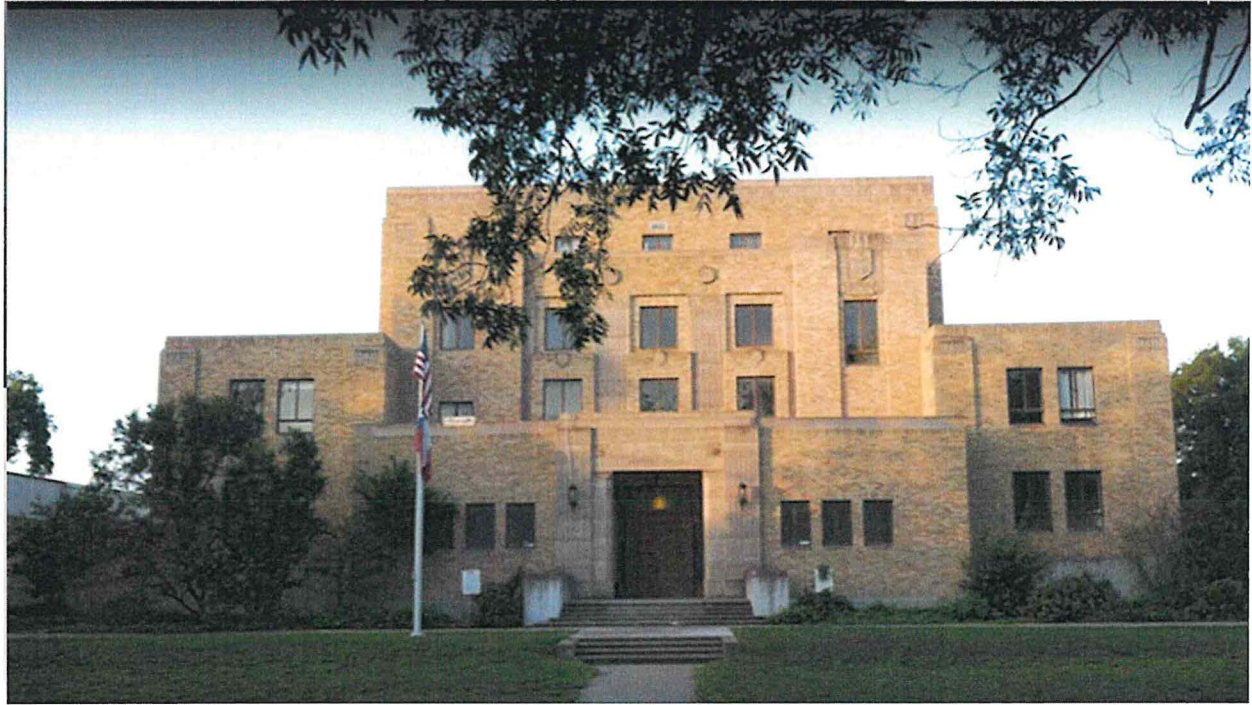


*BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION*

**COUNTY OF MENARD,  
TEXAS**

*Menard, Texas*

For the Year Ended  
September 30, 2024



*Report of Examination*

# **Menard County, Texas**

*Menard, Texas*

**For the Year Ended  
September 30, 2024**

MENARD COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2024

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

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# NEFFENDORF & BLOCKER, P.C.

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## Independent Auditor's Report

Honorable Judge and County Commissioners  
Menard County  
Menard, TX 76859

### **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 Menard County, Texas, 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, each major fund, and the aggregate remaining fund information of the Menard County, Texas, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Menard County, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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,

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

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 10), budgetary comparison information (pages 41 and 42) and the schedule of changes in net pension liability and related ratios, schedule of employer contributions, and notes to the schedule of contributions (pages 43 through 47) be presented to supplement the basic financial statements. Such information, 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 Menard County, Texas' basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2025, on our consideration of Menard County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Menard County, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Menard County, Texas' internal control over financial reporting and compliance.

*Neffendorf + Blocker, P.C.*

NEFFENDORF & BLOCKER, P.C.

Fredericksburg, Texas

August 8, 2025

MENARD COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Menard County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial statements of the County for the year ended September 30, 2024. Please read it in conjunction with the independent auditors' report on page 1, and the County's Basic Financial Statements which begin on page 11.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$8,201,360 (net position). Of this amount, \$2,160,756 (unrestricted net position) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's net position increased by \$157,628 as a result of this year's operations.
- At September 30, 2024, the County's governmental funds reported combined ending fund balances of \$1,779,480, a decrease of \$88,143 in comparison with the prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 11 and 12). These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (on pages 13-14 & 16-17) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the County.

The notes to the financial statements (starting on page 21) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedules (General Fund and Road and Bridge Fund) pages 41 & 42, the Schedule of Changes in Net Pension Liability and Related Ratios, page 43, the Schedule of Employer Contributions, page 45 and the Notes to the Schedule of Contributions, page 47 are presented as required supplementary information.

The combining statements (starting on page 48) for nonmajor funds contain even more information about the County's individual funds.

## **Reporting the County as a Whole**

### ***The Statement of Net Position and the Statement of Activities***

The analysis of the County's overall financial condition and operations begins on page 11. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who pay for the costs of some programs and grants provided by the outside parties and agencies (program revenues), and revenues provided by the taxpayers or other unrestricted sources (general revenues). All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's net position and changes in them. The County's net position (the difference between assets and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider other factors as well, such as changes in the County's customers or its property tax base and the condition of the County's facilities.

In the Statement of Net Position and the Statement of Activities, the County has one kind of activity:

➤ Governmental activity - Most of the County's basic services are reported here, including public safety, roads and bridges, health and human services, culture and recreation, county courts and general administration. Property taxes, user charges, sales tax and grants finance most of these activities.

## **Reporting the County's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements on pages 13-14 & 16-17 provide detailed information about the most significant funds - not the County as a whole. Laws and contracts require the County to establish some funds, such as grants received from a government agency. The County's administration establishes many other funds to help it control and manage money for particular purposes.

➤ Governmental funds - Most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation schedules following each of the fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the County's governmental activities.

Net position of the County's governmental activities increased from \$7,974,887 to \$8,201,360. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$2,160,756 at September 30, 2024. This increase in governmental net position was the result of several factors. First, the County's expenditures exceeded the revenues by \$88,143. Second, the County paid principal on long-term debt in the amount of \$229,067. Third, the County recorded depreciation and amortization in the amount of \$490,344. Fourth, the County acquired capital assets in the amount of \$405,794.

**Table I**  
**Menard County, Texas**

### **NET POSITION** in thousands

	Governmental Activities	
	2024	2023
Current and Other Assets	\$ 2,388	\$ 2,513
Capital Assets	6,718	6,830
Net Pension Asset	421	211
Total Assets	\$ 9,527	\$ 9,554
Deferred Outflow of Resources		
Deferred Outflow Related to Pension	\$ 154	\$ 248
Total Deferred Outflows of Resources	\$ 154	\$ 248
Long-Term Liabilities	\$ 863	\$ 1,085
Other Liabilities	592	689
Total Liabilities	\$ 1,455	\$ 1,774
Deferred Inflows of Resources		
Unavailable Revenue - Property Tax	\$	\$ 3
Deferred Inflow Related to Pension	25	50
Total Deferred Inflows of Resources	\$ 25	\$ 53
Net Position:		
Net Investment in		
Capital Assets	\$ 5,634	\$ 5,547
Restricted	406	340
Unrestricted	2,161	2,088
Total Net Position	\$ 8,201	\$ 7,975

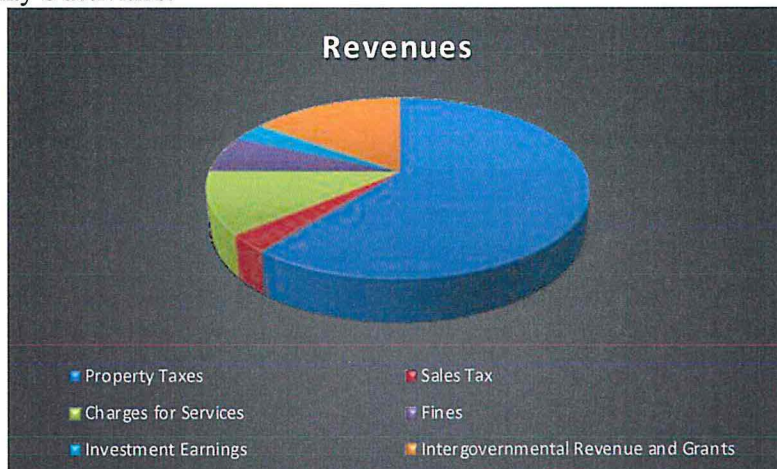


**Table II**  
**Menard County, Texas**

**CHANGES IN NET POSITION**  
in thousands

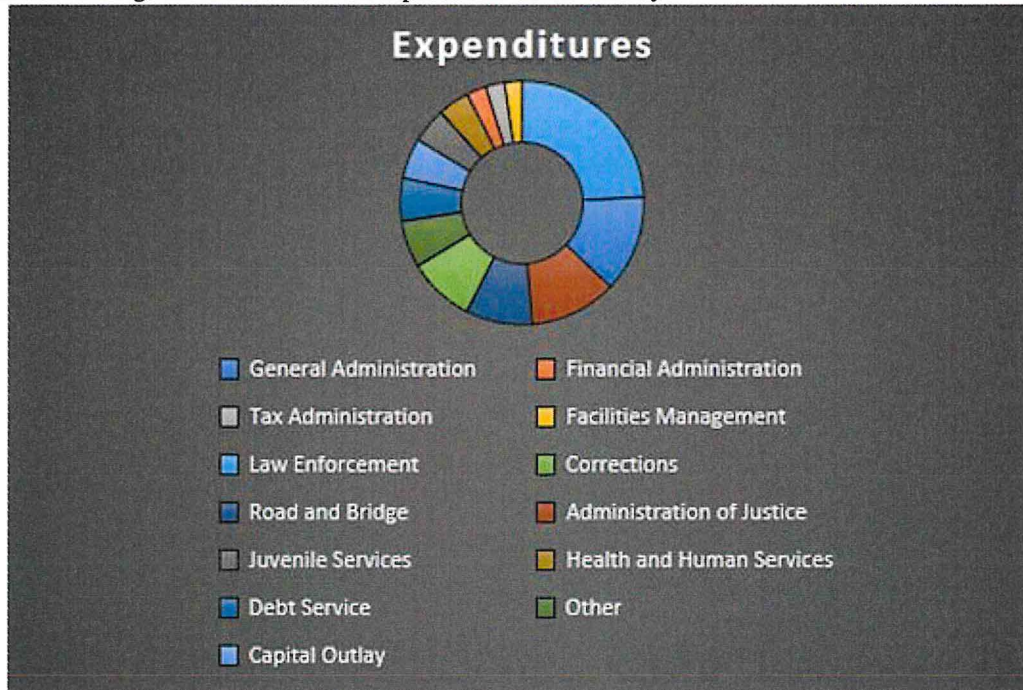
	Governmental Activities	
	2024	2023
<b>Revenues:</b>		
Charges for Services	\$ 644	\$ 967
Property Taxes	2,200	2,022
Sales Tax	117	105
Other Taxes		1
Investment Earnings	119	58
Miscellaneous	86	82
Grants & Contributions - Operating	542	350
Grants & Contributions - Capital		934
<b>Total Revenue</b>	<b>\$ 3,708</b>	<b>\$ 4,519</b>
<b>Expenses:</b>		
General Administration	\$ 511	\$ 643
Financial Administration	106	125
Tax Administration	103	130
Facilities Management	100	74
Law Enforcement	925	1,170
Corrections	365	295
Emergency Management Services	40	29
Roads and Bridges	298	290
Sanitation		20
Administration of Justice	480	470
Juvenile Services	191	197
Health and Human Services	178	206
Recreation	16	24
Parks	45	51
Museums		2
Libraries	46	45
Conservation and Development	109	95
Bond and Other Interest	38	23
Capital Outlay		
<b>Total Expenses</b>	<b>\$ 3,551</b>	<b>\$ 3,889</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 157</b>	<b>\$ 630</b>
<b>Net Position, Beginning</b>	<b>7,975</b>	<b>7,349</b>
<b>Prior Period Adjustment</b>	<b>69</b>	<b>(4)</b>
<b>Net Position, Ending</b>	<b>\$ 8,201</b>	<b>\$ 7,975</b>

