028	(215,090)
Thereafter	(158,255)
	<u>\$ (1,119,171)</u>

NOTE 17 – TAX ABATEMENT AGREEMENTS

The County has entered into a tax abatement agreement, which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, with PLANT-AS-DNPS-003-2, LLC, a Delaware limited liability company, which allows for the designation of tax investment zones and the negotiation of tax abatement agreements with applicants. These abatement agreements authorize the Potter-Randall County Appraisal District to reduce the assessed value of a taxpayer's property by a percentage specified in the agreement; the taxpayer pays taxes on the lower assessed value during the term of the agreement. Property taxes abated by Potter County under this program are 100% of the ad valorem taxes for a period of 10 years beginning January 1, 2024. For each subsequent phase, the 10-year abatement period commences on January 1 of the first tax year for which the recipient files an approved abatement application with the appraisal district.

The County has entered into a tax abatement agreement, which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, with **Bell Helicopter Textron, Inc.** The Company is to construct a "qualified facility" on an approximately 20-acre parcel of land within Reinvestment Zone No. 8 as established by the City of Amarillo, Texas. The County will abate 100% of the ad valorem taxes on this development for a period of ten years beginning on January 1, 2014.

The County has entered into a tax abatement agreement, which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, with **Coca-Cola Refreshments USA, Inc.** The Company is to operate and renovate a premises on approximately 9.76 acres of land within Reinvestment Zone No. 7 as established by the City of Amarillo, Texas. The County will abate 100% of the ad valorem taxes on this development for a period of ten years beginning on January 1, 2016.

The County has entered into a tax abatement agreement, which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, with **Gestamp Wind Steel US, Inc.** The Company is to operate and renovate a premises on approximately 48 acres of land within Reinvestment Zone No. 7 as established by the City of Amarillo, Texas. The County will abate 100% of the ad valorem taxes on this development for a period of ten years beginning on January 1, 2017.

The County has entered into a tax abatement agreement, which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, with **Bovina Burger, LLC.** The Company is to construct a "qualified facility" on approximately 17 acres of land within the Reinvestment Zone No. 10 as established by the City of Amarillo, Texas. The County will abate 100% of the ad valorem taxes on this development for a period of ten years beginning on January 1, 2021.

The County has entered into a tax abatement agreement, which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, with **Panhandle Pure, LLC.** The Company is to operate and renovate a premises on an approximately 5 acres of land within the Texas Enterprise Zone as established by the City of Amarillo, Texas. The County will abate 90% of the ad valorem taxes on this development for a period of nine years beginning on January 1 of the first tax year for which the company files an approved abatement application with the Appraisal District.

The County has entered into a tax abatement agreement, which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, with **Parkwest Corporate Center, Ltd.** The Company is to operate and renovate a premises within Reinvestment Zone No. 11 as established by the City of Amarillo, Texas. The County will abate 60% of the ad valorem taxes on this development for a period of six years beginning on January 1 of the first tax year for which the company files an approved abatement application with the Appraisal District.

The County has entered into a tax abatement agreement, which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, with **Amazon.com Services, LLC.** The Company is to construct a minimum 1,000,000 square foot distribution facility within Reinvestment Zone No. 12 as established by the City of Amarillo, Texas. The County will abate 50% of the ad valorem taxes on this development for a period of five years beginning on January 1 of the first tax year for which the company files an approved abatement application with the Appraisal District.

The County has entered into a tax abatement agreement, which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code with **Encompass Health Rehabilitation Hospital of Amarillo, LLC.** The Company is to operate and renovate a premises on approximately 7 acres of land within Reinvestment Zone No. 14 as established by the City of Amarillo, Texas. The County will abate 60% of the ad valorem taxes on this development for a period of six years beginning on January 1 of the first tax year for which the company files an approved abatement application with the Appraisal District.

NOTE 18 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

The County is a defendant in a number of lawsuits arising principally in the normal course of its operations. In the opinion of the County, the outcome of these lawsuits will not have a material adverse effect on the accompanying basic financial statements and accordingly, no provision for losses has been recorded.

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of money received may be required and the collectability of any related receivable at September 30, 2024, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 59,011,455	\$ 59,011,455	\$ 59,581,997	\$ 570,542
Sales and other taxes	1,351,500	1,351,500	933,509	(417,991)
Licenses and fees	4,107,900	4,107,900	4,629,943	522,043
Fines and forfeitures	692,000	692,000	613,362	(78,638)
Intergovernmental	6,828,892	6,828,892	5,378,450	(1,450,442)
Interest income	1,328,250	1,328,250	3,116,211	1,787,961
Other	602,500	602,500	1,773,522	1,171,022
Total revenues	73,922,497	73,922,497	76,026,994	2,104,497
EXPENDITURES				
Administrative	10,512,978	10,512,978	9,519,320	993,658
Judicial	25,062,950	25,099,096	20,464,323	4,634,773
Elections	696,896	696,896	587,430	109,466
Public facilities	3,240,354	3,280,053	2,856,441	423,612
Public safety	14,494,178	14,505,392	13,784,268	721,124
Corrections and rehabilitation	15,205,407	15,205,407	14,922,900	282,507
Roads and bridges	2,996,764	2,996,764	2,658,588	338,176
Health and human services	1,191,841	1,194,596	1,135,987	58,609
Capital outlay	434,933	434,933	425,009	9,924
Total expenditures	73,836,301	73,926,115	66,354,265	7,571,850
Excess of revenues over (under) expenditures	86,196	(3,618)	9,672,729	9,676,347
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	3,000,000	2,001,201	(998,799)
Transfers out	(561,580)	(561,580)	(6,048,791)	(5,487,211)
Total other financing sources (uses)	2,438,420	2,438,420	(4,047,590)	(6,486,010)
Net change in fund balance	2,524,616	2,434,802	5,625,139	3,190,337
Beginning fund balance, October 1	39,555,326	39,555,326	39,555,326	-
Ending fund balance, September 30	\$ 42,079,942	\$ 41,990,128	\$ 45,180,465	\$ 3,190,337

POTTER COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - TCDRS
FOR THE YEAR ENDED SEPTEMBER 30 – LAST 10 YEARS (will ultimately be displayed)

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
PENSION LIABILITY			
Service cost	4,937,745	\$ 4,624,248	\$ 4,892,146
Interest on total pension liability	18,360,041	17,616,222	16,996,284
Effect of plan changes	1,112,868		
Effect of assumption changes or inputs			(360,013)
Effect of economic/demographic gains (losses)	913,457	(237,915)	(1,300,404)
Benefit payments/refunds of contributions	(12,785,509)	(12,281,630)	(11,341,663)
Change in pension liability	12,538,602	9,720,925	8,886,350
Beginning pension liability (asset)	242,917,441	233,196,516	224,310,166
Ending pension liability (asset) (a)	\$ 255,456,043	\$ 242,917,441	\$ 233,196,516
FIDUCIARY NET POSITION			
Employer contributions	6,683,793	\$ 5,177,244	\$ 4,988,543
Member contributions	2,549,273	2,333,546	2,260,243
Investment income net of investment expenses	24,592,542	(13,856,761)	44,205,613
Benefit payments/refunds of contributions	(12,785,509)	(12,281,630)	(11,341,663)
Administrative expenses	(127,885)	(131,321)	(131,637)
Other	(87,957)	(468,293)	(59,942)
Change in fiduciary net position	20,824,257	(19,227,215)	39,921,157
Beginning fiduciary net position	224,089,676	243,316,891	203,395,734
Ending fiduciary net position (b)	\$ 244,913,933	\$ 224,089,676	\$ 243,316,891
NET PENSION LIABILITY			
Net pension liability (a) - (b)	\$ 10,542,110	\$ 18,827,765	\$ (10,120,375)
Fiduciary net position as a % of total pension liability	95.87%	92.25%	104.34%
Pensionable covered payroll - measurement year	\$ 36,418,185	\$ 33,336,371	\$ 32,289,189
Net pension liability as a % of covered payroll	28.95%	56.48%	-31.34%

POTTER COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – TCDRS (continued)
FOR THE YEAR ENDED SEPTEMBER 30 – LAST 10 YEARS (will ultimately be displayed)

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
PENSION LIABILITY			
Service cost	\$ 4,388,580	\$ 4,184,777	\$ 4,231,120
Interest on total pension liability	16,261,798	15,436,690	14,703,036
Effect of plan changes			
Effect of assumption changes or inputs	12,731,786		
Effect of economic/demographic gains (losses)	(380,448)	99,437	(775,543)
Benefit payments/refunds of contributions	(9,938,331)	(9,545,684)	(8,582,682)
Change in pension liability	23,063,385	10,175,220	9,575,931
Beginning pension liability (asset)	201,246,781	191,071,561	181,495,630
Ending pension liability (asset) (a)	\$ 224,310,166	\$ 201,246,781	\$ 191,071,561
FIDUCIARY NET POSITION			
Employer contributions	\$ 5,093,373	\$ 4,826,681	\$ 4,625,757
Member contributions	2,298,439	2,286,269	2,190,217
Investment income net of investment expenses	19,297,680	26,729,739	(3,146,419)
Benefit payments/refunds of contributions	(9,938,332)	(9,545,684)	(8,582,682)
Administrative expenses	(148,828)	(142,387)	(130,724)
Other	(56,837)	(57,261)	(35,776)
Change in fiduciary net position	16,545,495	24,097,357	(5,079,627)
Beginning fiduciary net position	186,850,239	162,752,882	167,832,509
Ending fiduciary net position (b)	\$ 203,395,734	\$ 186,850,239	\$ 162,752,882
NET PENSION LIABILITY			
Net pension liability (a) - (b)	\$ 20,914,432	\$ 14,396,542	\$ 28,318,679
Fiduciary net position as a % of total pension liability	90.68%	92.85%	85.18%
Pensionable covered payroll - measurement year	\$ 32,608,141	\$ 32,634,836	\$ 31,288,811
Net pension liability as a % of covered payroll	64.14%	44.11%	90.51%

POTTER COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – TCDRS (continued)
FOR THE YEAR ENDED SEPTEMBER 30 – LAST 10 YEARS (will ultimately be displayed)

	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
PENSION LIABILITY				
Service cost	\$ 4,273,814	\$ 4,352,352	\$ 4,127,523	\$ 4,108,621
Interest on total pension liability	13,871,195	13,037,017	12,402,512	11,669,923
Effect of plan changes			(728,256)	
Effect of assumption changes or inputs	439,421		1,583,826	
Effect of economic/demographic gains (losses)	71,577	(1,265,495)	(1,704,163)	(268,856)
Benefit payments/refunds of contributions	(8,113,787)	(7,822,670)	(7,265,790)	(6,536,622)
Change in pension liability	10,542,220	8,301,204	8,415,652	8,973,066
Beginning pension liability (asset)	170,953,410	162,652,206	154,236,554	145,263,488
Ending pension liability (asset) (a)	\$ 181,495,630	\$ 170,953,410	\$ 162,652,206	\$ 154,236,554
FIDUCIARY NET POSITION				
Employer contributions	\$ 4,318,705	\$ 4,074,113	\$ 3,944,278	\$ 3,899,238
Member contributions	2,109,629	2,068,086	2,009,470	1,984,119
Investment income net of investment expenses	21,585,568	10,342,613	(641,974)	9,074,869
Benefit payments/refunds of contributions	(8,113,787)	(7,822,670)	(7,265,790)	(6,536,622)
Administrative expenses	(111,613)	(112,476)	(101,332)	(106,048)
Other	(23,400)	(361,045)	143,375	29,017
Change in fiduciary net position	19,765,102	8,188,621	(1,911,973)	8,344,573
Beginning fiduciary net position	148,067,407	139,878,786	141,790,759	133,446,186
Ending fiduciary net position (b)	\$ 167,832,509	\$ 148,067,407	\$ 139,878,786	\$ 141,790,759
NET PENSION LIABILITY				
Net pension liability (a) - (b)	\$ 13,663,121	\$ 22,886,003	\$ 22,773,420	\$ 12,445,795
Fiduciary net position as a % of total pension liability	92.47%	86.61%	86.00%	91.93%
Pensionable covered payroll - measurement year	\$ 30,137,563	\$ 29,544,082	\$ 28,706,709	\$ 28,296,592
Net pension liability as a % of covered payroll	45.34%	77.46%	79.33%	43.98%