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the County's activities:



The cost of all governmental activities this year was \$3,550,657. However, as shown in the Statement of Activities on page 12, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$1,963,425 because the other costs were paid by sales tax (\$116,770), operating and capital grants (\$542,209), user charges (\$643,985) and other miscellaneous (\$86,131).

This graph shows the governmental function expenditures of the County:



## THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 14) reported a combined fund balance of \$1,779,480, which is more than last year's total of \$1,798,778. Included in this year's total change in fund balance is an increase of \$73,013 in the County's General Fund. The primary reason for the General Fund's increase is due to revenues exceeding expenditures.

The Commissioners' Court adopted the General and Road and Bridge Fund Budgets. The County amended the original budget; actual revenues were less than budgeted amounts in the General Fund and more than budgeted amounts in the Road and Bridge Fund. Actual expenditures were less than the budgeted amounts in the General Fund and more than budgeted amounts in the Road and Bridge Fund.

## CAPITAL ASSET AND DEBT ADMINISTRATION

As of September 30, 2024, the County had \$13,106,646 invested in a broad range of capital assets, including land, buildings, vehicles, equipment, other improvements, and right-to-use leased assets.



## CAPITAL ASSETS

in thousands

	Governmental Activities	
	2024	2023
Land	\$ 106	\$ 106
Water Rights	38	38
Buildings	7,003	7,003
Improvements	2,216	2,216
Machinery & Equipment	3,390	3,111
Construction Work in Progress	211	126
Lease Assets	142	153
Total Capital Assets	\$ 13,106	\$ 12,753
Less: Accumulated Depreciation & Amortization	6,388	5,923
Capital Assets, Net	\$ 6,718	\$ 6,830

More detailed information about the County's capital assets is presented in Note 3.F. to the financial statements.

This graph shows the County's capital assets:



## DEBT

At September 30, 2024, the County had the following outstanding debt:

## OUTSTANDING DEBT

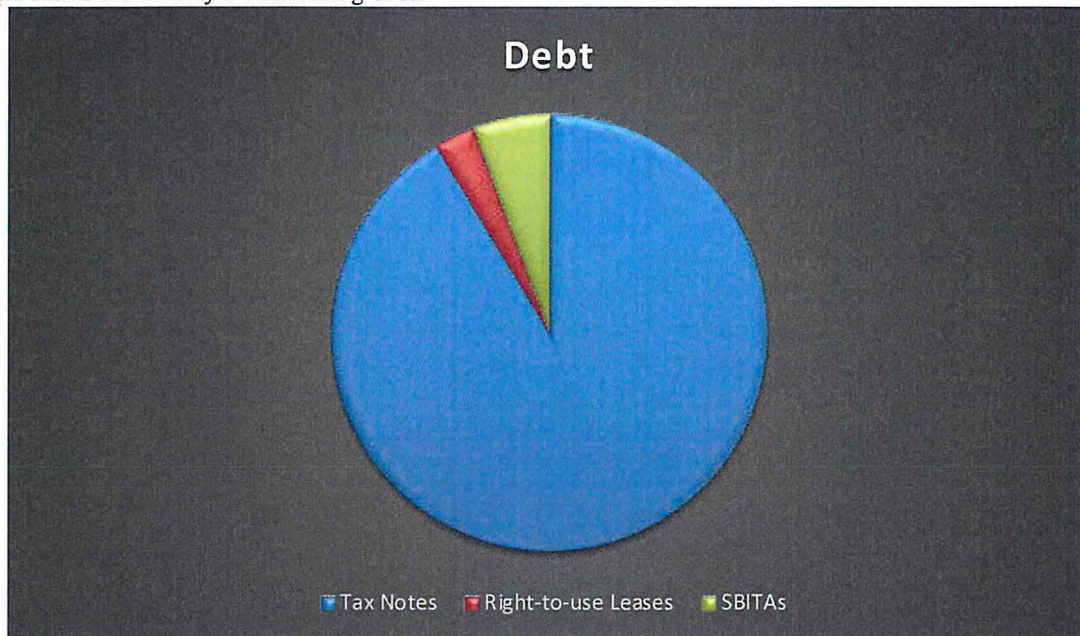
in thousands

	Governmental Activities	
	2024	2023
Bonds Payable	\$ 990	\$ 1,140
Leases Payable	32	12
SBITAs	62	96
Finance Purchases Payable	34	34
Total Outstanding Debt	\$ 1,084	\$ 1,282

At year-end, the County had \$990,000 in tax notes outstanding and \$94,017 in right-to-use leases and SBITAs payable. During the year, the County paid \$229,067 in principal on the outstanding long-term debt.

More detailed information about the County's long-term liabilities is presented in Note 3.G., 3.H., 3.I., and 3.J. to the financial statements.

This graph shows the County's outstanding debt:



#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2025 budget and tax rates. The major factors are the economy and assessed property valuation. These indicators were taken into account when adopting the budget for 2025. Amounts available for appropriation in the budget are \$4,877,183 and expenditures are estimated to be \$4,877,183.

If these estimates are realized, the County's budgetary fund balances are expected to remain the same by the close of 2025.

#### CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

## BASIC FINANCIAL STATEMENTS

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

EXHIBIT A-1

	Primary Government
	Governmental Activities
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 316,949
Investments - Current	1,731,761
Taxes Receivable, Net	102,003
Accounts Receivable, Net	184,999
Due from Other Governments	4,792
Prepaid Items	46,918
Capital Assets:	
Land Purchase and Improvements	144,000
Buildings, Net	4,177,133
Improvements other than Buildings, Net	1,368,274
Furniture and Equipment, Net	741,071
Right-to-Use Lease Assets	16,561
SBITA Assets	60,239
Construction in Progress	211,002
Net Pension Asset	421,227
Total Assets	<hr/> 9,526,929 <hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	154,498
Total Deferred Outflows of Resources	<hr/> 154,498 <hr/>
LIABILITIES	
Accounts Payable	54,703
Wages and Salaries Payable	12,901
Intergovernmental Payable	2,420
Accrued Interest Payable	4,139
Unearned Revenues	287,847
Right-to-Use Leases Payable - Current	11,640
Other Current Liabilities	8,863
Noncurrent Liabilities:	
Due Within One Year	209,066
Due in More Than One Year:	
Bonds Payable - Noncurrent	863,311
Total Liabilities	<hr/> 1,454,890 <hr/>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	25,177
Total Deferred Inflows of Resources	<hr/> 25,177 <hr/>
NET POSITION	
Net Investment in Capital Assets and Lease Assets	5,634,263
Restricted:	
Restricted for Special Revenue	339,628
Restricted for Debt Service	66,713
Unrestricted	2,160,756
Total Net Position	<hr/> \$ 8,201,360 <hr/>

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

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

EXHIBIT B-1

Net (Expense)  
Revenue and  
Changes in Net  
Position

Primary Gov.  
Governmental  
Activities

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
General Administration	\$ 511,181	\$ 85,122	\$ 54,036	\$ (372,023)
Financial Administration	106,508	-	-	(106,508)
Tax Administration	102,970	16,214	-	(86,756)
Facilities Management	100,223	1,451	-	(98,772)
Law Enforcement	925,159	289,884	191,564	(443,711)
Corrections	364,854	-	-	(364,854)
Emergency Management Services	39,673	20,267	2,329	(17,077)
Roads and Bridges	298,459	141,871	18,463	(138,125)
Administration of Justice	479,569	24,321	-	(455,248)
Juvenile Services	190,774	-	122,397	(68,377)
Health and Human Services	177,324	8,107	54,252	(114,965)
Recreation	15,851	-	-	(15,851)
Parks	45,425	56,748	-	11,323
Libraries	45,888	-	-	(45,888)
Conservation and Development	109,370	-	73,454	(35,916)
Interest on Debt	37,429	-	-	(37,429)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,550,657</b>	<b>\$ 643,985</b>	<b>\$ 516,495</b>	<b>(2,390,177)</b>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	1,963,425
Property Taxes, Levied for Debt Service	198,937
General Sales and Use Taxes	116,770
Other Taxes	463
Penalty and Interest on Taxes	37,423
Grants and Contributions	25,714
Miscellaneous Revenue	86,131
Investment Earnings	118,942
<b>Total General Revenues</b>	<b>2,547,805</b>

Change in Net Position	157,628
Net Position - Beginning	7,974,887
Adjustments and Restatements	68,845
<b>Net Position - Ending</b>	<b>\$ 8,201,360</b>