POTTER COUNTY, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS - TCDRS
FOR THE YEARS ENDED SEPTEMBER 30 – LAST 10 YEARS (will ultimately be displayed)

Year Ended September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Payroll
2015	\$ 3,899,238	\$ 3,899,238	\$ -	\$ 28,296,592	13.8%
2016	3,944,278	3,944,278	-	28,706,709	13.7%
2017	4,074,113	4,074,113	-	29,544,082	13.8%
2018	4,318,705	4,318,705	-	30,137,563	14.3%
2019	4,624,486	4,625,757	(1,271)	31,288,811	14.8%
2020	4,826,681	4,826,681	-	32,634,836	14.8%
2021	5,093,373	5,093,373	-	32,608,141	15.6%
2022	4,988,543	4,988,543	-	32,289,189	15.4%
2023	5,177,243	5,177,243	-	33,336,371	15.5%
2024	5,426,310	6,683,793	(1,257,483)	36,418,185	18.4%

POTTER COUNTY, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS – TCDRS (continued)
FOR THE YEARS ENDED SEPTEMBER 30 – LAST 10 YEARS (will ultimately be displayed)

Notes to schedule:

Valuation Date - rates are actuarially determined two years prior to the fiscal year.

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	17.0 years based on 12/31/2023 valuation
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	Varies by age and service - 4.7% average
Investment Rate of Return	7.50%, net of administrative and investment expenses
Retirement Age	Based on age - average is 61
Mortality	135% of Pub-2010 General Retiree Tables for males
	120% of Pub-2010 General Retiree Tables for females
	Both at 100% of the MP-2021 Ultimate Scale after 2010
Changes in Assumptions and Methods	New inflation, mortality and other assumptions in 2015 and 2019
	New mortality assumptions in 2017
	New inflation and mortality assumptions in 2022
Changes in Plan Provisions	New annuity purchase rates in 2017

POTTER COUNTY, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY – HEALTHCARE PLAN
YEARS ENDED SEPTEMBER 30 - LAST 10 YEARS (will ultimately be displayed)

	2024	2023	2022	2021
OPEB LIABILITY				
Service cost	\$ 139,734	\$ 192,729	\$ 347,884	\$ 250,533
Interest on total OPEB liability	132,437	121,412	82,555	83,149
Change in benefit terms				
Difference between expected and actual experience	(352,221)	(17,665)	(741,692)	(16,986)
Change in assumptions	547,582	(58,051)	(493,365)	71,704
Benefit payments	(99,239)	(122,511)	(133,654)	(101,549)
Change in pension liability	368,293	115,914	(938,272)	286,851
Beginning pension liability (asset)	2,840,169	2,724,255	3,662,527	3,375,676
Ending pension liability (asset) (a)	<u>\$ 3,208,462</u>	<u>\$ 2,840,169</u>	<u>\$ 2,724,255</u>	<u>\$ 3,662,527</u>
Covered payroll - measurement year	\$ 36,418,185	\$ 33,336,371	\$ 32,289,189	\$ 32,608,141
OPEB liability as a % of covered payroll	8.81%	8.52%	8.44%	11.23%

Notes to schedule:

Changes in assumptions reflect the effects of changes to the discount rate:

September 30, 2024	3.81%
September 30, 2023	4.63%
September 30, 2022	4.40%
September 30, 2021	2.19%
September 30, 2020	2.41%
September 30, 2019	2.66%
September 30, 2018	3.31%

There are no plan assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

POTTER COUNTY, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY – HEALTHCARE PLAN (continued)
YEARS ENDED SEPTEMBER 30 - LAST 10 YEARS (will ultimately be displayed)

	2020	2019	2018
OPEB LIABILITY			
Service cost	\$ 318,294	\$ 181,073	\$ 196,351
Interest on total OPEB liability	119,444	148,114	129,989
Change in benefit terms			
Difference between expected and actual experience	(710,159)	(249,198)	
Change in assumptions	(634,535)	1,004,351	(232,428)
Benefit payments	(97,183)	(132,327)	(81,049)
Change in pension liability	(1,004,139)	952,013	12,863
Beginning pension liability (asset)	4,379,815	3,427,802	3,414,939
Ending pension liability (asset) (a)	<u>\$ 3,375,676</u>	<u>\$ 4,379,815</u>	<u>\$ 3,427,802</u>
Covered payroll - measurement year	\$ 32,634,836	\$ 31,288,811	\$ 25,795,275
OPEB liability as a % of covered payroll	10.34%	14.00%	13.29%

OTHER SUPPLEMENTARY INFORMATION

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 59,011,455	\$ 59,011,455	\$ 59,581,997	\$ 570,542
Miscellaneous taxes	1,351,500	1,351,500	933,509	(417,991)
Licenses and fees	4,107,900	4,107,900	4,629,943	522,043
Fines and foreitures	692,000	692,000	613,362	(78,638)
Intergovernmental	6,828,892	6,828,892	5,378,450	(1,450,442)
Interest income	1,328,250	1,328,250	3,116,211	1,787,961
Other	602,500	602,500	1,773,522	1,171,022
Total revenues	73,922,497	73,922,497	76,026,994	2,104,497
EXPENDITURES				
Administrative				
County Judge				
Salaries and fringe benefits	269,788	269,788	267,956	1,832
Travel and uniforms	3,000	3,000	1,827	1,173
Contract services				-
General operations	6,400	6,400	3,668	2,732
Equipment/vehicle maintenance	1,000	1,000	630	370
Total	280,188	280,188	274,081	6,107
Commissioners' Court				
Salaries and fringe benefits	278,977	278,977	243,507	35,470
Travel and uniforms	12,000	12,000	815	11,185
Contract services				-
General operations	5,150	5,150	414	4,736
Equipment/vehicle maintenance				-
Total	296,127	296,127	244,736	51,391
Human resources				
Salaries and fringe benefits	397,528	397,528	377,329	20,199
Travel and uniforms	3,300	3,300	1,127	2,173
Contract services	18,310	18,310		18,310
General operations	6,300	6,300	5,630	670
Equipment/vehicle maintenance	3,600	3,600	2,060	1,540
Total	429,038	429,038	386,146	42,892

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Information technology

Salaries and fringe benefits	\$ -	\$ -	\$ -	\$ -
Travel and uniforms				-
Contract services	1,723,113	1,723,113	1,584,223	138,890
General operations	449,305	449,305	439,770	9,535
Equipment/vehicle maintenance				-
Total	2,172,418	2,172,418	2,023,993	148,425

Information and records management

Salaries and fringe benefits	517,183	517,183	486,489	30,694
Travel and uniforms	3,750	3,750		3,750
Contract services	8,000	8,000	2,886	5,114
General operations	9,480	9,480	8,407	1,073
Equipment/vehicle maintenance	2,000	2,000	147	1,853
Total	540,413	540,413	497,929	42,484

General administrative

Salaries and fringe benefits	10,000	10,000		10,000
Travel and uniforms				-
Contract services	655,168	655,168	712,217	(57,049)
General operations	2,414,324	2,414,324	2,161,154	253,170
Equipment/vehicle maintenance	191,711	191,711	163,977	27,734
Total	3,271,203	3,271,203	3,037,348	233,855

County Auditor

Salaries and fringe benefits	808,727	808,727	702,443	106,284
Travel and uniforms	10,000	10,000	5,338	4,662
Contract services	227,995	227,995	204,935	23,060
General operations	9,300	9,300	7,679	1,621
Equipment/vehicle maintenance	2,000	2,000		2,000
Total	1,058,022	1,058,022	920,395	137,627

County Treasurer

Salaries and fringe benefits	264,675	264,675	262,919	1,756
Travel and uniforms	5,000	5,000	4,201	799
Contract services				-
General operations	9,250	9,250	8,977	273
Equipment/vehicle maintenance	2,200	2,200	1,520	680
Total	281,125	281,125	277,617	3,508

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Purchasing Agent

Salaries and fringe benefits	\$ 493,313	\$ 493,313	\$ 368,661	\$ 124,652
Travel and uniforms	15,000	15,000	3,085	11,915
Contract services	10,000	10,000		10,000
General operations	14,500	14,500	10,503	3,997
Equipment/vehicle maintenance	3,500	3,500	2,635	865
Total	536,313	536,313	384,884	151,429

Tax Assessor/Collector

Salaries and fringe benefits	1,461,731	1,461,731	1,315,513	146,218
Travel and uniforms	9,000	9,000	6,909	2,091
Contract services	77,000	77,000	75,066	1,934
General operations	96,200	96,200	71,003	25,197
Equipment/vehicle maintenance	4,200	4,200	3,699	501
Total	1,648,131	1,648,131	1,472,191	175,940

Total administrative

10,512,978	10,512,978	9,519,320	993,658
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Judicial

County Clerk

Salaries and fringe benefits	1,045,056	958,630	930,047	28,583
Travel and uniforms	7,000	7,000	3,570	3,430
Contract services	240,000	240,000	237,081	2,919
General operations	39,200	39,200	32,634	6,566
Equipment/vehicle maintenance	5,500	91,926	91,926	-
Total	1,336,756	1,336,756	1,295,258	41,498

District Clerk

Salaries and fringe benefits	1,349,357	1,349,357	1,239,360	109,997
Travel and uniforms	10,000	10,000	1,960	8,040
Contract services	236,525	236,525	100,000	136,525
General operations	56,510	56,510	40,385	16,125
Equipment/vehicle maintenance	12,000	12,000	11,262	738
Total	1,664,392	1,664,392	1,392,967	271,425

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND
ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Court of appeals

Salaries and fringe benefits	\$	10,331	\$	10,331	\$	10,267	\$	64
Travel and uniforms								-
Contract services								-
General operations								-
Equipment/vehicle maintenance								-
Total		10,331		10,331		10,267		64

Specialty court

Salaries and fringe benefits		40,190		40,190		32,406		7,784
Travel and uniforms		1,200		1,200				1,200
Contract services		6,240		6,240		6,240		-
General operations		500		500				500
Equipment/vehicle maintenance								-
Total		48,130		48,130		38,646		9,484

47th District Court

Salaries and fringe benefits		392,753		392,753		371,415		21,338
Travel and uniforms		11,250		11,250		1,811		9,439
Contract services								-
General operations		13,890		14,014		14,014		-
Equipment/vehicle maintenance		1,200		1,076		450		626
Total		419,093		419,093		387,690		31,403