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

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

	General Fund	Major Fund American Relief Fund	Major Fund Road and Bridge Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 24,015	\$ 4,887	\$ 17,536
Investments - Current	921,652	133,160	-
Taxes Receivable	94,642	-	-
Allowance for Uncollectible Taxes (credit)	(2,839)	-	-
Accounts Receivable, Net	30,775	-	10,484
Due from Other Governments	-	-	-
Due from Other Funds	113,365	-	-
Prepaid Items	39,519	-	6,149
Total Assets	<u>\$ 1,221,129</u>	<u>\$ 138,047</u>	<u>\$ 34,169</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 35,592	\$ -	\$ 3,337
Wages and Salaries Payable	9,828	-	2,985
Intergovernmental Payable	2,420	-	-
Due to Other Funds	101,303	-	-
Unearned Revenues	-	127,863	-
Other Current Liabilities	8,291	-	92
Total Liabilities	<u>157,434</u>	<u>127,863</u>	<u>6,414</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	91,803	-	-
Total Deferred Inflows of Resources	<u>91,803</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted Fund Balance:			
Federal or State Funds Grant Restriction	-	10,184	-
Capital Acquisition and Contractual Obligation	-	-	-
Retirement of Long-Term Debt	-	-	-
Other Restricted Fund Balance	-	-	27,755
Committed Fund Balance:			
Other Committed Fund Balance	2,581	-	-
Unassigned Fund Balance	969,311	-	-
Total Fund Balances	<u>971,892</u>	<u>10,184</u>	<u>27,755</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 1,221,129</u>	<u>\$ 138,047</u>	<u>\$ 34,169</u>

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

Major Fund Capital Projects	Other Funds	Total Governmental Funds
\$ 7,050	\$ 263,461	\$ 316,949
308,976	367,973	1,731,761
-	10,516	105,158
-	(316)	(3,155)
-	4,536	45,795
-	4,792	4,792
101,303	8,494	223,162
-	1,250	46,918
<u>\$ 417,329</u>	<u>\$ 660,706</u>	<u>\$ 2,471,380</u>
\$ 7,588	\$ 8,187	\$ 54,704
-	88	12,901
-	-	2,420
8,494	113,365	223,162
-	159,984	287,847
-	480	8,863
<u>16,082</u>	<u>282,104</u>	<u>589,897</u>
-	10,200	102,003
-	10,200	102,003
-	-	10,184
401,247	-	401,247
-	66,713	66,713
-	301,689	329,444
-	-	2,581
-	-	969,311
<u>401,247</u>	<u>368,402</u>	<u>1,779,480</u>
<u>\$ 417,329</u>	<u>\$ 660,706</u>	<u>\$ 2,471,380</u>



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

<b>Total Fund Balances - Governmental Funds</b>	\$ 1,779,480
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	5,526,847
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2024 capital outlays and debt principal payments is to increase net position.	608,079
The County is required under GASB Statement No. 68 to report their net pension liability/asset in the Government Wide Statement of Net Position. The items reported as a result of this requirement included a net pension asset of \$421,227, a deferred resource outflow of \$154,498 and a deferred resource inflow of \$25,177. The net effect of these is to increase net position.	550,548
The 2024 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(490,344)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	226,750
<b>Net Position of Governmental Activities</b>	<u>\$ 8,201,360</u>

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



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

	General Fund	Major Fund American Relief Fund	Major Fund Road and Bridge Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 1,935,400	\$ -	\$ -
General Sales and Use Taxes	116,770	-	-
Other Taxes	463	-	-
Penalty and Interest on Taxes	33,681	-	-
Licenses and Permits	1,451	-	-
Intergovernmental Revenue and Grants	238,815	-	68,406
Charges for Services	229,271	-	144,290
Fines	231,041	-	-
Investment Earnings	85,065	6,104	-
Rents and Royalties	-	-	900
Contributions & Donations from Private Sources	-	-	-
Other Revenue	52,960	-	3,205
Total Revenues	2,924,917	6,104	216,801
EXPENDITURES:			
Current:			
General Administration	426,282	-	58,759
Financial Administration	98,705	-	-
Tax Administration	95,996	-	-
Facilities Management	89,725	-	-
Law Enforcement	684,166	-	-
Corrections	335,716	-	-
Emergency Management Services	34,716	-	-
Roads and Bridges	-	-	336,479
Administration of Justice	427,101	-	-
Juvenile Services	177,768	-	-
Health and Human Services	142,438	-	-
Recreation	13,945	-	-
Parks	39,963	-	-
Libraries	42,546	-	-
Conservation and Development	89,069	-	-
Debt Service:			
Principal on Debt	29,357	-	-
Interest on Debt	2,849	-	-
Capital Outlay:			
Capital Outlay	-	-	-
Total Expenditures	2,730,342	-	395,238
Excess (Deficiency) of Revenues Over (Under) Expenditures	194,575	6,104	(178,437)
OTHER FINANCING SOURCES (USES):			
Sale of Real and Personal Property	-	-	3,095
Proceeds from Right-to-Use Leases	15,038	-	-
Transfers In	30,000	-	184,875
Transfers Out	(166,600)	-	-
Total Other Financing Sources (Uses)	(121,562)	-	187,970
Net Change in Fund Balances	73,013	6,104	9,533
Fund Balance - October 1 (Beginning)	830,034	4,080	18,222
Adjustments and Restatements	68,845	-	-
Fund Balance - September 30 (Ending)	\$ 971,892	\$ 10,184	\$ 27,755

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

Major Fund Capital Projects	Prior Year Major Op Lone Star	Other Funds	Total Governmental Funds
\$ -	\$ -	\$ 225,244	\$ 2,160,644
-	-	-	116,770
-	-	-	463
-	-	3,742	37,423
-	-	-	1,451
-	-	234,930	542,151
-	-	31,783	405,344
-	-	6,148	237,189
24,054	-	3,718	118,941
-	-	1,614	2,514
-	-	58	58
-	-	8,506	64,671
24,054	-	515,743	3,687,619
-	-	2,854	487,895
-	-	-	98,705
-	-	-	95,996
-	-	-	89,725
-	-	236,423	920,589
-	-	-	335,716
-	-	2,287	37,003
-	-	1,319	337,798
-	-	12,374	439,475
-	-	-	177,768
-	-	17,224	159,662
-	-	-	13,945
-	-	-	39,963
-	-	-	42,546
-	-	14,867	103,936
-	-	150,000	179,357
-	-	35,160	38,009
203,973	-	-	203,973
203,973	-	472,508	3,802,061
(179,919)	-	43,235	(114,442)
-	-	8,166	11,261
-	-	-	15,038
-	-	6,600	221,475
(30,000)	-	(24,875)	(221,475)
(30,000)	-	(10,109)	26,299
(209,919)	-	33,126	(88,143)
611,166	15,106	320,170	1,798,778
-	(15,106)	15,106	68,845
\$ 401,247	\$ -	\$ 368,402	\$ 1,779,480

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

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ (88,143)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2024 capital outlays and debt principal payments is to increase the change in net position.	608,079
The entries required by GASB Statement No. 68 did require that some expenses on B-1 be adjusted. The net effect on the change in net position on Exhibit B-1 is an increase in net position.	140,981
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(490,346)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.	(12,943)
<b>Change in Net Position of Governmental Activities</b>	<u>\$ 157,628</u>

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

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

	Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 549,620
Investments - Current	2,026
Total Assets	<u>551,646</u>
NET POSITION	
Restricted for Other Purposes	<u>551,646</u>
Total Net Position	<u><u>\$ 551,646</u></u>

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

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

	Custodial Funds
ADDITIONS:	
Charges for Services	\$ 1,286,601
Total Additions	<u>1,286,601</u>
DEDUCTIONS:	
Other Operating Costs	<u>954,981</u>
Total Deductions	<u>954,981</u>
Net Change in Fiduciary Net Position	331,620
Total Net Position - October 1 (Beginning)	<u>220,026</u>
Total Net Position - September 30 (Ending)	<u><u>\$ 551,646</u></u>

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

MENARD COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Menard County have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The *Governmental Accounting Standards Board* (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

1.A. FINANCIAL REPORTING ENTITY

The County is an independent unit and is managed by a governing body of elected officials. The accompanying financial statements present the County's primary government.

The County Commissioners are elected by registered voters of the County and have oversight responsibility in that they have decision-making authority, the ability to significantly influence operations and primary accountability for fiscal matters. All functions and activities over which the commissioners exercise oversight responsibility have been included in the reporting entity. There are no component units included within the reporting entity.

In evaluating how to define the government, for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based on the foregoing criteria, there were no component units identified that would require inclusion in this report.

1.B. BASIS OF PRESENTATION

***Government-wide Financial Statements:***

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

***Fund Financial Statements:***

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria.

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditure/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

### **Governmental Funds**

#### General Fund

The General Fund, the primary operating fund of the County, is always classified as a major fund. It is the basic fund of the County and covers all activities for which a separate fund has not been established.

#### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

#### Debt Service Funds

The Debt Service Fund accounts for the accumulation of financial resources for and the payment of principal and interest on general long-term debt of the County other than debt service payments made by enterprise funds.

Ad valorem taxes are used for the payment of principal and interest on the County's debt.

#### Capital Projects Fund

The Capital Projects Fund accounts for financial resources that are restricted, committed or assigned to expenditures for the acquisition and construction of major capital facilities and other capital assets.

### **Fiduciary Funds (Not included in government-wide statements)**

#### Custodial Funds

Custodial funds account for assets held by the County in a purely custodial capacity. The reporting entity includes one custodial fund.

### **Major and Nonmajor Funds**

The funds are further classified as major or nonmajor. The major funds are as follows:

#### **Major Fund**

#### **Brief Description**

#### General Fund

See above for description.

#### Special Revenue Fund:

#### American Relief Fund

Accounts for grant proceeds and related expenditures for funds appropriated from the American Rescue Plan Act (ARPA).

#### Road & Bridge Fund

Accounts for all road and bridge construction and maintenance activity.

#### Capital Projects Fund

Accounts for financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**Nonmajor funds** consist of special revenue funds and the debt service fund and are detailed in the Combining and Individual Fund Statements - Nonmajor Funds.

## **1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

## **Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. Custodial and private purpose trust funds utilize the economic resource measurement focus.

## **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statement, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized revenues when both "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or within 60 days after year end. Also under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

## **1.D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

### **Cash and Cash Investments**

For the purpose of the Statement of Net Position, "Cash and Cash Equivalents" includes demand deposit accounts and government investment pools. All amounts are considered available upon demand and are considered to be "cash equivalents."

Investments includes certificates of deposit, money market accounts and government investment pools.

Several funds may be invested in an investment account and each fund has an equity interest therein. Interest earned on the Investment of these monies is allocated based upon relative equity at month end.

### **Receivables and Payables**

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



In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances of uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The major receivable balances for the governmental activities relate to property taxes and court fines and fees.

All trade and property tax receivables are shown net of an allowance for uncollectible. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectible.