108th District Court

Salaries and fringe benefits		394,735		394,735		375,065		19,670
Travel and uniforms		11,250		8,943		3,636		5,307
Contract services								-
General operations		19,684		21,991		21,991		-
Equipment/vehicle maintenance		1,500		1,500		1,126		374
Total		427,169		427,169		401,818		25,351

181st District Court

Salaries and fringe benefits		394,702		394,702		377,437		17,265
Travel and uniforms		11,250		11,250		3,921		7,329
Contract services								-
General operations		16,894		16,894		11,743		5,151
Equipment/vehicle maintenance		1,000		1,000		417		583
Total		423,846		423,846		393,518		30,328

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND
ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

251st District Court

Salaries and fringe benefits	\$	392,264	\$	392,264	\$	362,452	\$	29,812
Travel and uniforms		11,250		11,250		4,116		7,134
Contract services								-
General operations		15,045		15,045		9,574		5,471
Equipment/vehicle maintenance		1,500		1,500		449		1,051
Total		420,059		420,059		376,591		43,468

320th District Court

Salaries and fringe benefits		400,136		400,136		382,889		17,247
Travel and uniforms		11,250		11,250		7,432		3,818
Contract services								-
General operations		15,200		15,200		13,423		1,777
Equipment/vehicle maintenance		1,200		1,200		346		854
Total		427,786		427,786		404,090		23,696

Associate judge - child support

Salaries and fringe benefits								-
Travel and uniforms								-
Contract services								-
General operations		4,190		4,190		3,730		460
Equipment/vehicle maintenance								-
Total		4,190		4,190		3,730		460

Associate judge - child protection

Salaries and fringe benefits		46,334		46,334		33,706		12,628
Travel and uniforms								-
Contract services								-
General operations		2,500		2,500		1,429		1,071
Equipment/vehicle maintenance								-
Total		48,834		48,834		35,135		13,699

County Court-at-Law #1

Salaries and fringe benefits		597,728		597,728		585,491		12,237
Travel and uniforms		10,650		10,409		7,786		2,623
Contract services								-
General operations		12,290		12,531		12,531		-
Equipment/vehicle maintenance		600		600		485		115
Total		621,268		621,268		606,293		14,975

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

County Court-at-Law #2

Salaries and fringe benefits	\$ 589,552	\$ 589,552	\$ 582,314	\$ 7,238
Travel and uniforms	12,000	12,000	6,709	5,291
Contract services				-
General operations	11,190	11,190	9,864	1,326
Equipment/vehicle maintenance	1,000	1,000	371	629
Total	613,742	613,742	599,258	14,484

Veterans' Treatment Court

Salaries and fringe benefits	47,721	47,721	35,029	12,692
Travel and uniforms	1,500	1,500	1,327	173
Contract services	22,385	22,385	3,456	18,929
General operations	3,950	3,950	665	3,285
Equipment/vehicle maintenance				-
Total	75,556	75,556	40,477	35,079

Mental Health Specialty Court

Salaries and fringe benefits	45,774	45,774	35,028	10,746
Travel and uniforms	1,500	1,500	1,100	400
Contract services	4,500	4,500	45	4,455
General operations	2,350	2,350	1,289	1,061
Equipment/vehicle maintenance				-
Total	54,124	54,124	37,462	16,662

Justice of the Peace, Precinct #1

Salaries and fringe benefits	316,740	316,740	306,248	10,492
Travel and uniforms	3,500	3,500	619	2,881
Contract services	17,292	17,292	8,992	8,300
General operations	13,939	13,939	12,551	1,388
Equipment/vehicle maintenance	1,370	1,370	1,300	70
Total	352,841	352,841	329,710	23,131

Justice of the Peace, Precinct #2

Salaries and fringe benefits	257,070	257,070	235,775	21,295
Travel and uniforms	3,500	3,500	3,073	427
Contract services	17,000	17,000	8,992	8,008
General operations	11,704	11,704	9,533	2,171
Equipment/vehicle maintenance	1,300	1,300	700	600
Total	290,574	290,574	258,073	32,501

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Justice of the Peace, Precinct #3

Salaries and fringe benefits	\$ 322,054	\$ 322,054	\$ 308,681	\$ 13,373
Travel and uniforms	3,500	5,569	5,569	-
Contract services	17,000	14,931	8,992	5,939
General operations	14,255	14,255	12,703	1,552
Equipment/vehicle maintenance	2,500	2,500	931	1,569
Total	359,309	359,309	336,876	22,433

Justice of the Peace, Precinct #4

Salaries and fringe benefits	257,073	293,219	275,246	17,973
Travel and uniforms	3,500	3,500	2,929	571
Contract services	17,000	14,957	8,992	5,965
General operations	8,730	10,408	10,408	-
Equipment/vehicle maintenance	1,300	1,665	1,665	-
Total	287,603	323,749	299,240	24,509

Jury

Salaries and fringe benefits	212,782	212,782	197,454	15,328
Travel and uniforms	2,000	2,000		2,000
Contract services	235,100	235,100	208,295	26,805
General operations	50,000	50,000	48,176	1,824
Equipment/vehicle maintenance	5,000	5,000	4,872	128
Total	504,882	504,882	458,797	46,085

County Attorney

Salaries and fringe benefits	2,644,223	2,644,223	2,514,359	129,864
Travel and uniforms	22,400	23,268	23,268	-
Contract services	25,400	24,532	14,565	9,967
General operations	40,858	40,858	25,480	15,378
Equipment/vehicle maintenance	12,500	12,500	11,096	1,404
Total	2,745,381	2,745,381	2,588,768	156,613

District Attorney

Salaries and fringe benefits	4,496,097	4,496,097	3,561,923	934,174
Travel and uniforms	35,900	35,900	23,056	12,844
Contract services	87,000	87,000	72,125	14,875
General operations	73,000	73,000	43,553	29,447
Equipment/vehicle maintenance	16,000	16,000	9,512	6,488
Total	4,707,997	4,707,997	3,710,169	997,828

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Bail Bond Board Administration

Salaries and fringe benefits	\$	-	\$	-	\$	-	\$	-
Travel and uniforms		1,500		1,500		931		569
Contract services								-
General operations		500		500				500
Equipment/vehicle maintenance								-
Total		2,000		2,000		931		1,069

General judicial

Salaries and fringe benefits								-
Travel and uniforms								-
Contract services	2,879,000	3,067,219	3,067,219					-
General operations	660,000	471,781	117,066	354,715				
Equipment/vehicle maintenance								-
Total	3,539,000	3,539,000	3,184,285	354,715				

Managed assigned counsel

Salaries and fringe benefits	860,334	860,334	413,729	446,605
Travel and uniforms	12,500	12,500	3,745	8,755
Contract services	40,000	30,610	17,022	13,588
General operations	12,300	21,690	21,690	-
Equipment/vehicle maintenance	1,800	1,800	1,719	81
Total	926,934	926,934	457,905	469,029

Public Defender

Salaries and fringe benefits	4,140,825	4,140,825	2,450,716	1,690,109
Travel and uniforms	70,000	70,000	45,259	24,741
Contract services	215,640	215,640	18,960	196,680
General operations	120,003	120,003	117,621	2,382
Equipment/vehicle maintenance	7,500	7,500	3,347	4,153
Total	4,553,968	4,553,968	2,635,903	1,918,065

CPS Counsel

Salaries and fringe benefits	191,185	191,185	177,491	13,694
Travel and uniforms	4,450	4,450	1,995	2,455
Contract services				-
General operations	1,100	1,060	490	570
Equipment/vehicle maintenance	450	490	490	-
Total	197,185	197,185	180,466	16,719

Total judicial	25,062,950	25,101,139	20,464,323	4,636,816
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POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Elections

Election administration

Salaries and fringe benefits	\$ 481,096	\$ 481,096	\$ 415,842	\$ 65,254
Travel and uniforms	4,000	4,466	4,466	-
Contract services	100,000	100,000	81,981	18,019
General operations	109,300	106,495	80,302	26,193
Equipment/vehicle maintenance	2,500	4,839	4,839	-
Total	696,896	696,896	587,430	109,466
Total elections	696,896	696,896	587,430	109,466

Public facilities

Facilities maintenance

Salaries and fringe benefits	1,713,460	1,713,460	1,618,617	94,843
Travel and uniforms	16,500	16,500	1,956	14,544
Contract services				-
General operations	73,120	73,120	57,585	15,535
Equipment/vehicle maintenance	26,880	26,880	17,674	9,206
Total	1,829,960	1,829,960	1,695,832	134,128

Courthouse

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	248,888	248,888	177,669	71,219
Equipment/vehicle maintenance				-
Total	248,888	248,888	177,669	71,219

Courts building

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	335,650	335,650	261,413	74,237
Equipment/vehicle maintenance				-
Total	335,650	335,650	261,413	74,237

Library building

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	10,100	10,264	10,264	-
Equipment/vehicle maintenance				-
Total	10,100	10,264	10,264	-

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Extension service building

Salaries and fringe benefits	\$	-	\$	-	\$	-	\$	-
Travel and uniforms								-
Contract services								-
General operations		18,150		19,318		19,318		-
Equipment/vehicle maintenance								-
Total		18,150		19,318		19,318		-

Santa Fe building

Salaries and fringe benefits								-
Travel and uniforms								-
Contract services								-
General operations		532,192		532,192		396,468		135,724
Equipment/vehicle maintenance								-
Total		532,192		532,192		396,468		135,724

Baseball stadium

Salaries and fringe benefits								-
Travel and uniforms								-
Contract services								-
General operations								-
Equipment/vehicle maintenance								-
Total		-		-		-		-

JP #3 office

Salaries and fringe benefits								-
Travel and uniforms								-
Contract services								-
General operations		14,700		14,700		13,235		1,465
Equipment/vehicle maintenance								-
Total		14,700		14,700		13,235		1,465

Bowie Annex

Salaries and fringe benefits								-
Travel and uniforms								-
Contract services								-
General operations		23,000		23,000		16,161		6,839
Equipment/vehicle maintenance								-
Total		23,000		23,000		16,161		6,839

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Law Enforcement Center

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	153,914	181,719	181,719	-
Equipment/vehicle maintenance				-
Total	153,914	181,719	181,719	-

Vehicle maintenance garage

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	29,000	33,106	33,106	-
Equipment/vehicle maintenance				-
Total	29,000	33,106	33,106	-

Fire Station #3

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	44,800	51,256	51,256	-
Equipment/vehicle maintenance				-
Total	44,800	51,256	51,256	-

Total public facilities

3,240,354 3,280,053 2,856,441 423,612

Public safety

Forensic science lab

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services	571,500	571,500	419,813	151,687
General operations				-
Equipment/vehicle maintenance				-
Total	571,500	571,500	419,813	151,687

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Constable Precinct #1

Salaries and fringe benefits	\$ 90,745	\$ 90,745	\$ 90,109	\$ 636
Travel and uniforms	2,500	2,500	2,001	499
Contract services	1,200	1,200	1,200	-
General operations	4,030	4,030	2,391	1,639
Equipment/vehicle maintenance	5,000	5,000	3,938	1,062
Total	103,475	103,475	99,639	3,836

Constable Precinct #2

Salaries and fringe benefits	90,745	90,745	89,881	864
Travel and uniforms	4,000	5,791	5,791	-
Contract services	1,250	1,250	1,200	50
General operations	4,380	2,589	2,503	86
Equipment/vehicle maintenance	4,000	4,000	2,140	1,860
Total	104,375	104,375	101,515	2,860

Constable Precinct #3

Salaries and fringe benefits	90,745	90,745	90,080	665
Travel and uniforms	4,000	7,447	5,025	2,422
Contract services	1,250	1,250	1,200	50
General operations	5,630	5,630	2,643	2,987
Equipment/vehicle maintenance	5,000	5,000	3,888	1,112
Total	106,625	110,072	102,836	7,236

Constable Precinct #4

Salaries and fringe benefits	90,745	90,745	90,082	663
Travel and uniforms	4,000	6,346	5,350	996
Contract services	1,250	1,250	1,200	50
General operations	5,580	5,580	2,360	3,220
Equipment/vehicle maintenance	5,000	5,000	2,656	2,344
Total	106,575	108,921	101,648	7,273

Sheriff

Salaries and fringe benefits	9,527,561	9,527,561	9,249,435	278,126
Travel and uniforms	158,000	158,000	150,968	7,032
Contract services	301,197	301,197	266,889	34,308
General operations	204,520	204,520	149,668	54,852
Equipment/vehicle maintenance	419,600	419,600	360,032	59,568
Total	10,610,878	10,610,878	10,176,992	433,886

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Public services

Salaries and fringe benefits	\$ -	\$ -	\$ -	\$ -
Travel and uniforms				-
Contract services				-
General operations	1,642,468	1,647,889	1,647,889	-
Equipment/vehicle maintenance				-
Total	1,642,468	1,647,889	1,647,889	-

Fire / rescue department

Salaries and fringe benefits	467,322	488,280	488,280	-
Travel and uniforms	89,000	89,000	83,630	5,370
Contract services	48,000	48,000	36,477	11,523
General operations	255,460	234,502	210,413	24,089
Equipment/vehicle maintenance	388,500	388,500	315,135	73,365
Total	1,248,282	1,248,282	1,133,935	114,347

Total public safety

14,494,178	14,505,392	13,784,268	721,124
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Corrections and rehabilitation

Detention center

Salaries and fringe benefits	12,158,343	11,616,743	11,384,430	232,313
Travel and uniforms		11,418	11,418	-
Contract services	38,000	42,019	42,019	-
General operations	2,720,160	3,246,323	3,246,323	-
Equipment/vehicle maintenance	45,000	45,000	20,845	24,155
Total	14,961,503	14,961,503	14,705,035	256,468

Community supervision and corrections

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	13,000	13,000	8,313	4,687
Equipment/vehicle maintenance	15,000	15,000	14,968	32
Total	28,000	28,000	23,281	4,719

Court supervised release program

Salaries and fringe benefits	186,904	186,904	186,090	814
Travel and uniforms	5,000	5,000	1,689	3,311
Contract services	18,000	18,000	5,706	12,294
General operations	3,000	3,000		3,000
Equipment/vehicle maintenance	3,000	3,000	1,099	1,901
Total	215,904	215,904	194,584	21,320

Total corrections and rehabilitation

15,205,407	15,205,407	14,922,900	282,507
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POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Roads and bridges

Road and bridge

Salaries and fringe benefits	\$ 1,806,094	\$ 1,806,094	\$ 1,647,887	\$ 158,207
Travel and uniforms	20,000	20,000	13,044	6,956
Contract services	42,557	42,557	390	42,167
General operations	806,553	806,553	714,992	91,561
Equipment/vehicle maintenance	321,560	321,560	282,275	39,285
Total	2,996,764	2,996,764	2,658,588	338,176

Total roads and bridges

2,996,764 2,996,764 2,658,588 338,176

Health and human services

Mental health - community services

Salaries and fringe benefits	85,707	85,707	83,831	1,876
Travel and uniforms	2,000	2,000		2,000
Contract services	8,000	8,000	1,680	6,320
General operations	750	750		750
Equipment/vehicle maintenance				-
Total	96,457	96,457	85,511	10,946

County extension services

Salaries and fringe benefits	249,476	249,476	239,138	10,338
Travel and uniforms	13,000	13,000	11,874	1,126
Contract services				-
General operations	16,831	16,831	16,153	678
Equipment/vehicle maintenance	20,061	20,061	12,362	7,699
Total	299,368	299,368	279,527	19,841

Family crime unit

Salaries and fringe benefits	457,703	457,703	442,634	15,069
Travel and uniforms	600	213		213
Contract services				-
General operations	2,300	2,687	2,687	-
Equipment/vehicle maintenance	2,050	2,050	1,526	524
Total	462,653	462,653	446,847	15,806

Victim assistance - VOCA

Salaries and fringe benefits	252,003	252,003	244,877	7,126
Travel and uniforms	4,000	3,916	226	3,690
Contract services	2,850	2,934	2,934	-
General operations	1,440	1,440	1,440	-
Equipment/vehicle maintenance				-
Total	260,293	260,293	249,477	10,816

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Victim assistance - VLCC

Salaries and fringe benefits	\$ 71,870	\$ 74,625	\$ 74,625	\$ -
Travel and uniforms	1,200	1,200		1,200
Contract services				-
General operations				-
Equipment/vehicle maintenance				-
Total	73,070	75,825	74,625	1,200

Total health and human services

1,191,841 1,194,596 1,135,987 58,609

Capital outlay

Capital outlay

Capital outlay	434,933	434,933	425,009	9,924
Other				-
Total	434,933	434,933	425,009	9,924

Total capital outlay

434,933 434,933 425,009 9,924

Excess of revenues over (under) expenditures

86,196 (3,618) 9,672,729 9,676,347

OTHER FINANCING SOURCES (USES)

Transfers in	3,000,000	3,000,000	2,001,201	(998,799)
Transfers out	(561,580)	(561,580)	(6,048,791)	(5,487,211)
Total other financing sources (uses)	2,438,420	2,438,420	(4,047,590)	(6,486,010)

Net change in fund balance

2,524,616 2,434,802 5,625,139 3,190,337

Beginning fund balance, October 1

39,555,326 39,555,326 39,555,326 -

Ending fund balance, September 30

\$ 42,079,942 \$ 41,990,128 \$ 45,180,465 \$ 3,190,337

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND – DISTRICT COURTS BUILDING
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Interest income	\$ 100,000	\$ 100,000	\$ 337,058	\$ 237,058
Other				-
Total revenues	100,000	100,000	337,058	237,058
EXPENDITURES				
Judicial	700,000	700,000	157,129	542,871
Capital outlay	3,600,000	3,600,000	1,031,439	2,568,561
Total expenditures	4,300,000	4,300,000	1,188,568	3,111,432
Excess of revenues over (under) expenditures	(4,200,000)	(4,200,000)	(851,510)	3,348,490
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(4,200,000)	(4,200,000)	(851,510)	3,348,490
Beginning fund balance, October 1	4,368,759	4,368,759	4,368,759	-
Ending fund balance, September 30	\$ 168,759	\$ 168,759	\$ 3,517,249	\$ 3,348,490

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET TO ACTUAL
PROPRIETARY – INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
OPERATING REVENUES				
Healthcare contributions - employees	\$ 7,250,000	\$ 7,250,000	\$ 6,753,492	\$ (496,508)
Healthcare contributions - retirees	200,000	200,000	179,891	(20,109)
Reinsurance recoveries			1,137,282	1,137,282
Total operating revenues	7,450,000	7,450,000	8,070,665	620,665
OPERATING EXPENSES				
Medical claims	3,675,000	3,675,000	4,087,646	(412,646)
Pharmacy claims	2,500,000	2,500,000	2,763,038	(263,038)
Dental premiums	75,000	75,000		75,000
Vision premiums	25,000	25,000	442,860	(417,860)
Life insurance premiums	33,000	33,000	197,692	(164,692)
Third-part administrator fees	1,092,000	1,092,000	1,176,595	(84,595)
Contracted services	150,000	150,000	152,000	(2,000)
Other				-
Total operating expenses	7,550,000	7,550,000	8,819,831	(1,269,831)
Operating income (loss)	(100,000)	(100,000)	(749,166)	(649,166)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	150,000	150,000	240,854	90,854
Total non-operating revenues (expenses)	150,000	150,000	240,854	90,854
Change in net position	50,000	50,000	(508,312)	(558,312)
Beginning net position, October 1	4,215,359	4,215,359	4,215,359	-
Ending net position, September 30	\$ 4,265,359	\$ 4,265,359	\$ 3,707,047	\$ (558,312)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue funds account for the proceeds of specific sources that legally restricted to expenditures for specified purposes:

County Assistance District – The County Assistance District Fund accounts for the 2% sales and use tax collected from unincorporated areas of the County. This revenue is restricted to firefighting, fire prevention, and rescue operations as well as the construction, maintenance, or improvements of roads or highways, the provision of law enforcement detention services, maintenance or improvements to libraries, museums, parks, or other recreational facilities, services that benefit the public health or welfare, and economic development and tourism.

Opioid Settlement – The Opioid Settlement Fund accounts for funds received from a final agreement with companies to resolve legal claims for their role in the opioid crisis. Funding flows from the federal government to states, and then from states to local governments. Funding is used to support strategies to fight the opioid crisis.

Vehicle Inventory Tax Interest – The Vehicle Inventory Tax Interest Fund accounts for interest earned on tax deposits that the Tax Assessor/Collector may use for office expenditures.

SB 22 Sheriff's Office – The SB 22 program in Texas provides funding to increase the salaries of deputies and jailers in sheriff's offices across the state. The program allocates financial resources to counties to fund salary increases for sheriff's deputies and other staff members. The funds can also be used to purchase safety equipment, vehicles, and firearms.

SB 22 County Attorney – The SB 22 program in Texas provides funding to increase the salaries of personnel in prosecutor offices in Texas counties. The program allocates financial resources to fund salary increases for prosecutors, investigators, and victim advocates.

SB 22 District Attorney – The SB 22 program in Texas provides funding to increase the salaries of personnel in district attorney offices. The program allocates financial resources to fund salary increases for prosecutors, investigators, and victim advocates working in district attorney offices.

Law Library – The Law Library Fund accounts for statutory fees collected in civil cases filed in the County and District Courts. These fees are dedicated by law to providing and maintaining a Law Library.

Veteran's Treatment Court - The Veterans Treatment Court (VTC) Grant Program supports eligible units of local government providing services through Veterans Treatment Court (VTC) programs. Grant funding is intended to support rehabilitation for veterans who live in Texas to best prepare them for reintegration with their communities.

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 security of the Courthouse.

Justice Courts Building Security – The Justice Courts Building 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 Justice Courts Building.

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

Election – The Election Fund accounts for revenues from local political parties, funds received from the Help Americans Vote Act, and transfers from the General Fund. The fund are to be used for election expenditures.

Voter Registration – The Voter Registration Fund accounts for the allocation from State of Texas. The funds are to be used to for to pay voter registration expenditures.

CARES Act HAVA – The CARES Act HAVA account for grants received through various federal agencies passed through the State of Texas. The pass-through grants are used to reimburse the County for operating costs and purchased qualified equipment related to the COVID-19 pandemic.