Ad Valorem taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Ad Valorem taxes are prorated between maintenance, and special revenues based on rates adopted for the year of the levy. Allowances for uncollectible within the General and Special Revenue Funds are based upon historical experience in collecting property taxes. The County is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

Ad Valorem property taxes attach as enforceable liens as of January 1. Taxes are levied prior to September 30, payable October 1, and are delinquent February 1. The majority of the County's property tax collections occur during December and early January each year. To the extent that County property tax revenue results in current receivables as defined by the Governmental Accounting Standards Board (GASB), they are recognized when levied.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants, and other intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

## **Capital Assets**

### Government-wide Statements

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated 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 assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 - 50 years
Improvements	10 - 50 years
Machinery and Equipment	3 - 20 years
Infrastructure	25 - 50 years

### Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

## **Long-term Obligations**

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

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

### **Compensated Absences**

Vacation and Sick Leave - Vacation and sick leave expenses are charged to operations when taken by the employees of the County. Accordingly, no accruals are reflected in the accounts for unpaid amounts of vacation and sick leave earned by employees. After one year of service an employee is entitled to two weeks of vacation. If the employee does not take the vacation within the year, they will lose the benefit. If an employee is terminated for any reason they will be entitled to payment for the vacation they have earned. The liabilities for accumulated vacation and sick leave at September 30, 2024 are estimated to be insignificant and are not reflected in the accompanying financial statements.

### **Equity Classifications**

#### Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

#### Fund Statements

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definition" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are not in non-spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e. Commissioners' Court). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the Commissioners' Court or by an official or body to which the Commissioners' Court delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Commissioners' Court establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Commissioners' Court through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

The County's fund balances policy indicates that the County will typically use restricted, committed, and/or assigned fund balances, in that order, prior to using unassigned resources, but the County reserves the right to deviate from this general strategy.

### **Net Position**

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

### **Pensions**

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

### **Deferred Inflows of Resources and Deferred Outflows of Resources**

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow or resources is an acquisition of net position. These items are presented in a separate section following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Revenues not expected to be available for current period are reflected as deferred revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

### **Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

### **Implementation of GASB Statement No. 87**

As of October 1, 2021, the County adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Disclosure required by this standards are included in Note 3.J.

## **Implementation of GASB Statement No. 96**

As of October 1, 2022, the County adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. The standard requires recognition of right-to-use subscription assets and liabilities for SBITAs that previously were classified as operating expenditures based on the payment provisions of the contract. The disclosures required by this standard are included in Note 3.K.

## **Implementation of GASB Statement No. 100**

As of October 1, 2023, the County adopted GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The disclosure required by this standard are included in Note 4.I.

### **1.E. REVENUES, EXPENDITURES AND EXPENSES**

#### **Revenues**

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent, they are collected within 60 days of year-end. Due to the immaterial amount of additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements.

#### **Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

#### **Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

## **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as a local government unit, the County is subject to various federal, state and local laws and contractual regulations. An analysis of the County's compliance with significant laws and regulations and demonstration of its stewardship over County resources follows.

### **BUDGETARY INFORMATION**

The County Judge and staff prepare the proposed budget, using revenue estimates furnished by the County Treasurer and submit the data to Commissioners Court. A public hearing is held on the budget by Commissioners Court. Before determining the final budget, Commissioners Court may increase or decrease the amounts requested by the various departments. In the final budget, which is usually adopted in September, expenditures for current operating funds cannot exceed the estimated available cash balances in such funds on October 1, plus the estimate of revenues for the ensuing year. At any time during the year, Commissioners Court may increase the budget for unexpected revenues. Commissioners Court may transfer amounts among individual budget line items within major expenditure categories during the year, but no such transfer may increase the overall total of the budget. Formal budgetary integration is employed for the General, Special Revenue, Debt Service and Capital Projects operations. Budgets for these funds are prepared on a cash basis. Unused appropriations lapse at the end of each year.

## NOTE 3 - DETAILED NOTES ON ALL FUNDS

### 3.A. DEPOSITS AND INVESTMENTS

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At September 30, 2024 the carrying amount of the County's deposits was \$866,569 and the bank balance was \$958,061. The County's cash deposits held at First State Bank and Menard National Bank at September 30, 2024 and during the year ended September 30, 2024 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual funds, (8) Investment pools and guaranteed investment contracts. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County was not in compliance with the act at year end.

The County's temporary investments consisted of certificates of deposit at September 30, 2024 and is shown below:

<u>Name</u>	<u>Carrying</u>	<u>Market Value</u>	<u>FDIC</u>	<u>Pledged</u>
<u>Certificates of Deposit-</u>			\$	
Menard Bank	\$ 1,733,787	\$ 1,733,787	-	\$ 1,733,787

#### Policies Governing Deposits and Investments

In compliance with the **Public Funds Investment Act**, the County has adopted a deposit and investment policy. The County failed to have the investment policy reviewed and approved during the year. That policy does address the following risks:

**Custodial Credit Risk – Deposits:** This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end were covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

**Custodial Credit Risk – Investments:** This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investments (certificates of deposit) were secured by FDIC insurance and pledged securities.

**Other Credit Risk:** There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2024, the County was not exposed to concentration of credit risk, interest rate risk or foreign currency risk.

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping



and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

For the year ended September 30, 2024 the County did not comply, in all material respects, with the requirements of the Public Funds Investment Act and with local policies.

### 3.B. RECEIVABLES

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

	General	Road and Bridge	Operation Lone Star	Other Governmental Funds	TOTAL
Receivables:					
Property Taxes	\$ 94,642	\$ -	\$ -	\$ 10,516	\$ 105,158
Other	30,775	10,484	-	4,536	45,795
Intergovernmental				4,792	4,792
Gross Receivables	\$ 125,417	\$ 10,484	\$ -	\$ 19,844	\$ 155,745
Less: Allowance for Uncollectibles	2,839	-	-	316	3,155
Net Total Receivables	\$ 122,578	\$ 10,484	\$ -	\$ 19,528	\$ 152,590

### 3.C. COURT FINES AND FEES RECEIVABLE

With the implementation of GASB Statement Number 34, the County has determined the amount of court fines and fees receivable to be \$1,671,470 which represents amounts owed and outstanding for several years. Based on historical collection rates for the various courts, the County has estimated an allowance for uncollectible court fines and fees of \$1,532,266, resulting in a net receivable of \$139,204.

### 3.D. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The financial statements report separate sections for deferred outflows and inflows of resources. Deferred outflows represent an acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows represent an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow or resource (revenue) until that time.

Deferred outflows on the Statement of Net Position consists of the TCDRS pension deferred outflow of \$154,498 (see note 4.A.).

Deferred inflows on the Statement of Net Position consists of the TCDRS pension deferred outflow of \$25,177 (see note 4.A.).

Governmental funds reported Deferred Inflows of Resources – Unavailable Revenues in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also reported Unearned Revenue or deferred revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current year, Unavailable and Unearned Revenues reported in the governmental funds were as follows:

	Unearned Revenue	Unavailable Revenue
General Fund -		
Unavailable Revenue - Property Taxes	\$	\$ 91,803
Unearned Revenue		
American Relief Fund		
Unearned Revenue	127,863	
Other Governmental Funds -		
Unavailable Revenue - Property Taxes		10,200
Unearned Revenue	159,984	
TOTAL UNAVAILABLE AND UNEARNED REVENUES	\$ 287,847	\$ 102,003

### 3.E. PROPERTY TAXES

The County contracted with the Menard County Appraisal District for the appraisal of taxes. Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the 2023 tax roll, the total assessed valuation for Menard County was \$296,883,110 and the taxes assessed amounted to \$2,132,482. The total tax rate was \$.72541 per \$100 valuation and allocated \$.64988 to the General and \$.06721 to the Debt Service Fund. In addition, for the 2023 tax roll, the total assessed valuation for Menard County FCLR was \$296,883,110 and the taxes assessed amounted to \$24,914. The total tax rate was \$.00832. The maximum levy allowed by the State law for the above purposes is \$0.80 per \$100 valuation.

Ad valorem taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Ad valorem taxes are prorated between maintenance & operations and interest & sinking based on rates adopted for the year of the levy. The County is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. Due to the immaterial amount of additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements.

### 3.F. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2024.

	Primary Government			
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Land	\$ 106,000	\$ -	\$ -	\$ 106,000
Water Rights	38,000			38,000
Buildings	7,003,283			7,003,283
Improvements	2,215,867			2,215,867
Machinery & Equipment	3,111,172	320,400	41,160	3,390,412
Construction Work in Progress	125,608	203,973	118,579	211,002
Totals at Historic Cost	\$ 12,599,930	\$ 524,373	\$ 159,739	\$ 12,964,564
Less Accumulated Depreciation for:				
Buildings	2,649,496	176,654	-	2,826,150
Improvements	766,264	81,329	-	847,593
Machinery & Equipment	2,462,101	202,331	15,091	2,649,341
Total Accumulated Depreciation	\$ 5,877,861	\$ 460,314	\$ 15,091	\$ 6,323,084
Total Capital Assets being Depreciated, Net	\$ 6,722,069	\$ 64,059	\$ 144,648	\$ 6,641,480
Right-to-Use Lease Assets being Amortized				
Equipment	\$ 27,341	\$ 15,038	\$ -	\$ 42,379
SBITAs	126,236		26,533	99,703
Total Right-to-Use Lease Assets	\$ 153,577	\$ 15,038	\$ 26,533	\$ 142,082
Less Accumulated Amortization for:				
Equipment	\$ 15,520	\$ 10,298	\$ -	\$ 25,818
SBITAs	30,513	19,732	10,781	39,464
Total Accumulated Amortization	\$ 46,033	\$ 30,030	\$ 10,781	\$ 65,282
Total Right-to-Use Assets being Amortized, Net	\$ 107,544	\$ (14,992)	\$ 15,752	\$ 76,800
Governmental Activities Capital Assets, Net	\$ 6,829,613	\$ 49,067	\$ 160,400	\$ 6,718,280

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

Governmental Activities:	
Financial Administration	\$ 15,523
General Administration	59,149
Tax Administration	13,120
Emergency Management	4,579
Law Enforcement	130,373
Parks	5,462
Corrections	45,882
Roads & Bridges	46,166
Justice System	60,062
Juvenile Services	24,295
Health & Human Services	21,752
Recreation	1,906
Conservation & Development	14,046
Facilities Management	12,184
Libraries	5,815
Total Depreciation Expense-	
Governmental Activities	<u>\$ 460,314</u>

Amortization expense was charged to functions/programs of the County as follows:

General Administration	\$ 10,298
Law Enforcement	19,732
Total Amortization Expense-	
Governmental Activities	<u>\$ 30,030</u>

### 3.G. LONG-TERM LIABILITIES

The following is a summary of the long-term liability transactions of the County for the year ended September 30, 2024.