Court Records Management – The Court Records Management Fund accounts for statutory fees collected by the District and County Clerks dedicated by law to maintain County records.

District Clerk Records Management – The District Clerk Records Management Fund accounts for fees collected by the District Clerk on Court cases. The revenue is to be used for specific records management projects of the office.

Justice Court Technology – The Justice Court Technology Funds account for amounts 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.

County Clerk / District Clerk Technology – The County Clerk / District Clerk Technology Fund accounts for revenues derived from fees charged to a defendant convicted of a criminal offense in a county court, statutory court, or a district court. These funds are restricted by law to be used for continuing education or technology enhancements.

County Attorney Hot Check – The County Attorney Hot Check Fund accounts for funds received from hot check fees collected by the County Attorney to statutorily supplement the cost of the County Attorney's office.

County Attorney Forfeiture – The County Attorney Forfeiture Fund accounts for seized funds that have been released to the County Attorney through a Court judgement. Proceeds are to be used for the benefit of the County Attorney's office after a budget amendment has been approved by the Commissioners' Court.

County Attorney Federal Forfeiture – The County Attorney Federal Forfeiture Fund accounts for assets received through the Federal Equitable Sharing program through the United States Department of the Treasury. The funds are to be used according to guidelines set forth by the Treasury Department in their "Guide to Equitable Sharing for Foreign Countries, Federal, State and Local Law Enforcement Agencies."

County Attorney Pre-Trial Diversion – The County Attorney Pre-Trial Diversion Fund is used by the County Attorney to account for fees collected for application to a pre-trial intervention program. The fees support the cost to administer the program.

District Attorney Hot Check – The District Attorney Hot Check Fund accounts for funds received from hot check fees collected by the Criminal District Attorney to supplement the cost of the District Attorney's office.

District Attorney Payroll – The District Attorney Payroll Fund accounts for funds received from the State of Texas to supplement the salaries of personnel serving within the Criminal District Attorney's office.

DA Forfeiture Release – The DA Forfeiture Release Fund accounts for seized funds that have been released to the District Attorney through a Court judgement. Proceeds are to be used for the benefit of the District Attorney's office after a budget amendment has been approved by the Commissioners' Court.

District Attorney Crime Victim – The District Attorney Crime Victim Fund accounts for donations received by the County. The donations are restricted to victim assistance programs.

DA Federal Forfeiture – The DA Federal Forfeiture Fund accounts for assets received through the Federal Equitable Sharing program through the United States Department of the Treasury. The funds are to be used

according to the guidelines set forth by the Treasury Department in their “Guide to Equitable Sharing for Foreign Countries, Federal, State and Local Law Enforcement Agencies.”

Auto Burglary and Theft Prevention – The Auto Burglary and Theft Prevention Fund accounts for State grants received from the Auto Burglary and Theft Prevention Authority to participate in a statewide collaborative network to combat motor vehicle burglary and theft and to fund educational campaigns to inform automobile owners of methods to prevent automobile burglary and theft.

Catalytic Converter Grant – Senate Bill 224 provided funds to law enforcement agencies for the coordinated regulatory and law enforcement activities intended to detect and prevent catalytic converter theft in the state of Texas.

Sheriff Federal Forfeiture – The Sheriff Federal Forfeiture Fund accounts for the assets received through the Federal Equitable Sharing program through the United States Department of the Treasury. The funds are to be used according to the guidelines set forth by the Treasury Department in their “Guide to Equitable Sharing for Foreign Countries, Federal, State and Local Law Enforcement Agencies.”

Law Enforcement Grants – The Law Enforcement Grants Fund accounts for federal funds received by the Sheriff to be used for specific projects approved by the Bureau of Justice Administration and other granting agencies.

Sheriff Office Forfeiture – The Sheriff Office Forfeiture Fund accounts for seized funds that have been released to the Sheriff through a Court judgement. Proceeds are to be used for the benefit of the Sheriff’s office after a budget amendment has been approved by the Commissioners’ Court.

Sheriff Office Commissary – The Sheriff Office Commissary Fund accounts for inmate purchases of food, toiletry items or other supplies. Revenue generated from this fund may be used to purchase items for the benefit of the inmate population.

Drug Court – The Drug Court Fund accounts for fees assessed for certain intoxication and drug convictions. The funds are to be used exclusively for the development and maintenance of drug court programs.

DA Pre-Trial Diversion Fund – The DA Pre-Trial Diversion Fund is used by the District Attorney to account for fees collected for application to a pre-trial intervention program. The fees support the cost to administer the program.

Juvenile Probation Department – The Juvenile Probation Department Fund accounts for grants received from the Texas Juvenile Probation Commission in addition to operating transfers from the General Fund for the purpose of providing juvenile probation services.

CAPITAL PROJECTS FUNDS

The Capital Projects Fund accounts for financial resources that are to be used for the acquisition or construction of major capital facilities.

DEBT SERVICE FUNDS

The Debt Service Funds account for the accumulation and disbursement of resources for the repayment of the County’s debt obligations. Property taxes and interest income are the sources of income in the Debt Service Funds.

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	County		Vehicle	SB 22
	Assistance	Opiod	Inventory	Sheriff's
	District	Settlement	Tax Interest	Office
ASSETS				
Cash and cash equivalents	\$ 11,991,820	\$ 195,571	\$ 147,201	\$ 27,850
Taxes receivable, net				
Due from other funds	18,011			245
Due from other governmental entities				
Other receivables				
Total assets	\$ 12,009,831	\$ 195,571	\$ 147,201	\$ 28,095
LIABILITIES				
Accounts payable	\$ 122,318	\$ -	\$ -	\$ 38,478
Due to other funds	18,011			7,480
Due to other governmental entities				
Accrued payroll	18,011			
Total liabilities	158,340	-	-	45,958
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Debt service				
Administrative	11,851,491	195,571	147,201	
Judicial				
Elections				
Public safety				(17,863)
Committed to:				
Capital projects				
Unassigned (deficit)				
Total fund balances	11,851,491	195,571	147,201	(17,863)
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,009,831	\$ 195,571	\$ 147,201	\$ 28,095

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	SB 22	SB 22		Veteran's
	County	District	Law	Treatment
	Attorney	Attorney	Library	Court
ASSETS				
Cash and cash equivalents	\$ 275,902	\$ 384,201	\$ 397,659	\$ 24,000
Taxes receivable, net				
Due from other funds			7,117	687
Due from other governmental entities				
Other receivables				
Total assets	\$ 275,902	\$ 384,201	\$ 404,776	\$ 24,687
LIABILITIES				
Accounts payable	\$ 1,085	\$ 109,201	\$ 2,907	\$ -
Due to other funds	4,334	4,115		687
Due to other governmental entities				
Accrued payroll				687
Total liabilities	5,419	113,316	2,907	1,374
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Debt service				
Administrative				23,313
Judicial	270,483	270,885	401,869	
Elections				
Public safety				
Committed to:				
Capital projects				
Unassigned (deficit)				
Total fund balances	270,483	270,885	401,869	23,313
Total liabilities, deferred inflows of resources, and fund balances	\$ 275,902	\$ 384,201	\$ 404,776	\$ 24,687

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	Courthouse	Justice Courts	County Clerk	
	Security	Building	Records	
		Security	Management	Election
ASSETS				
Cash and cash equivalents	\$ 364,038	\$ 55,532	\$ 418,414	\$ 439,525
Taxes receivable, net				
Due from other funds	6,225	2	8,015	
Due from other governmental entities				
Other receivables				
Total assets	<u>\$ 370,263</u>	<u>\$ 55,534</u>	<u>\$ 426,429</u>	<u>\$ 439,525</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds				
Due to other governmental entities				
Accrued payroll				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Debt service				
Administrative			426,429	
Judicial				
Elections				439,525
Public safety	370,263	55,534		
Committed to:				
Capital projects				
Unassigned (deficit)				
Total fund balances	<u>370,263</u>	<u>55,534</u>	<u>426,429</u>	<u>439,525</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 370,263</u>	<u>\$ 55,534</u>	<u>\$ 426,429</u>	<u>\$ 439,525</u>

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	Voter	CARES Act -	Court	District Clerk
	Registration	HAVA Grant	Records	Records
			Management	Management
ASSETS				
Cash and cash equivalents	\$ 39,297	\$ (15)	\$ 60,864	\$ 300,691
Taxes receivable, net				
Due from other funds			120	5,686
Due from other governmental entities				
Other receivables				
Total assets	<u>\$ 39,297</u>	<u>\$ (15)</u>	<u>\$ 60,984</u>	<u>\$ 306,377</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds				
Due to other governmental entities				
Accrued payroll				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Debt service				
Administrative			60,984	306,377
Judicial				
Elections	39,297			
Public safety				
Committed to:				
Capital projects				
Unassigned (deficit)		(15)		
Total fund balances	<u>39,297</u>	<u>(15)</u>	<u>60,984</u>	<u>306,377</u>
Total liabilities, deferred inflows of				
resources, and fund balances	<u>\$ 39,297</u>	<u>\$ (15)</u>	<u>\$ 60,984</u>	<u>\$ 306,377</u>

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	Justice Court Technology	County Clerk / District Clerk Technology	County Attorney Hot Check	County Attorney Forfeiture
ASSETS				
Cash and cash equivalents	\$ 216,832	\$ 68,268	\$ 3,243	\$ 56,409
Taxes receivable, net				
Due from other funds	1,314	230		141
Due from other governmental entities				
Other receivables				
Total assets	<u>\$ 218,146</u>	<u>\$ 68,498</u>	<u>\$ 3,243</u>	<u>\$ 56,550</u>
LIABILITIES				
Accounts payable	\$ 90	\$ -	\$ 44	\$ 396
Due to other funds				141
Due to other governmental entities				
Accrued payroll				141
Total liabilities	<u>90</u>	<u>-</u>	<u>44</u>	<u>678</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Debt service				
Administrative				
Judicial	218,056	68,498	3,199	55,872
Elections				
Public safety				
Committed to:				
Capital projects				
Unassigned (deficit)				
Total fund balances	<u>218,056</u>	<u>68,498</u>	<u>3,199</u>	<u>55,872</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 218,146</u>	<u>\$ 68,498</u>	<u>\$ 3,243</u>	<u>\$ 56,550</u>

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	County Attorney Federal Forfeiture	County Attorney Pretrial Diversion Fund	District Attorney Hot Check	District Attorney Payroll
ASSETS				
Cash and cash equivalents	\$ 146,484	\$ 38,407	\$ 106,848	\$ 1,366
Taxes receivable, net				
Due from other funds	2,990	607		
Due from other governmental entities				
Other receivables				
Total assets	<u>\$ 149,474</u>	<u>\$ 39,014</u>	<u>\$ 106,848</u>	<u>\$ 1,366</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 102	\$ -
Due to other funds	14,760	607		
Due to other governmental entities				
Accrued payroll	2,990	607		
Total liabilities	<u>17,750</u>	<u>1,214</u>	<u>102</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Debt service				
Administrative				
Judicial	131,724	37,800	106,746	1,366
Elections				
Public safety				
Committed to:				
Capital projects				
Unassigned (deficit)				
Total fund balances	<u>131,724</u>	<u>37,800</u>	<u>106,746</u>	<u>1,366</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 149,474</u>	<u>\$ 39,014</u>	<u>\$ 106,848</u>	<u>\$ 1,366</u>

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	DA Forfeiture Release	District Attorney Crime Victim	DA Federal Forfeiture	Auto Burglary and Theft Prevention
ASSETS				
Cash and cash equivalents	\$ 567,776	\$ 46,633	\$ 200,288	\$ (170,243)
Taxes receivable, net				
Due from other funds				4,612
Due from other governmental entities				
Other receivables				101,698
Total assets	<u>\$ 567,776</u>	<u>\$ 46,633</u>	<u>\$ 200,288</u>	<u>\$ (63,933)</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 6,073
Due to other funds				4,490
Due to other governmental entities				
Accrued payroll				4,536
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,099</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Debt service				
Administrative				
Judicial	567,776	46,633	200,288	
Elections				
Public safety				
Committed to:				
Capital projects				
Unassigned (deficit)				(79,032)
Total fund balances	<u>567,776</u>	<u>46,633</u>	<u>200,288</u>	<u>(79,032)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 567,776</u>	<u>\$ 46,633</u>	<u>\$ 200,288</u>	<u>\$ (63,933)</u>

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	Catalytic Converter Grant	Sheriff Federal Forfeiture	Law Enforcement Grants	Sheriff Office Forfeiture
ASSETS				
Cash and cash equivalents	\$ (458,865)	\$ 710,437	\$ 32,721	\$ 108,981
Taxes receivable, net				
Due from other funds		570		
Due from other governmental entities	458,941			
Other receivables		1,492		
Total assets	\$ 76	\$ 712,499	\$ 32,721	\$ 108,981
LIABILITIES				
Accounts payable	\$ -	\$ 14,100	\$ 3,924	\$ -
Due to other funds	76	570		
Due to other governmental entities				
Accrued payroll		570		
Total liabilities	76	15,240	3,924	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Debt service				
Administrative				
Judicial				
Elections				
Public safety		697,259	28,797	108,981
Committed to:				
Capital projects	-			
Unassigned (deficit)				
Total fund balances	-	697,259	28,797	108,981
Total liabilities, deferred inflows of resources, and fund balances	\$ 76	\$ 712,499	\$ 32,721	\$ 108,981

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2024

	<i>Special Revenue</i>				
	Sheriff Office Commissary	Drug Court	DA Pretrial Diversion Fund	Juvenile Probation	Special Revenue Total
ASSETS					
Cash and cash equivalents	\$ 873,497	\$ (19,815)	\$ 11,420	\$ 2,264,230	\$ 19,927,467
Taxes receivable, net					-
Due from other funds	6,282				62,854
Due from other governmental entities				43,265	502,206
Other receivables					103,190
Total assets	<u>\$ 879,779</u>	<u>\$ (19,815)</u>	<u>\$ 11,420</u>	<u>\$ 2,307,495</u>	<u>\$ 20,595,717</u>
LIABILITIES					
Accounts payable	\$ -	\$ 123	\$ -	\$ 536,424	\$ 835,265
Due to other funds	20,375				75,646
Due to other governmental entities				43,264	43,264
Accrued payroll	2,590	1,321		42,777	74,230
Total liabilities	<u>22,965</u>	<u>1,444</u>	<u>-</u>	<u>622,465</u>	<u>1,028,405</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes					-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Debt service					-
Administrative					13,011,366
Judicial			11,420		2,392,615
Elections					478,822
Public safety	856,814			1,685,030	3,784,815
Committed to:					
Capital projects					-
Unassigned (deficit)		(21,259)			(100,306)
Total fund balances	<u>856,814</u>	<u>(21,259)</u>	<u>11,420</u>	<u>1,685,030</u>	<u>19,567,312</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 879,779</u>	<u>\$ (19,815)</u>	<u>\$ 11,420</u>	<u>\$ 2,307,495</u>	<u>\$ 20,595,717</u>

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2024

	<i>Capital Projects</i>	<i>Debt Service</i>				<i>Total</i>
	Capital Projects Fund	Series 2016 Certificates of Obligation	Series 2017 Tax Notes	Series 2019 Certificates of Obligation	Debt Service Total	Non-major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,745,871	\$ 2,570,523	\$ -	\$ 927,996	\$ 3,498,519	\$ 29,171,857
Taxes receivable, net		9,992	5,643	1,552	17,187	17,187
Due from other funds					-	62,854
Due from other governmental entities					-	502,206
Other receivables		7,424		8,034	15,458	118,648
Total assets	<u>\$ 5,745,871</u>	<u>\$ 2,587,939</u>	<u>\$ 5,643</u>	<u>\$ 937,582</u>	<u>\$ 3,531,164</u>	<u>\$ 29,872,752</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 835,265
Due to other funds						75,646
Due to other governmental entities						43,264
Accrued payroll						74,230
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,028,405</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes		9,992	5,643	1,552	17,187	17,187
Total deferred inflows of resources	<u>-</u>	<u>9,992</u>	<u>5,643</u>	<u>1,552</u>	<u>17,187</u>	<u>17,187</u>
FUND BALANCES						
Restricted for:						
Debt service		2,577,947	-	936,030	3,513,977	3,513,977
Administrative					-	13,011,366
Judicial					-	2,392,615
Elections					-	478,822
Public safety					-	3,784,815
Committed to:						
Capital projects	5,745,871				-	5,745,871
Unassigned (deficit)					-	(100,306)
Total fund balances	<u>5,745,871</u>	<u>2,577,947</u>	<u>-</u>	<u>936,030</u>	<u>3,513,977</u>	<u>28,827,160</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,745,871</u>	<u>\$ 2,587,939</u>	<u>\$ 5,643</u>	<u>\$ 937,582</u>	<u>\$ 3,531,164</u>	<u>\$ 29,872,752</u>

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	County		Vehicle	SB 22
	Assistance	Opiod	Inventory	Sheriff's
	District	Settlement	Tax Interest	Office
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes	4,276,025			
Licenses and fees				
Intergovernmental				472,150
Interest income	619,378	11,186	7,627	3,775
Other income	79,846	67,700		
Total revenues	4,975,249	78,886	7,627	475,925
EXPENDITURES				
Administrative	872,779			
Judicial				
Elections				
Public safety				493,788
Capital outlay	2,536,380			
Debt service - principal				
Debt service - interest				
Total expenditures	3,409,159	-	-	493,788
Excess of revenues over (under) expenditures	1,566,090	78,886	7,627	(17,863)
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	1,566,090	78,886	7,627	(17,863)
Beginning fund balance, October 1	10,285,401	116,685	139,574	-
Ending fund balance, September 30	\$ 11,851,491	\$ 195,571	\$ 147,201	\$ (17,863)

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	SB 22 County Attorney	SB 22 District Attorney	Law Library	Veteran's Treatment Court
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees			83,874	
Intergovernmental	548,915	440,799		24,000
Interest income	1,976	2,847	26,657	
Other income				
Total revenues	550,891	443,646	110,531	24,000
EXPENDITURES				
Administrative				687
Judicial	280,408	172,761	17,868	
Elections				
Public safety				
Capital outlay				
Debt service - principal				
Debt service - interest				
Total expenditures	280,408	172,761	17,868	687
Excess of revenues over (under) expenditures	270,483	270,885	92,663	23,313
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	270,483	270,885	92,663	23,313
Beginning fund balance, October 1	-	-	309,206	-
Ending fund balance, September 30	\$ 270,483	\$ 270,885	\$ 401,869	\$ 23,313

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	Justice Courts		County Clerk	
	Courthouse	Building	Records	
	Security	Security	Management	Election
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees	71,297	67	101,185	62,948
Intergovernmental				
Interest income	24,092	4,039	22,107	25,530
Other income				
Total revenues	95,389	4,106	123,292	88,478
EXPENDITURES				
Administrative			69,694	
Judicial				
Elections				40,080
Public safety	28			
Capital outlay			19,466	17,190
Debt service - principal				
Debt service - interest				
Total expenditures	28	-	89,160	57,270
Excess of revenues over (under) expenditures	95,361	4,106	34,132	31,208
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	95,361	4,106	34,132	31,208
Beginning fund balance, October 1	274,902	51,428	392,297	408,317
Ending fund balance, September 30	\$ 370,263	\$ 55,534	\$ 426,429	\$ 439,525

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	Voter Registration	CARES Act - HAVA Grant	Court Records Management	District Clerk Records Management
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees			1,512	67,561
Intergovernmental	705			
Interest income	2,069		4,387	14,143
Other income				
Total revenues	2,774	-	5,899	81,704
EXPENDITURES				
Administrative				30,994
Judicial				
Elections				
Public safety				
Capital outlay				
Debt service - principal				
Debt service - interest				
Total expenditures	-	-	-	30,994
Excess of revenues over (under) expenditures	2,774	-	5,899	50,710
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	2,774	-	5,899	50,710
Beginning fund balance, October 1	36,523	(15)	55,085	255,667
Ending fund balance, September 30	\$ 39,297	\$ (15)	\$ 60,984	\$ 306,377

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	Justice Court Technology	County Clerk / District Clerk Technology	County Attorney Hot Check	County Attorney Forfeiture
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees	11,032	2,699	586	
Intergovernmental				
Interest income	15,610	4,878		5,100
Other income				
Total revenues	26,642	7,577	586	5,100
EXPENDITURES				
Administrative				
Judicial	4,154		1,616	14,231
Elections				
Public safety				
Capital outlay				
Debt service - principal				
Debt service - interest				
Total expenditures	4,154	-	1,616	14,231
Excess of revenues over (under) expenditures	22,488	7,577	(1,030)	(9,131)
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	22,488	7,577	(1,030)	(9,131)
Beginning fund balance, October 1	195,568	60,921	4,229	65,003
Ending fund balance, September 30	\$ 218,056	\$ 68,498	\$ 3,199	\$ 55,872

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	County Attorney Federal Forfeiture	County Attorney Pretrial Diversion Fund	District Attorney Hot Check	District Attorney Payroll
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees		15,499		
Intergovernmental	65,798			30,000
Interest income	9,073	3,257	8	
Other income				
Total revenues	74,871	18,756	8	30,000
EXPENDITURES				
Administrative	18,000			
Judicial	62,614	28,317	3,111	22,125
Elections				
Public safety				
Capital outlay				
Debt service - principal				
Debt service - interest				
Total expenditures	80,614	28,317	3,111	22,125
Excess of revenues over (under) expenditures	(5,743)	(9,561)	(3,103)	7,875
OTHER FINANCING SOURCES (USES)				
Transfers in		14,499		
Transfers out				
Total other financing sources (uses)	-	14,499	-	-
Net change in fund balance	(5,743)	4,938	(3,103)	7,875
Beginning fund balance, October 1	137,467	32,862	109,849	(6,509)
Ending fund balance, September 30	\$ 131,724	\$ 37,800	\$ 106,746	\$ 1,366