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Limited Tax Note- Series 2018	225,000	-	110,000	115,000	115,000
Limited Tax Note- Series 2021	385,000	-	35,000	350,000	35,000
Tax Note - Series 2023	530,000	-	5,000	525,000	5,000
Financing Purchase - Motorola	34,035		34,035	-	
Right-to-Use Leases Payable	11,798	30,769	10,475	32,092	11,640
SBITAs	96,482		34,557	61,925	19,509
Total Governmental Activities	<u>\$ 1,282,315</u>	<u>\$ 30,769</u>	<u>\$ 229,067</u>	<u>\$ 1,084,017</u>	<u>\$ 186,149</u>

### 3.H. TAX REFUNDING BONDS AND LIMITED TAX NOTES

Tax Refunding Bonds and Limited Tax Notes payable at September 30, 2024 consists of the following:

\$325,000 Limited Tax Note, Series 2018 due in annual installments of \$10,000 to \$115,000 through February 15, 2025, interest rate at 3.48%.	\$ 115,000
\$425,000 Limited Tax Note, Series 2021 due in annual installments of \$20,000 to \$105,000 through August 15, 2028, interest rate at 1.69%.	350,000
\$530,000 Tax Note, Series 2023 due in annual installments of \$5,000 to 180,000 Through August 15, 2030, interest rate at 4.460%.	<u>525,000</u>
Total Limited Tax Refunding Bonds and Limited Tax Notes	<u>\$ 990,000</u>



The annual requirements for principal and interest on the outstanding certificates of obligation are as follows:

Year Ended September 30	Principal	Interest	Total
2025	155,000	31,333	186,333
2026	160,000	28,516	188,516
2027	160,000	24,290	184,290
2028	165,000	20,060	185,060
2029	170,000	15,610	185,610
2030	180,000	8,028	188,028
Totals	<u>\$ 990,000</u>	<u>\$ 127,837</u>	<u>\$ 1,117,837</u>

### 3.I. RIGHT-TO-USE LEASES PAYABLE

The County entered into multiple agreements that are considered “right-to-use” leases. These leases are for County equipment.

Annual requirements to amortize right-to-use leases payable and related interest are as follows:

Year Ended September 30	Principal	Interest	Total
2025	11,640	360	12,000
2026	9,231	235	9,466
2027	6,546	146	6,692
2028	3,356	69	3,425
2029	1,319	8	1,327
Totals	<u>\$ 32,092</u>	<u>\$ 818</u>	<u>\$ 28,158</u>

### 3.J. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

On October 1, 2022, the County entered into a 36 month subscription with Fifth Asset, Inc. for the use of Debtbook lease software. An initial subscription liability was recorded in the amount of \$18,691. As of September 30, 2024 the value of the subscription liability is \$12,386, and the value of the short-term subscription liability is \$6,097. The County is required to make annual fixed payments of \$6,500. The subscription has an interest rate of 3.3470% and terminates September 30, 2025.

On October 1, 2022, the County entered into a 72 month subscription with Financial Intelligence, LLC for the use of financial software. An initial subscription liability was recorded in the amount of \$81,011. As of September 30, 2024 the value of the subscription liability is \$68,421, and the value of the short-term subscription liability is \$12,785. The County is required to make annual fixed payments of \$14,880. The subscription has an interest rate of 3.3470% and terminates September 30, 2028.

Remaining obligations associated with the SBITAs as of September 30, 2024 was as follows:

Year Ended September 30	Principal	Interest	Total
2025	19,509	1,871	21,380
2026	13,669	1,211	14,880
2027	14,133	747	14,880
2028	14,614	266	14,880
Totals	<u>\$ 61,925</u>	<u>\$ 4,095</u>	<u>\$ 66,020</u>

### 3.K. INTERFUND BALANCES

The composition of interfund balances as of September 30, 2024, is as follows:

	Transfers In	Transfers Out
General Fund	\$ 30,000	\$ 166,600
Road and Bridge Fund	184,875	
Operation Lone Star Fund		
Capital Projects Fund		30,000
Other Funds	6,600	24,875
	<u>\$ 221,475</u>	<u>\$ 221,475</u>

	Receivable	Payable
General Fund	\$ 113,365	\$ 103,884
Capital Projects Fund	101,303	8,495
Other Funds	8,495	110,784
Total	<u>\$ 223,163</u>	<u>\$ 223,163</u>

### NOTE 4 - OTHER NOTES

#### 4.A. EMPLOYEE RETIREMENT PLAN

##### Plan Description

A description of the pension plan pursuant to Paragraph 40 of GASB Statement No. 68 is as follows:

- a. Menard County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
  - 1) All full-and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
  - 2) The plan provides retirement, disability and survivor benefits.
  - 3) TCERS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCERS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 165%) and is then converted to an annuity.
  - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
  - 5) Benefit terms are established under the TCERS Act. They may be amended as of January 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Menard County contribution rate is based on the TCERS funding policy adopted by the TCERS Board of Trustees and must conform with the TCERS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2024 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCERS can be found at the following link, [TCERS.org/Employer](https://TCERS.org/Employer).

##### *Members covered by benefit terms.*

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

Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to but not yet receiving benefits	66
Active employees	48
	<u>151</u>

## Contributions

A combination of three elements fund each employer's plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. 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 the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

In addition, employers annually review their plans and may adjust benefits and cost based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

The contribution rate payable by the employee members for calendar year 2024 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County's contributions to TCDRS for the year ended September 30, 2024 were \$129,246, and were more than the required contributions.

## Net Pension Liability

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

### *Actuarial assumptions:*

The Total Pension Liability in December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (level percent of pay) <sup>(1)</sup>
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life

Asset Valuation Method	
Smooth Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost of Living Adjustments	Cost-of-Living Adjustments for Menard County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of: a) age 60; b) earliest retirement eligibility.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	Pub-2010 Mortality Tables
Adjustment for Plans with the Partial-Lump Sum Payment Option	Same as funding valuation. For employers who have elected this option, a 0.75% increase is applied to the TPL related to the member deposit portion of the estimated monthly benefit for future retirees.

*(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.*

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

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

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (2)
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%
International Equities – Developed Markets	MSCI World Ex USA (Net) Index	5.00%	4.75%
International Equities – Emerging Markets	MSCI Emerging Markets (Net) Index	6.00%	4.75%
Investment – Grade Bonds	Bloomberg US Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leverage Loan TR USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	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%

<sup>(1)</sup> Target asset allocation adopted at the March 2024 TCERS Board meeting

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 2.2% per Cliffwater's 2024 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007– present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

## Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pensions plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

### Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Increase/(Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Balances as of December 31, 2022	\$ 6,012,933	\$ 6,224,425	\$ (211,492)
Changes for the Year:			
Service Cost	222,856		222,856
Interest on Total Pension Liability <sup>(1)</sup>	460,750		460,750
Effect of Plan Changes <sup>(2)</sup>	-		-
Effects of Economic/Demographic Gains or Losses	12,880		12,880
Effect of Assumptions Changes or Inputs	-		-
Refund of Contributions	(5,207)	(5,207)	-
Benefit Payments	(347,843)	(347,843)	-
Administrative Expenses		(3,539)	3,539
Member Contributions		100,860	(100,860)
Net Investment Income		682,859	(682,859)
Employer Contributions		129,677	(129,677)
Other <sup>(3)</sup>		(3,636)	3,636
Balances as of December 31, 2023	\$ 6,356,369	\$ 6,777,596	\$ (421,227)

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

<sup>(2)</sup> No plan changes valued.

<sup>(3)</sup> Relates to allocation of system-wide items.

### Sensitivity Analysis

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$ 7,105,364	\$ 6,356,369	\$ 5,724,800
Fiduciary Net Position	6,777,596	6,777,596	6,777,596
Net Pension Liability/(Asset)	\$ 327,768	\$ (421,227)	\$ (1,052,796)

## Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024 the County's pension Income was (\$11,733).

<u>Pension Expense/(Income)</u>	<u>January 1, 2023 to December 31, 2023</u>
Service Cost	\$ 222,856
Interest on Total Pension Liability <sup>(1)</sup>	460,750
Effect of Plan Changes	-
Administrative Expenses	3,539
Member Contributions	(100,860)
Expected Investment Return Net of Investment Expenses	(468,218)
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	(1,140)
Recognition of Assumption Changes or Inputs	(10,599)
Recognition of Investment Gains or Losses	(121,697)
Other <sup>(2)</sup>	3,636
Pension Expense/(Income)	<u>\$ (11,733)</u>

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

<sup>(2)</sup> Relates to allocation of system-wide items.

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

<u>Deferred Inflows / Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 14,577	\$ 40,310
Changes of assumptions	10,600	-
Net difference between projected and actual earnings	-	20,191
Contributions made subsequent to measurement date	-	93,997

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

<u>Year Ended December 31</u>	
2024	(59,517)
2025	(11,176)
2026	148,945
2027	(42,928)
2028	-
Thereafter <sup>(4)</sup>	-

<sup>(4)</sup> Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.



#### 4.B. RISK MANAGEMENT

The County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, error and omissions and personnel risks which relate to workers compensation. The county carries commercial insurance through the Texas Association of Counties for workers compensation and for other coverages in order to manage the above listed risks.

#### 4.C. HEALTH INSURANCE

All regular full-time employees of the County are eligible for coverage under the group hospitalization, medical, dental and life insurance program provided by the County. The County pays the premium for eligible employees. Employees, at their option, may authorize payroll withholdings to pay premiums for eligible family members.

#### 4.D. CONTINGENT LIABILITIES

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

#### 4.E. RELATED PARTY

In the ordinary course of business, the County has and expects to continue to have transactions with its employees and elected officials. In the opinion of management, such transactions were on substantially the same terms, including interest rates and collateral as those prevailing at the time of comparable transactions with other person and did not involve more than a normal risk of collectability or present any other unfavorable features to the County.

#### 4.F. DEFERRED COMPENSATION PLAN

The County offers all its employees a deferred compensation program through Nationwide Retirement Solutions, Inc. The plan, created in accordance with Internal Revenue Code Section 457, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The County does not contribute to this plan. All contributions are made by the employees who elect to participate in the plan. The County remits employee contributions to the plan trustee on a regular basis. The County does not administer the Section 457 plan, nor does it provide the investment advice to the plan. Accordingly, the Section 457 plan is not part of the County's reporting entity.

The County has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

At September 30, 2024, the participants had a balance of \$163,693 in the plan.

#### 4.G. TAX ABATEMENT AGREEMENT

In March of 2019, the County created the County Reinvestment Zone No. 001 pursuant to Section 312 of the Texas Property Code. The County entered into a tax abatement agreement with Lampwick Solar, LLC for a period of eight (8) years. The County granted a partial abatement of County property taxes based on the increase in the taxable value of the property attributable to the project over the base year taxable value. The percentage abatement is 80% for years 1-6 and 60% for years 7 and 8.

#### 4.H. UNEARNED REVENUE

Unspent American Rescue Plan Act Funds in the amount of \$127,863 are classified as unearned revenue in the American Rescue Plan Fund. The funds are for response to the COVID-19 public health emergency.

Unspent SB22 Sheriff funds and SB22 County Attorney funds in the amount of \$159,984 are classified as unearned revenue in the Special Revenue funds. The funds are for financial assistance to the Sheriff's department and the County Attorney's office.

#### 4.I. ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

During fiscal year 2024, an error correction resulted in adjustments to and restatements of beginning fund balances and beginning net position:

	<u>General Fund</u>	<u>Operaton Lone Star</u>	<u>Governmental Activities</u>
Beginning fund balance/net position, as previously reported	830,034	15,106	7,974,887
Correction of an error - prior year liability	68,845		68,845
Change in financial reporting entity (major to nonmajor)		(15,106)	
Beginning fund balance/net position, as restated	<u>898,879</u>	<u>-</u>	<u>8,043,732</u>

#### 4.J. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures in the General Fund exceeded the budget appropriations in several functions but not in total. Expenditures in the Road and Bridge fund exceeded the budget appropriations in one function and in total.

#### 4.K. SUBSEQUENT EVENTS

The County has evaluated subsequent events through August 8, 2025 the date which the financial statements were available to be issued. The County is not aware of any subsequent events that materially impact the financial statements.

## REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 2,153,620	\$ 2,153,620	\$ 1,935,400	\$ (218,220)
General Sales and Use Taxes	94,770	94,770	116,770	22,000
Other Taxes	400	400	463	63
Penalty and Interest on Taxes	-	-	33,681	33,681
Licenses and Permits	2,500	2,500	1,451	(1,049)
Intergovernmental Revenue and Grants	264,184	239,870	238,815	(1,055)
Charges for Services	223,402	223,402	229,271	5,869
Fines	465,000	465,000	231,041	(233,959)
Investment Earnings	17,000	17,000	85,065	68,065
Other Revenue	13,000	13,000	52,960	39,960
Total Revenues	3,233,876	3,209,562	2,924,917	(284,645)
<b>EXPENDITURES:</b>				
Current:				
General Administration	496,533	427,525	426,282	1,243
Financial Administration	140,439	140,139	98,705	41,434
Tax Administration	99,301	98,501	95,996	2,505
Facilities Management	131,871	131,296	89,725	41,571
Law Enforcement	795,116	780,866	684,166	96,700
Corrections	323,530	340,240	335,716	4,524
Emergency Management Services	60,558	34,847	34,716	131
Administration of Justice	464,881	451,880	427,101	24,779
Juvenile Services	186,148	185,148	177,768	7,380
Health and Human Services	153,365	150,655	142,438	8,217
Recreation	18,950	18,950	13,945	5,005
Parks	38,200	38,100	39,963	(1,863)
Libraries	41,327	41,327	42,546	(1,219)
Conservation and Development	90,061	88,911	89,069	(158)
Debt Service:				
Principal on Debt	-	-	29,357	(29,357)
Interest on Debt	-	-	2,849	(2,849)
Total Expenditures	3,040,280	2,928,385	2,730,342	198,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	193,596	281,177	194,575	(86,602)
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from Right-to-Use Leases	-	-	15,038	15,038
Transfers In	-	-	30,000	30,000
Transfers Out	(193,596)	(193,595)	(166,600)	26,995
Total Other Financing Sources (Uses)	(193,596)	(193,595)	(121,562)	72,033
Net Change in Fund Balances	-	87,582	73,013	(14,569)
Fund Balance - October 1 (Beginning)	830,034	830,034	830,034	-
Adjustments and Restatements	-	-	68,845	68,845
Fund Balance - September 30 (Ending)	\$ 830,034	\$ 917,616	\$ 971,892	\$ 54,276

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

MENARD COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 9,500	\$ 9,500	\$ 68,406	\$ 58,906
Charges for Services	122,000	122,000	144,290	22,290
Rents and Royalties	900	900	900	-
Other Revenue	-	-	3,205	3,205
Total Revenues	132,400	132,400	216,801	84,401
<b>EXPENDITURES:</b>				
Current:				
General Administration	69,390	68,690	58,759	9,931
Roads and Bridges	334,685	324,085	336,479	(12,394)
Total Expenditures	404,075	392,775	395,238	(2,463)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(271,675)	(260,375)	(178,437)	81,938
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	500	500	3,095	2,595
Transfers In	253,175	253,175	184,875	(68,300)
Total Other Financing Sources (Uses)	253,675	253,675	187,970	(65,705)
Change in Fund Balance	(18,000)	(6,700)	9,533	16,233
Fund Balance - October 1 (Beginning)	18,222	18,222	18,222	-
Fund Balance - September 30 (Ending)	\$ 222	\$ 11,522	\$ 27,755	\$ 16,233

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

MENARD COUNTY, TEXAS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
<b>A. Total Pension Liability</b>			
Service Cost	\$ 222,856	\$ 205,798	\$ 185,233
Interest (on the Total Pension Liability)	460,750	432,948	419,391
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	12,880	51,084	(58,308)
Changes of Assumptions	-	-	(42,397)
Benefit Payments, Including Refunds of Employee Contributions	(353,050)	(329,528)	(362,082)
Net Change in Total Pension Liability	\$ 343,436	\$ 360,302	\$ 141,837
Total Pension Liability - Beginning	6,012,934	5,652,632	5,510,794
Total Pension Liability - Ending	\$ 6,356,370	\$ 6,012,934	\$ 5,652,631
<b>B. Total Fiduciary Net Position</b>			
Contributions - Employer	\$ 129,677	\$ 130,169	\$ 118,535
Contributions - Employee	100,860	101,243	92,016
Net Investment Income	682,859	(385,567)	1,224,375
Benefit Payments, Including Refunds of Employee Contributions	(353,050)	(329,528)	(362,082)
Administrative Expense	(3,539)	(3,648)	(3,636)
Other	(3,636)	(8,198)	(2,736)
Net Change in Plan Fiduciary Net Position	\$ 553,171	\$ (495,529)	\$ 1,066,472
Plan Fiduciary Net Position - Beginning	6,224,425	6,719,953	5,653,481
Plan Fiduciary Net Position - Ending	\$ 6,777,596	\$ 6,224,424	\$ 6,719,953
<b>C. Net Pension Liability (Asset)</b>	\$ (421,226)	\$ (211,490)	\$ (1,067,322)
<b>D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	106.63%	103.52%	118.88%
<b>E. Covered Payroll</b>	\$ 1,440,862	\$ 1,446,330	\$ 1,314,511
<b>F. Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	(29.23%)	(14.62%)	(81.20%)

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

FY 2021 Plan Year 2020		FY 2020 Plan Year 2019		FY 2019 Plan Year 2018		FY 2018 Plan Year 2017		FY 2017 Plan Year 2016		FY 2016 Plan Year 2015		FY 2015 Plan Year 2014	
\$	177,313	\$	146,602	\$	151,634	\$	162,089	\$	161,341	\$	149,860	\$	141,059
	410,245		378,771		361,192		338,778		307,652		296,397		276,864
	-		-		-		-		-		51,701		-
	(107,969)		62,320		(75,659)		(51,917)		31,047		(170,816)		(30,234)
	270,151		-		-		51,674		-		41,643		-
	(247,941)		(212,422)		(217,709)		(209,341)		(188,600)		(190,743)		(202,283)
\$	501,799	\$	375,271	\$	219,458	\$	291,283	\$	311,440	\$	178,042	\$	185,406
	5,008,995		4,633,724		4,414,266		4,122,983		3,811,542		3,633,499		3,448,092
\$	5,510,794	\$	5,008,995	\$	4,633,724	\$	4,414,266	\$	4,122,982	\$	3,811,541	\$	3,633,498
\$	125,433	\$	111,982	\$	102,349	\$	103,812	\$	109,962	\$	107,391	\$	103,564
	100,571		89,586		81,879		83,049		87,970		85,913		82,851
	531,770		728,189		(85,270)		583,417		273,042		8,270		241,758
	(247,941)		(212,422)		(217,709)		(209,341)		(188,600)		(190,743)		(202,283)
	(4,137)		(3,923)		(3,562)		(3,031)		(2,966)		(2,684)		(2,837)
	(139)		(346)		(540)		(330)		28,693		(88,664)		(42,060)
\$	505,557	\$	713,066	\$	(122,853)	\$	557,576	\$	308,101	\$	(80,517)	\$	180,993
	5,147,923		4,434,165		4,557,018		3,999,441		3,691,339		3,771,856		3,590,862
\$	5,653,480	\$	5,147,231	\$	4,434,165	\$	4,557,017	\$	3,999,440	\$	3,691,339	\$	3,771,855
\$	(142,686)	\$	(138,236)	\$	199,559	\$	(142,751)	\$	123,542	\$	120,202	\$	(138,357)
	102.59%		102.76%		95.69%		103.23%		97.00%		96.85%		103.81%
\$	1,436,732	\$	1,279,794	\$	1,169,697	\$	1,186,421	\$	1,256,714	\$	1,227,324	\$	1,183,592
	(9.93%)		(10.80%)		17.06%		(12.03%)		9.83%		9.79%		(11.69%)



MENARD COUNTY, TEXAS  
SCHEDULE OF CONTRIBUTIONS  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE FISCAL YEAR 2024

	2024	2023	2022
Actuarially Determined Contribution	\$ 99,996	\$ 116,285	\$ 92,279
Contributions in Relation to the Actuarially Determined Contributions	129,677	130,169	118,535
Contribution Deficiency (Excess)	\$ (29,682)	\$ (13,884)	\$ (26,256)
Covered Employee Payroll	\$ 1,440,862	\$ 1,446,330	\$ 1,314,511
Contributions as a Percentage of Covered Employee Payroll	9.00%	9.00%	9.00%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

	2021	2020	2019	2018	2017	2016	2015
\$	103,301	\$ 95,985	\$ 89,599	\$ 89,575	104,433	\$ 99,413	101,671
	125,433	111,982	102,349	103,812	109,962	107,391	103,564
\$	(22,132)	\$ (15,997)	\$ (12,750)	\$ (14,237)	\$ (5,529)	\$ (7,978)	(1,893)
\$	1,436,732	\$ 1,279,794	\$ 1,169,697	\$ 1,186,421	1,256,714	\$ 1,227,324	1,183,592
	8.70%	8.80%	8.80%	8.80%	8.70%	8.80%	8.70%

MENARD COUNTY  
NOTES TO THE SCHEDULE OF CONTRIBUTIONS  
SEPTEMBER 30, 2024

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

**Methods and assumptions used to determine contribution rates:**

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	4.3 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New inflation, mortality and other assumptions were reflected.
	2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule.
	2016: Employer contributions reflect that a 10% CPI COLA was adopted.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: No changes in plan provisions were reflected in the Schedule.
	2019: No changes in plan provisions were reflected in the Schedule.
	2020: No changes in plan provisions were reflected in the Schedule.
	2021: No changes in plan provisions were reflected in the Schedule.
	2022: No changes in plan provisions were reflected in the Schedule.
	2023: No changes in plan provisions were reflected in the Schedule.