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	DA Forfeiture Release	District Attorney Crime Victim	DA Federal Forfeiture	Auto Burglary and Theft Prevention
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees				27,766
Intergovernmental				397,714
Interest income	32,892	2,484	8,909	
Other income	25,039	386	61,204	
Total revenues	57,931	2,870	70,113	425,480
EXPENDITURES				
Administrative				
Judicial	87,731		2,000	
Elections				
Public safety				461,207
Capital outlay				
Debt service - principal				
Debt service - interest				
Total expenditures	87,731	-	2,000	461,207
Excess of revenues over (under) expenditures	(29,800)	2,870	68,113	(35,727)
OTHER FINANCING SOURCES (USES)				
Transfers in				61,580
Transfers out				
Total other financing sources (uses)	-	-	-	61,580
Net change in fund balance	(29,800)	2,870	68,113	25,853
Beginning fund balance, October 1	597,576	43,763	132,175	(104,885)
Ending fund balance, September 30	\$ 567,776	\$ 46,633	\$ 200,288	\$ (79,032)

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<i>Special Revenue</i>			
	Catalytic Converter Grant	Sheriff Federal Forfeiture	Law Enforcement Grants	Sheriff Office Forfeiture
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees				
Intergovernmental	458,941	15,827	64,338	
Interest income		25,422	1,953	5,593
Other income		448,049		8,434
Total revenues	458,941	489,298	66,291	14,027
EXPENDITURES				
Administrative				
Judicial				
Elections				
Public safety		58,029	37,094	2,700
Capital outlay	458,941	98,637	23,740	
Debt service - principal				
Debt service - interest				
Total expenditures	458,941	156,666	60,834	2,700
Excess of revenues over (under) expenditures	-	332,632	5,457	11,327
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	332,632	5,457	11,327
Beginning fund balance, October 1	-	364,627	23,340	97,654
Ending fund balance, September 30	\$ -	\$ 697,259	\$ 28,797	\$ 108,981

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<i>Special Revenue</i>				
	Sheriff Office Commissary	Drug Court	DA Pretrial Diversion Fund	Juvenile Probation	Special Revenue Total
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and other taxes					4,276,025
Licenses and fees	454,368		1,500		901,894
Intergovernmental		83,348		2,239,176	4,841,711
Interest income	47,047		807	168,476	1,101,322
Other income					690,658
Total revenues	501,415	83,348	2,307	2,407,652	11,811,610
EXPENDITURES					
Administrative					992,154
Judicial					696,936
Elections					40,080
Public safety	216,963	83,348		7,629,579	8,982,736
Capital outlay	133,303			41,958	3,329,615
Debt service - principal					-
Debt service - interest					-
Total expenditures	350,266	83,348	-	7,671,537	14,041,521
Excess of revenues over (under) expenditures	151,149	-	2,307	(5,263,885)	(2,229,911)
OTHER FINANCING SOURCES (USES)					
Transfers in				5,472,712	5,548,791
Transfers out					-
Total other financing sources (uses)	-	-	-	5,472,712	5,548,791
Net change in fund balance	151,149	-	2,307	208,827	3,318,880
Beginning fund balance, October 1	705,665	(21,259)	9,113	1,476,203	16,248,432
Ending fund balance, September 30	\$ 856,814	\$ (21,259)	\$ 11,420	\$ 1,685,030	\$ 19,567,312

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<i>Capital Projects</i>	<i>Debt Service</i>				<i>Total</i>
	Capital	Series 2016	Series 2019	Debt		Non-major
	Projects	Certificates	Series 2017	Certificates	Service	Governmental
	Fund	of Obligation	Tax Notes	of Obligation	Total	Funds
REVENUES						
Property taxes	\$ -	\$ 1,886,653	\$ 586,272	\$ 2,675,855	\$ 5,148,780	\$ 5,148,780
Sales and other taxes					-	4,276,025
Licenses and fees					-	901,894
Intergovernmental					-	4,841,711
Interest income	283,768	206,664			206,664	1,591,754
Other income		23,257	1,177	26,439	50,873	741,531
Total revenues	283,768	2,116,574	587,449	2,702,294	5,406,317	17,501,695
EXPENDITURES						
Administrative	38,721				-	1,030,875
Judicial					-	696,936
Elections					-	40,080
Public safety					-	8,982,736
Capital outlay	48,878				-	3,378,493
Debt service - principal		1,015,000	950,000	750,000	2,715,000	2,715,000
Debt service - interest		461,125	9,073	1,884,938	2,355,136	2,355,136
Total expenditures	87,599	1,476,125	959,073	2,634,938	5,070,136	19,199,256
Excess of revenues over (under) expenditures	196,169	640,449	(371,624)	67,356	336,181	(1,697,561)
OTHER FINANCING SOURCES (USES)						
Transfers in	500,000				-	6,048,791
Transfers out					-	-
Total other financing sources (uses)	500,000	-	-	-	-	6,048,791
Net change in fund balance	696,169	640,449	(371,624)	67,356	336,181	4,351,230
Beginning fund balance, October 1	5,049,702	1,937,498	371,624	868,674	3,177,796	24,475,930
Ending fund balance, September 30	\$ 5,745,871	\$ 2,577,947	\$ -	\$ 936,030	\$ 3,513,977	\$ 28,827,160

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COUNTY ASSISTANCE DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Sales Tax	\$ 4,500,000	\$ 4,500,000	\$ 4,276,025	\$ (223,975)
Interest income and other revenue	300,000	300,000	699,134	399,134
Total revenues	4,800,000	4,800,000	4,975,159	175,159
EXPENDITURES				
Administrative	1,161,478	1,161,478	872,689	288,789
Capital outlay	4,849,867	4,849,867	2,536,380	2,313,487
Total expenditures	6,011,345	6,011,345	3,409,069	2,602,276
Excess of revenues over (under) expenditures	(1,211,345)	(1,211,345)	1,566,090	2,777,435
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(1,211,345)	(1,211,345)	1,566,090	2,777,435
Beginning fund balance, October 1	10,203,110	10,203,110	10,203,110	-
Ending fund balance, September 30	\$ 8,991,765	\$ 8,991,765	\$ 11,769,200	\$ 2,777,435

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
LAW LIBRARY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Licenses and fees	\$ 60,000	\$ 60,000	\$ 83,874	\$ 23,874
Interest income	12,000	12,000	26,657	14,657
Total revenues	72,000	72,000	110,531	38,531
EXPENDITURES				
Judicial	51,000	51,000	17,868	33,132
Capital outlay				-
Total expenditures	51,000	51,000	17,868	33,132
Excess of revenues over (under) expenditures	21,000	21,000	92,663	71,663
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	21,000	21,000	92,663	71,663
Beginning fund balance, October 1	309,206	309,206	309,206	-
Ending fund balance, September 30	\$ 330,206	\$ 330,206	\$ 401,869	\$ 71,663

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COURTHOUSE SECURITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Licenses and fees	\$ 65,000	\$ 65,000	\$ 71,297	\$ 6,297
Interest income	10,000	10,000	24,092	14,092
Total revenues	75,000	75,000	95,389	20,389
EXPENDITURES				
Public safety	25,000	25,000	28	24,972
Capital outlay	15,000	15,000		15,000
Total expenditures	40,000	40,000	28	39,972
Excess of revenues over (under) expenditures	35,000	35,000	95,361	60,361
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	35,000	35,000	95,361	60,361
Beginning fund balance, October 1	274,902	274,902	274,902	-
Ending fund balance, September 30	\$ 309,902	\$ 309,902	\$ 370,263	\$ 60,361

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
JUSTICE COURTS BUILDING SECURITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Licenses and fees	\$ 250	\$ 250	\$ 67	\$ (183)
Interest income	2,200	2,200	4,039	1,839
Total revenues	2,450	2,450	4,106	1,656
EXPENDITURES				
Public safety	10,000	10,000		10,000
Capital outlay	5,000	5,000		5,000
Total expenditures	15,000	15,000	-	15,000
Excess of revenues over (under) expenditures	(12,550)	(12,550)	4,106	16,656
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(12,550)	(12,550)	4,106	16,656
Beginning fund balance, October 1	51,428	51,428	51,428	-
Ending fund balance, September 30	\$ 38,878	\$ 38,878	\$ 55,534	\$ 16,656

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Licenses and fees	\$ 105,000	\$ 105,000	\$ 101,185	\$ (3,815)
Interest income	10,000	10,000	22,107	12,107
Total revenues	115,000	115,000	123,292	8,292
EXPENDITURES				
Administrative	110,800	91,334	69,694	21,640
Capital outlay		19,466	19,466	-
Total expenditures	110,800	110,800	89,160	21,640
Excess of revenues over (under) expenditures	4,200	4,200	34,132	29,932
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	4,200	4,200	34,132	29,932
Beginning fund balance, October 1	392,297	392,297	392,297	-
Ending fund balance, September 30	\$ 396,497	\$ 396,497	\$ 426,429	\$ 29,932

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COURT RECORDS MANAGEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Licenses and fees	\$ 938	\$ 938	\$ 1,512	\$ 574
Interest income	1,432	1,432	4,387	2,955
Total revenues	2,370	2,370	5,899	3,529
EXPENDITURES				
Administrative	18,000	18,000		18,000
Capital outlay	10,000	10,000		10,000
Total expenditures	28,000	28,000	-	28,000
Excess of revenues over (under) expenditures	(25,630)	(25,630)	5,899	31,529
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(25,630)	(25,630)	5,899	31,529
Beginning fund balance, October 1	55,085	55,085	55,085	-
Ending fund balance, September 30	\$ 29,455	\$ 29,455	\$ 60,984	\$ 31,529

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Licenses and fees	\$ 32,000	\$ 32,000	\$ 67,561	\$ 35,561
Interest income	2,000	2,000	14,143	12,143
Total revenues	34,000	34,000	81,704	47,704
EXPENDITURES				
Administrative	58,000	58,000	30,994	27,006
Capital outlay				-
Total expenditures	58,000	58,000	30,994	27,006
Excess of revenues over (under) expenditures	(24,000)	(24,000)	50,710	74,710
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(24,000)	(24,000)	50,710	74,710
Beginning fund balance, October 1	255,667	255,667	255,667	-
Ending fund balance, September 30	\$ 231,667	\$ 231,667	\$ 306,377	\$ 74,710

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Licenses and fees	\$ 400	\$ 400	\$ 11,032	\$ 10,632
Interest income	1,000	1,000	15,610	14,610
Total revenues	1,400	1,400	26,642	25,242
EXPENDITURES				
Judicial	67,000	43,441	4,154	39,287
Capital outlay	15,000			-
Total expenditures	82,000	43,441	4,154	39,287
Excess of revenues over (under) expenditures	(80,600)	(42,041)	22,488	64,529
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(80,600)	(42,041)	22,488	64,529
Beginning fund balance, October 1	195,568	195,568	195,568	-
Ending fund balance, September 30	\$ 114,968	\$ 153,527	\$ 218,056	\$ 64,529

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COUNTY CLERK / DISTRICT COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Licenses and fees	\$ 4,000	\$ 4,000	\$ 2,699	\$ (1,301)
Interest income	1,750	1,750	4,878	3,128
Total revenues	5,750	5,750	7,577	1,827
EXPENDITURES				
Judicial	7,500	7,500		7,500
Capital outlay				-
Total expenditures	7,500	7,500	-	7,500
Excess of revenues over (under) expenditures	(1,750)	(1,750)	7,577	9,327
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(1,750)	(1,750)	7,577	9,327
Beginning fund balance, October 1	60,921	60,921	60,921	-
Ending fund balance, September 30	\$ 59,171	\$ 59,171	\$ 68,498	\$ 9,327