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

## SUPPLEMENTARY INFORMATION

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

	Development Fund	Veteran's Assistance Grant	Lateral Road Fund	Jury Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 4,876	\$ 11,547	\$ 1,473
Investments - Current	-	-	-	-
Taxes Receivable	-	-	1,052	-
Allowance for Uncollectible Taxes (credit)	-	-	(32)	-
Accounts Receivable, Net	-	-	136	15
Due from Other Governments	-	4,792	-	-
Due from Other Funds	-	-	-	-
Prepaid Items	-	1,250	-	-
Total Assets	<u>\$ -</u>	<u>\$ 10,918</u>	<u>\$ 12,703</u>	<u>\$ 1,488</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	66	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Other Current Liabilities	-	-	-	-
Total Liabilities	<u>-</u>	<u>66</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	1,020	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,020</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	10,852	11,683	1,488
Total Fund Balances	<u>-</u>	<u>10,852</u>	<u>11,683</u>	<u>1,488</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 10,918</u>	<u>\$ 12,703</u>	<u>\$ 1,488</u>

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

JP Court Tech	County/ District Court Tech	Judicial Ed & Support Fund	Court Reporter Svc Fund	Appellate Judicial Fund	Alternative Dispute Resolution	Court Initiated Guardianship	Truancy Prevention Fund
\$ 8,168	\$ 150	\$ 90	\$ 3,119	\$ 394	\$ 1,832	\$ 598	\$ 7,051
45,000	-	-	28,000	-	7,000	3,000	72,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
281	-	42	25	-	30	30	276
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 53,449</u>	<u>\$ 150</u>	<u>\$ 132</u>	<u>\$ 31,144</u>	<u>\$ 394</u>	<u>\$ 8,862</u>	<u>\$ 3,628</u>	<u>\$ 79,327</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	-	-	-	-	-	-	-
34,106	-	-	-	-	-	-	41,075
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	480
<u>34,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,555</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
19,321	150	132	31,144	394	8,862	3,628	37,772
<u>19,321</u>	<u>150</u>	<u>132</u>	<u>31,144</u>	<u>394</u>	<u>8,862</u>	<u>3,628</u>	<u>37,772</u>
<u>\$ 53,449</u>	<u>\$ 150</u>	<u>\$ 132</u>	<u>\$ 31,144</u>	<u>\$ 394</u>	<u>\$ 8,862</u>	<u>\$ 3,628</u>	<u>\$ 79,327</u>

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

	Language Access Fund	Records Management Fund	Clerks Archival Fund	Courthouse Restoration Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 365	\$ 9,062	\$ 5,787	\$ 4,887
Investments - Current	-	47,000	35,000	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Accounts Receivable, Net	3	495	470	112
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	8,494
Prepaid Items	-	-	-	-
Total Assets	<u>\$ 368</u>	<u>\$ 56,557</u>	<u>\$ 41,257</u>	<u>\$ 13,493</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Other Current Liabilities	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	368	56,557	41,257	13,493
Total Fund Balances	<u>368</u>	<u>56,557</u>	<u>41,257</u>	<u>13,493</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 368</u>	<u>\$ 56,557</u>	<u>\$ 41,257</u>	<u>\$ 13,493</u>

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



Courthouse Security Fund	Court Facility Fee Fund	County Law Library Fund	Sheriff's Special Fund	Senate Bill 22 Sheriff	Senate Bill 22 County Atty	Stone Garden Grant	Operation Lonestar Fund
\$ 8,171	\$ 1,080	\$ 2,710	\$ 13,297	\$ 96,844	\$ 72,421	\$ -	\$ -
55,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
356	20	35	-	-	-	895	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 63,527</u>	<u>\$ 1,100</u>	<u>\$ 2,745</u>	<u>\$ 13,297</u>	<u>\$ 96,844</u>	<u>\$ 72,421</u>	<u>\$ 895</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 8,187	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
37,289	-	-	-	-	-	895	-
-	-	-	-	87,921	72,063	-	-
-	-	-	-	-	-	-	-
<u>37,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,108</u>	<u>72,063</u>	<u>895</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
26,238	1,100	2,745	13,297	736	358	-	-
<u>26,238</u>	<u>1,100</u>	<u>2,745</u>	<u>13,297</u>	<u>736</u>	<u>358</u>	<u>-</u>	<u>-</u>
<u>\$ 63,527</u>	<u>\$ 1,100</u>	<u>\$ 2,745</u>	<u>\$ 13,297</u>	<u>\$ 96,844</u>	<u>\$ 72,421</u>	<u>\$ 895</u>	<u>\$ -</u>

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

	County Attorney's CC&P Fund	Pre-Trial Intervention	LEOSE Constable Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 510	\$ 1,247	\$ 3,357	\$ 259,036
Investments - Current	-	15,000	-	307,000
Taxes Receivable	-	-	-	1,052
Allowance for Uncollectible Taxes (credit)	-	-	-	(32)
Accounts Receivable, Net	-	-	-	3,221
Due from Other Governments	-	-	-	4,792
Due from Other Funds	-	-	-	8,494
Prepaid Items	-	-	-	1,250
Total Assets	<u>\$ 510</u>	<u>\$ 16,247</u>	<u>\$ 3,357</u>	<u>\$ 584,813</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 8,187
Wages and Salaries Payable	-	-	-	88
Due to Other Funds	-	-	-	113,365
Unearned Revenues	-	-	-	159,984
Other Current Liabilities	-	-	-	480
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,104</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	1,020
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,020</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	510	16,247	3,357	301,689
Total Fund Balances	<u>510</u>	<u>16,247</u>	<u>3,357</u>	<u>301,689</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 510</u>	<u>\$ 16,247</u>	<u>\$ 3,357</u>	<u>\$ 584,813</u>

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

Debt Service Fund		Total Nonmajor Governmental Funds
\$ 4,425	\$ -	\$ 263,461
60,973	-	367,973
9,464	-	10,516
(284)	-	(316)
1,315	-	4,536
-	-	4,792
-	-	8,494
-	-	1,250
<u>\$ 75,893</u>	<u>\$ -</u>	<u>\$ 660,706</u>
\$ -	\$ -	\$ 8,187
-	-	88
-	-	113,365
-	-	159,984
-	-	480
<u>-</u>	<u>-</u>	<u>282,104</u>
9,180	-	10,200
<u>9,180</u>	<u>-</u>	<u>10,200</u>
66,713	-	66,713
-	-	301,689
<u>66,713</u>	<u>-</u>	<u>368,402</u>
<u>\$ 75,893</u>	<u>\$ -</u>	<u>\$ 660,706</u>

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

	Development Fund	Veteran's Assistance Grant	Lateral Road Fund	Jury Fund
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ 24,986	\$ -
Penalty and Interest on Taxes	-	-	374	-
Intergovernmental Revenue and Grants	14,867	17,296	8,643	-
Charges for Services	-	-	-	660
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Rents and Royalties	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	1,776	-	-
Total Revenues	<u>14,867</u>	<u>19,072</u>	<u>34,003</u>	<u>660</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	-	-	-	-
Law Enforcement	-	-	-	-
Emergency Management Services	-	-	-	-
Roads and Bridges	-	-	1,319	-
Administration of Justice	-	-	-	-
Health and Human Services	-	17,224	-	-
Conservation and Development	14,867	-	-	-
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Total Expenditures	<u>14,867</u>	<u>17,224</u>	<u>1,319</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>1,848</u>	<u>32,684</u>	<u>660</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	-	-
Transfers In	-	6,600	-	-
Transfers Out	-	-	(24,875)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,600</u>	<u>(24,875)</u>	<u>-</u>
Net Change in Fund Balance	-	8,448	7,809	660
Fund Balance - October 1 (Beginning)	-	2,404	3,874	828
Adjustments and Restatements	-	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 10,852</u>	<u>\$ 11,683</u>	<u>\$ 1,488</u>

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

JP Court Tech	County/ District Court Tech	Judicial Ed & Support Fund	Court Reporter Svc Fund	Appellate Judicial Fund	Alternative Dispute Resolution	Court Initiated Guardianship	Truancy Prevention Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	114	92	810	(10)	597	-	-
6,148	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	320	6,410
<u>6,148</u>	<u>114</u>	<u>92</u>	<u>810</u>	<u>(10)</u>	<u>597</u>	<u>320</u>	<u>6,410</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
11,319	-	-	1,055	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>11,319</u>	<u>-</u>	<u>-</u>	<u>1,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(5,171)</u>	<u>114</u>	<u>92</u>	<u>(245)</u>	<u>(10)</u>	<u>597</u>	<u>320</u>	<u>6,410</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(5,171)</u>	<u>114</u>	<u>92</u>	<u>(245)</u>	<u>(10)</u>	<u>597</u>	<u>320</u>	<u>6,410</u>
24,492	36	40	31,389	404	8,265	3,308	31,362
-	-	-	-	-	-	-	-
<u>\$ 19,321</u>	<u>\$ 150</u>	<u>\$ 132</u>	<u>\$ 31,144</u>	<u>\$ 394</u>	<u>\$ 8,862</u>	<u>\$ 3,628</u>	<u>\$ 37,772</u>

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

	Language Access Fund	Records Management Fund	Clerks Archival Fund	Courthouse Restoration Fund
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Penalty and Interest on Taxes	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	156	8,602	6,750	1,830
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Rents and Royalties	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	58
Other Revenue	-	-	-	-
Total Revenues	<u>156</u>	<u>8,602</u>	<u>6,750</u>	<u>1,888</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	-	-	2,854	-
Law Enforcement	-	-	-	-
Emergency Management Services	-	-	-	-
Roads and Bridges	-	-	-	-
Administration of Justice	-	-	-	-
Health and Human Services	-	-	-	-
Conservation and Development	-	-	-	-
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,854</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>156</u>	<u>8,602</u>	<u>3,896</u>	<u>1,888</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	156	8,602	3,896	1,888
Fund Balance - October 1 (Beginning)	212	47,955	37,361	11,605
Adjustments and Restatements	-	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ 368</u>	<u>\$ 56,557</u>	<u>\$ 41,257</u>	<u>\$ 13,493</u>