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
AUTO BURGLARY AND THEFT PREVENTION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Licenses and fees	\$ 15,000	\$ 15,000	\$ 27,766	\$ 12,766
Intergovernmental	362,000	362,000	397,714	35,714
Total revenues	377,000	377,000	425,480	48,480
EXPENDITURES				
Public safety	494,795	494,795	461,207	33,588
Capital outlay				-
Total expenditures	494,795	494,795	461,207	33,588
Excess of revenues over (under) expenditures	(117,795)	(117,795)	(35,727)	82,068
OTHER FINANCING SOURCES (USES)				
Transfers in			61,580	61,580
Total other financing sources (uses)	-	-	61,580	61,580
Net change in fund balance	(117,795)	(117,795)	25,853	143,648
Beginning fund balance, October 1	(104,885)	(104,885)	(104,885)	-
Ending fund balance, September 30	\$ (222,680)	\$ (222,680)	\$ (79,032)	\$ 143,648

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DRUG COURT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 83,348	\$ 83,348
Interest income				-
Total revenues	-	-	83,348	83,348
EXPENDITURES				
Public safety	85,406	85,406	83,348	2,058
Capital outlay				-
Total expenditures	85,406	85,406	83,348	2,058
Excess of revenues over (under) expenditures	(85,406)	(85,406)	-	85,406
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(85,406)	(85,406)	-	85,406
Beginning fund balance, October 1	(24,062)	(24,062)	(24,062)	-
Ending fund balance, September 30	\$ (109,468)	\$ (109,468)	\$ (24,062)	\$ 85,406

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Other income	\$ -	\$ -		\$ -
Interest income	150,000	150,000	283,768	133,768
Total revenues	150,000	150,000	283,768	133,768
EXPENDITURES				
Public facilities	50,000	50,000	38,721	11,279
Capital outlay	300,000	300,000	48,878	251,122
Total expenditures	350,000	350,000	87,599	262,401
Excess of revenues over (under) expenditures	(200,000)	(200,000)	196,169	396,169
OTHER FINANCING SOURCES (USES)				
Transfers in			500,000	500,000
Total other financing sources (uses)	-	-	500,000	500,000
Net change in fund balance	(200,000)	(200,000)	696,169	896,169
Beginning fund balance, October 1	5,049,702	5,049,702	5,049,702	-
Ending fund balance, September 30	\$ 4,849,702	\$ 4,849,702	\$ 5,745,871	\$ 896,169

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SERIES 2016 CERTIFICATES OF OBLIGATION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 1,359,094	\$ 1,359,094	\$ 1,886,653	\$ 527,559
Penalties and interest			23,257	23,257
Interest income	9,000	9,000	206,664	197,664
Total revenues	1,368,094	1,368,094	2,116,574	748,480
EXPENDITURES				
Debt service - principal	1,015,000	1,015,000	1,015,000	-
Debt service - interest	461,125	461,125	461,125	-
Total expenditures	1,476,125	1,476,125	1,476,125	-
Excess of revenues over (under) expenditures	(108,031)	(108,031)	640,449	748,480
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(108,031)	(108,031)	640,449	748,480
Beginning fund balance, October 1	1,937,498	1,937,498	1,937,498	-
Ending fund balance, September 30	\$ 1,829,467	\$ 1,829,467	\$ 2,577,947	\$ 748,480

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SERIES 2017 TAX NOTES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 903,936	\$ 903,936	\$ 586,272	\$ (317,664)
Penalties and interest			1,177	1,177
Total revenues	903,936	903,936	587,449	(316,487)
EXPENDITURES				
Debt service - principal	950,000	950,000	950,000	-
Debt service - interest	9,073	9,073	9,073	-
Total expenditures	959,073	959,073	959,073	-
Excess of revenues over (under) expenditures	(55,137)	(55,137)	(371,624)	(316,487)
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(55,137)	(55,137)	(371,624)	(316,487)
Beginning fund balance, October 1	371,624	371,624	371,624	-
Ending fund balance, September 30	\$ 316,487	\$ 316,487	\$ -	\$ (316,487)

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SERIES 2019 CERTIFICATES OF OBLIGATION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 2,911,294	\$ 2,911,294	\$ 2,675,855	\$ (235,439)
Penalties and interest			26,439	26,439
Total revenues	2,911,294	2,911,294	2,702,294	(209,000)
EXPENDITURES				
Debt service - principal	750,000	1,140,000	750,000	390,000
Debt service - interest	1,884,938	1,941,938	1,884,938	57,000
Total expenditures	2,634,938	3,081,938	2,634,938	447,000
Excess of revenues over (under) expenditures	276,356	(170,644)	67,356	238,000
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	276,356	(170,644)	67,356	238,000
Beginning fund balance, October 1	868,674	868,674	868,674	-
Ending fund balance, September 30	\$ 1,145,030	\$ 698,030	\$ 936,030	\$ 238,000

FIDUCIARY FUNDS

CUSTODIAL FUNDS

Custodial Funds account for monies collected by the County that belong to other entities or individuals:

State Collections - This fund is a clearing account for County/State fees; State funds are recorded in State Court Costs.

Tax Assessor/Collector - This fund accounts for monies collected by the Tax Assessor/Collector for other jurisdictions.

Bail Security Fund - This fund accounts for monies collected as depository requirements of bail bonding companies.

State Court Costs - This fund accounts for court costs collected by the County on behalf of the State of Texas.

District Registry Funds - This fund holds district court judgments until recipients are old enough to receive funds.

County Registry Funds - This fund holds County court judgments until recipients are old enough to receive funds.

County Attorney Restitution - This fund accounts for monies held by the County Attorney for restitution to victims.

District Attorney Restitution - This fund accounts for monies held by the District Attorney for restitution to victims.

District Attorney Seizure - This fund accounts for assets seized by the District Attorney until a judgement is rendered.

Dentention Center Trust Fund - This fund accounts for monies held on behalf of inmates in the County jail.

Detention Center Bond Fund - This fund accounts for monies received from cash bonds.

Unclaimed Property - This fund accounts for outstanding checks that are older than one year.

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2024

	State Collections	Tax Assessor/ Collector	Bail Security Fund	State Court Costs
ASSETS				
Cash and cash equivalents	\$ 323,974	\$ 2,371,029	\$ 124,740	\$ 142,986
Taxes receivable for other governments		5,372,255		
Accounts receivable	44	225		881
Due from County				69,841
Total assets	324,018	7,743,509	124,740	213,708
LIABILITIES				
Accounts payable	39,786			315
Due to other governments		2,371,254		
Due to County	281,542			12,194
Total liabilities	321,328	2,371,254	-	12,509
NET POSITION				
Net position held as custodian	2,690	5,372,255	124,740	201,199
Total net position	\$ 2,690	\$ 5,372,255	\$ 124,740	\$ 201,199

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
SEPTEMBER 30, 2024

	District Registry Fund	County Registry Fund	County Attorney Restitution	District Attorney Restitution
ASSETS				
Cash and cash equivalents	\$ 2,781,149	\$ 304,485	\$ 1,208	\$ 1,847
Taxes receivable for other governments				
Accounts receivable				
Due from County				
Total assets	2,781,149	304,485	1,208	1,847
LIABILITIES				
Accounts payable				
Due to other governments				
Due to County				
Total liabilities	-	-	-	-
NET POSITION				
Net position held as custodian	2,781,149	304,485	1,208	1,847
Total net position	\$ 2,781,149	\$ 304,485	\$ 1,208	\$ 1,847

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
SEPTEMBER 30, 2024

	District Attorney Seizure	Detention Center Trust Fund	Detention Center Bond Fund	Unclaimed Property	Total
ASSETS					
Cash and cash equivalents	\$ 180,490	\$ 109,947	\$ 57,750	\$ 311,303	\$ 6,710,908
Taxes receivable for other governments					5,372,255
Accounts receivable					1,150
Due from County					69,841
Total assets	180,490	109,947	57,750	311,303	12,154,154
LIABILITIES					
Accounts payable					40,101
Due to other governments					2,371,254
Due to County					293,736
Total liabilities	-	-	-	-	2,705,091
NET POSITION					
Net position held as custodian	180,490	109,947	57,750	311,303	9,449,063
Total net position	\$ 180,490	\$ 109,947	\$ 57,750	\$ 311,303	\$ 9,449,063

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	State Collections	Tax Assessor/ Collector	Bail Security Fund	State Court Costs
Additions:				
Collection of funds for other entities	\$ 2,690	\$ -	\$ 65,000	\$ 746,416
Taxes for other governments		153,363,223		
Interest income				
	2,690	153,363,223	65,000	746,416
Deductions:				
Distribution of funds to other entities		152,447,680		705,536
	-	152,447,680	-	705,536
Change in fiduciary net position	2,690	915,543	65,000	40,880
Beginning fiduciary net position, October 1	-	4,456,712	59,740	160,319
Ending fiduciary net position, September 30	\$ 2,690	\$ 5,372,255	\$ 124,740	\$ 201,199

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	District Registry Fund	County Registry Fund	County Attorney Restitution	District Attorney Restitution
Additions:				
Collection of funds for other entities	\$ 1,288,351	\$ 145,663	\$ 1,130	\$ -
Taxes for other governments				
Interest income				
	1,288,351	145,663	1,130	-
Deductions:				
Distribution of funds to other entities	2,618,193	210,900	4,192	
	2,618,193	210,900	4,192	-
Change in fiduciary net position	(1,329,842)	(65,237)	(3,062)	-
Beginning fiduciary net position, October 1	4,110,991	369,722	4,270	1,847
Ending fiduciary net position, September 30	\$ 2,781,149	\$ 304,485	\$ 1,208	\$ 1,847

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	District Attorney Seizure	Detention Center Trust Fund	Detention Center Bond Fund	Unclaimed Property	Total
Additions:					
Collection of funds for other entities	\$ 67,232	\$ 1,276,962	\$ 232,882	\$ 29,783	\$ 3,856,109
Taxes for other governments					153,363,223
Interest income	10,161				10,161
	77,393	1,276,962	232,882	29,783	157,229,493
Deductions:					
Distribution of funds to other entities	64,045	1,287,812	234,632		157,572,990
	64,045	1,287,812	234,632	-	157,572,990
Change in fiduciary net position	13,348	(10,850)	(1,750)	29,783	(343,497)
Beginning fiduciary net position, October 1	167,142	120,797	59,500	281,520	9,792,560
Ending fiduciary net position, September 30	\$ 180,490	\$ 109,947	\$ 57,750	\$ 311,303	\$ 9,449,063

COMPLIANCE SECTION

HankinsEastup

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Deaton Tonn Seay & Scarborough / A Texas LLC

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

Honorable County Judge and Commissioners
Commissioners' Court
Potter County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Melissa Potter County, Texas (the "County"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report dated March 26, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the schedule of findings and questioned costs as item 2024-1 in separately issued Single Audit Reports dated March 26, 2025, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the schedule of findings and questioned costs as item 2024-2 in separately issued Single Audit Reports dated March 26, 2025.

County's Reponse to Findings

Government Auditing Standards require the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the schedule of findings and questioned costs in separately issued Single Audit Reports. The County's response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Hankins Eastup Deaton Tonn Seay & Scarborough, LLC

Amarillo, Texas
March 26, 2025