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

Courthouse Security Fund	Court Facility Fee Fund	County Law Library Fund	Sheriff's Special Fund	Senate Bill 22 Sheriff	Senate Bill 22 County Atty	Stone Garden Grant	Operation Lonestar Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	162,079	27,937	895	41
9,182	660	1,890	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2	1,417	326	-	-
-	-	-	1,614	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>9,182</u>	<u>660</u>	<u>1,890</u>	<u>1,616</u>	<u>163,496</u>	<u>28,263</u>	<u>895</u>	<u>41</u>
-	-	-	-	-	-	-	-
-	-	-	29,716	162,760	27,905	895	15,147
2,287	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,287</u>	<u>-</u>	<u>-</u>	<u>29,716</u>	<u>162,760</u>	<u>27,905</u>	<u>895</u>	<u>15,147</u>
<u>6,895</u>	<u>660</u>	<u>1,890</u>	<u>(28,100)</u>	<u>736</u>	<u>358</u>	<u>-</u>	<u>(15,106)</u>
-	-	-	8,166	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	8,166	-	-	-	-
<u>6,895</u>	<u>660</u>	<u>1,890</u>	<u>(19,934)</u>	<u>736</u>	<u>358</u>	<u>-</u>	<u>(15,106)</u>
19,343	440	855	33,231	-	-	-	-
-	-	-	-	-	-	-	15,106
<u>\$ 26,238</u>	<u>\$ 1,100</u>	<u>\$ 2,745</u>	<u>\$ 13,297</u>	<u>\$ 736</u>	<u>\$ 358</u>	<u>\$ -</u>	<u>\$ -</u>



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

	County Attorney's CC&P Fund	Pre-Trial Intervention	LEOSE Constable Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ 24,986
Penalty and Interest on Taxes	-	-	-	374
Intergovernmental Revenue and Grants	-	-	3,172	234,930
Charges for Services	450	-	-	31,783
Fines	-	-	-	6,148
Investment Earnings	-	-	-	1,745
Rents and Royalties	-	-	-	1,614
Contributions & Donations from Private Sources	-	-	-	58
Other Revenue	-	-	-	8,506
Total Revenues	450	-	3,172	310,144
<b>EXPENDITURES:</b>				
Current:				
General Administration	-	-	-	2,854
Law Enforcement	-	-	-	236,423
Emergency Management Services	-	-	-	2,287
Roads and Bridges	-	-	-	1,319
Administration of Justice	-	-	-	12,374
Health and Human Services	-	-	-	17,224
Conservation and Development	-	-	-	14,867
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Total Expenditures	-	-	-	287,348
Excess (Deficiency) of Revenues Over (Under) Expenditures	450	-	3,172	22,796
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	-	8,166
Transfers In	-	-	-	6,600
Transfers Out	-	-	-	(24,875)
Total Other Financing Sources (Uses)	-	-	-	(10,109)
Net Change in Fund Balance	450	-	3,172	12,687
Fund Balance - October 1 (Beginning)	60	16,247	185	273,896
Adjustments and Restatements	-	-	-	15,106
Fund Balance - September 30 (Ending)	\$ 510	\$ 16,247	\$ 3,357	\$ 301,689

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

Debt Service Fund		Total Nonmajor Governmental Funds			
\$	200,258	\$	-	\$	225,244
	3,368		-		3,742
	-		-		234,930
	-		-		31,783
	-		-		6,148
	1,973		-		3,718
	-		-		1,614
	-		-		58
	-		-		8,506
	205,599		-		515,743
	-		-		2,854
	-		-		236,423
	-		-		2,287
	-		-		1,319
	-		-		12,374
	-		-		17,224
	-		-		14,867
	150,000		-		150,000
	35,160		-		35,160
	185,160		-		472,508
	20,439		-		43,235
	-		-		8,166
	-		-		6,600
	-		-		(24,875)
	-		-		(10,109)
	20,439		-		33,126
	46,274		-		320,170
	-		-		15,106
\$	66,713	\$	-	\$	368,402

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

	Total				
	County Attorney	Tax Assessor/ Collector	County & District Clk	Justice of the Peace	Custodial Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 594	\$ 3,798	\$ 507,777	\$ 37,451	\$ 549,620
Investments - Current	-	-	2,026	-	2,026
Total Assets	<u>\$ 594</u>	<u>\$ 3,798</u>	<u>\$ 509,803</u>	<u>\$ 37,451</u>	<u>\$ 551,646</u>
<b>NET POSITION</b>					
Restricted for Other Purposes	594	3,798	509,803	37,451	551,646
Total Net Position	<u>\$ 594</u>	<u>\$ 3,798</u>	<u>\$ 509,803</u>	<u>\$ 37,451</u>	<u>\$ 551,646</u>

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

MENARD COUNTY, TEXAS  
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Total				
	County Attorney	Tax Assessor/ Collector	County & District Clk	Justice of the Peace	Custodial Funds
ADDITIONS:					
Charges for Services	\$ 768	\$ 337,586	\$ 469,468	\$ 478,779	\$ 1,286,601
Total Additions	768	337,586	469,468	478,779	1,286,601
DEDUCTIONS:					
Other Operating Costs	2,427	352,706	84,837	515,011	954,981
Total Deductions	2,427	352,706	84,837	515,011	954,981
Change in Net Position	(1,659)	(15,120)	384,631	(36,232)	331,620
Total Net Position - October 1 (Beginning)	2,253	18,918	125,172	73,683	220,026
Total Net Position - September 30 (Ending)	\$ 594	\$ 3,798	\$ 509,803	\$ 37,451	\$ 551,646

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



# NEFFENDORF & BLOCKER, P.C.

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

To the Honorable Judge and County Commissioners  
Menard County, Texas  
Menard, Texas 76859

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Menard County, Texas, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Menard County, Texas' basic financial statements and have issued our report thereon dated August 8, 2025.

### **Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

## **Purpose of This Report**

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

*Neffendorf & Blocker, P.C.*

NEFFENDORF & BLOCKER, P.C.

Fredericksburg, Texas  
August 8, 2025

**MENARD COUNTY, TEXAS**  
**SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS/**  
**CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**Current Year's Findings/Noncompliance and Corrective Action Plan:**

None

**Prior Year's Finding/Noncompliance Status:**

**B. Section II - Findings Related to the Financial Statements**

<b><u>2023-001</u></b>	<b>Repeat Finding</b>
<b>Type of Finding:</b>	Significant Deficiency
<b>Criteria:</b>	Operation Lone Star funds were only to be used for additional employees or additional overtime worked by law enforcement due to the border crisis.
<b>Condition:</b>	The County records could not substantiate that payroll expenses paid by the Operation Lone Star grant were not supplanted.
<b>Cause:</b>	The County does not budget law enforcement employees by position. The budgeted salaries are one lump sum.
<b>Effect:</b>	The County's claimed payroll expenses could potentially be noncompliant with the requirements of the grant.
<b>Questioned Costs:</b>	None
<b>Recommendation:</b>	We recommend the County adopt the law enforcement payroll budget by position for compliance with grants and budget control.
<b>Current Year Status:</b>	Corrective action was taken by the County.
<b><u>2023-002</u></b>	<b>Repeat Finding</b>
<b>Type of Finding:</b>	Significant Deficiency
<b>Criteria:</b>	Texas Transportation Code Title 7, Subtitle H Section 683.015, Subchapter B states that auction proceeds from abandoned vehicle sales can only be spent to reimburse the County for expenditures related to the sale of the vehicle. The code also states a County may transfer funds in excess of \$1,000 from the account to the County's general revenue account to be used by the law enforcement agency.
<b>Condition:</b>	Expenditures in the Abandoned Vehicle Bank Account are not in compliance with the Texas Transportation Code (law enforcement expenditures paid directly out of the fund).
<b>Cause:</b>	The Sheriff's Abandoned Vehicle Special bank account is not recorded in the County's general ledger system therefore the appropriate transfer to the General Fund was not made.
<b>Effect:</b>	The Abandoned Vehicle restricted funds are expended on nonqualifying expenditures per the Texas Transportation Code.



<b>Questioned Costs:</b>	None
<b>Recommendation:</b>	We recommend the County record the Sheriff Abandoned Vehicle Special account in the County's general ledger system and transfer funds in excess of \$1,000 to the General Fund for law enforcement purchases.
<b>Current Year Status:</b>	Corrective action was taken by the County.



# NEFFENDORF & BLOCKER, P.C.

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August 8, 2025

Honorable Judge and County Commissioners  
Menard County  
Menard, TX 76859

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Menard County, Texas for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 30, 2024. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Matters

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Menard County, Texas are described in Note 1 to the financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections* was adopted and the application of existing policies was not changed during the year ended September 30, 2024. We noted no transactions entered into by the Menard County, Texas during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 8, 2025.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Menard County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Menard County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the budgetary comparison schedules, schedule of changes in net pension liability and schedule of employer contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining statements and individual nonmajor fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting record used to prepare the financial statements.

### *Recommendations*

#### **Prior Year Recommendations:**

##### **Year-End Closing Procedures**

The County does not have year-end closing procedures in place. Year-end closing procedures should be in place to ensure the trial balance is complete and all accruals have been made. Management failed to accurately post all year end accrual adjustments resulting in the financial statements being incomplete. We again recommend the County design and implement accounting period closing policies and procedures to ensure the trial balance is complete.

#### **Current Year Recommendations:**

##### **Right-to-use Leases**

The County entered into a new copier lease agreement. The County did not review the agreement for required compliance with GASB 87 *Leases*. The agreement did require compliance with the standard. We recommend the County review any new lease agreements for required compliance with the GASB standards and make the required general ledger entries to comply with the GASB standards.

Public Funds Investment Act

During review of the quarterly investment report required by the Public Funds Investment Act, it was noted the balances reported did not agree with the general ledger accounts or the confirmed bank balances. We recommend the quarterly report be reconciled to the bank and the general ledger accounts to ensure completeness and accuracy.

Restriction on Use

This information is intended solely for the use of the Commissioner's Court and management of Menard County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Neffendorf + Blocker, P.C.*  
NEFFENDORF & BLOCKER, P.C.  
Fredericksburg, Texas