

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



OFFICE OF THE COUNTY AUDITOR

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

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	iv
GFOA Certificate of Achievement	vii
Organization Chart	viii
Listing of Principal County Officials	ix
FINANCIAL SECTION	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
<u>Basic Financial Statements</u>	
<i>Government Wide Statements</i>	
Statement of Net Position	12
Statement of Activities	14
<i>Governmental Fund Statements</i>	
Balance Sheet	15
Reconciliation of Balance Sheet to Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances	17
Reconciliation Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities	18
<i>Proprietary Fund Statements</i>	
Statement of Net Position	19
Statement of Revenues, Expenses, and Changes in Fund Net Position	20
Statement of Cash Flows	21
<i>Fiduciary Fund Statements</i>	
Statement of Fiduciary Net Position	22
Statement of Changes in Fiduciary Net Position	23
Notes to Financial Statements	24
<u>Required Supplementary Information</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund	49
Schedule of Changes in Net Pension Liability and Related Ratios - TCDRS	50
Schedule of Employer Contributions - TCDRS	53
Schedule of Changes in Total OPEB Liability – The Potter County Healthcare Plan	55
<u>Other Supplementary Information</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund by Budgetary Unit	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Capital Projects Fund	73
Schedule of Revenues, Expenditures, and Changes in Net Position – Budget to Actual – Proprietary Fund	74
<u>Combining and Individual Fund Statements and Schedules</u>	
<i>Governmental Funds</i>	
Combining Balance Sheet – Non-major Funds	78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Funds	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual:	
County Assistance District	96
Law Library	97
Courthouse Security	98
Justice Courts Building Security	99
County Clerk Records Management	100
Court Records Management	101
District Clerk Records Management	102
Justice Court Technology	103
County Clerk / District Clerk Technology	104

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

TABLE OF CONTENTS (cont.)

	<u>Page</u>
Auto Burglary and Theft Prevention	105
Drug Court	106
Capital Projects	107
Series 2016 Certificates of Obligation	108
Series 2017 Tax Notes	109
Series 2019 Certificates of Obligation	110
<i>Custodial Funds</i>	
Combining Statement of Fiduciary Net Position	112
Combining Statement of Changes in Fiduciary Net Position	115

STATISTICAL SECTION

Financial Trends

Net Position by Component – Table 1	120
Changes in Net Position – Table 2	122
Fund Balances of Governmental Funds – Table 3	124
Changes in Fund Balance of Governmental Funds – Table 4	126

Revenue Capacity

Property Tax Rates – Table 5	128
Assessed and Estimated Actual Value of Taxable Property – Table 6	129
Principal Taxpayers – Table 7	130
Property Tax Levies and Collections – Table 8	131

Debt Capacity

Ratios of Outstanding Debt by Type – Table 9	132
Legal Debt Margin Information – Table 10	133
Ratio of General Bonded Debt Outstanding to Assessed Value and Net Bonded Debt Per Capital – Table 11	134
Computation of Direct and Overlapping Debt – Table 12	135

Demographic and Economic Information

Demographic and Economic Statistics – Table 13	136
Principal Employers – Table 14	137

Operating Information

Full-Time Equivalent County Government Employees by Function/Activity – Table 15	138
Operating Indicators by Function/Activity – Table 16	140
Capital Asset Statistics by Function/Activity – Table 17	142

COMPLIANCE

Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	145
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INTRODUCTORY SECTION



OFFICE OF THE COUNTY AUDITOR

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Brandon Boston
County Auditor
Auditor@co.potter.tx.us

806-349-4800
806-349-4808 (fax)

March 15, 2024

The Annual Comprehensive Financial Report of Potter County, Texas (the "County"), for the year ended September 30, 2023, is submitted herewith. This report is submitted in accordance with Section 114.025 of the Local Government Code.

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

These financial statements and supplemental financial information have been audited by Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC ("HankinsEastup"), a firm of licensed certified public accountants engaged by the Potter County Commissioners' Court. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2023, are free of material misstatement. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Potter County was part of the broader federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Other Supplemental Information sections of this financial report and in separately issued Single Audit reports dated March 15, 2024.

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

Profile of the Government

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

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

The County, as a political subdivision of the State of Texas provides services allowed, or implied, by the State Constitution and statutes. The County serves an estimated 2023 population of 115,400 and provides a full range of county services normally associated with a Texas county, including administration of general government, adult and juvenile justice programs, assistance to indigents, courts, elections, fire protections, jails, law enforcement, law library, and recording offices, as well as the construction and maintenance of roads, bridges and other infrastructure.

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

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

Local Economy

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

Long-term Financial Planning and Relevant Financial Policies

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

Major Initiatives

The County has contracted with architects Hellmuth, Obata & Kassabaum, Inc., and general contractors Adolfson and Peterson Construction to build a new District Courts Building that will house District Offices and Commissioner's Court. A records center is also included in the structure.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Potter County for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the thirtieth consecutive year the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,



Brandon Boston
Potter County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Potter County
Texas**

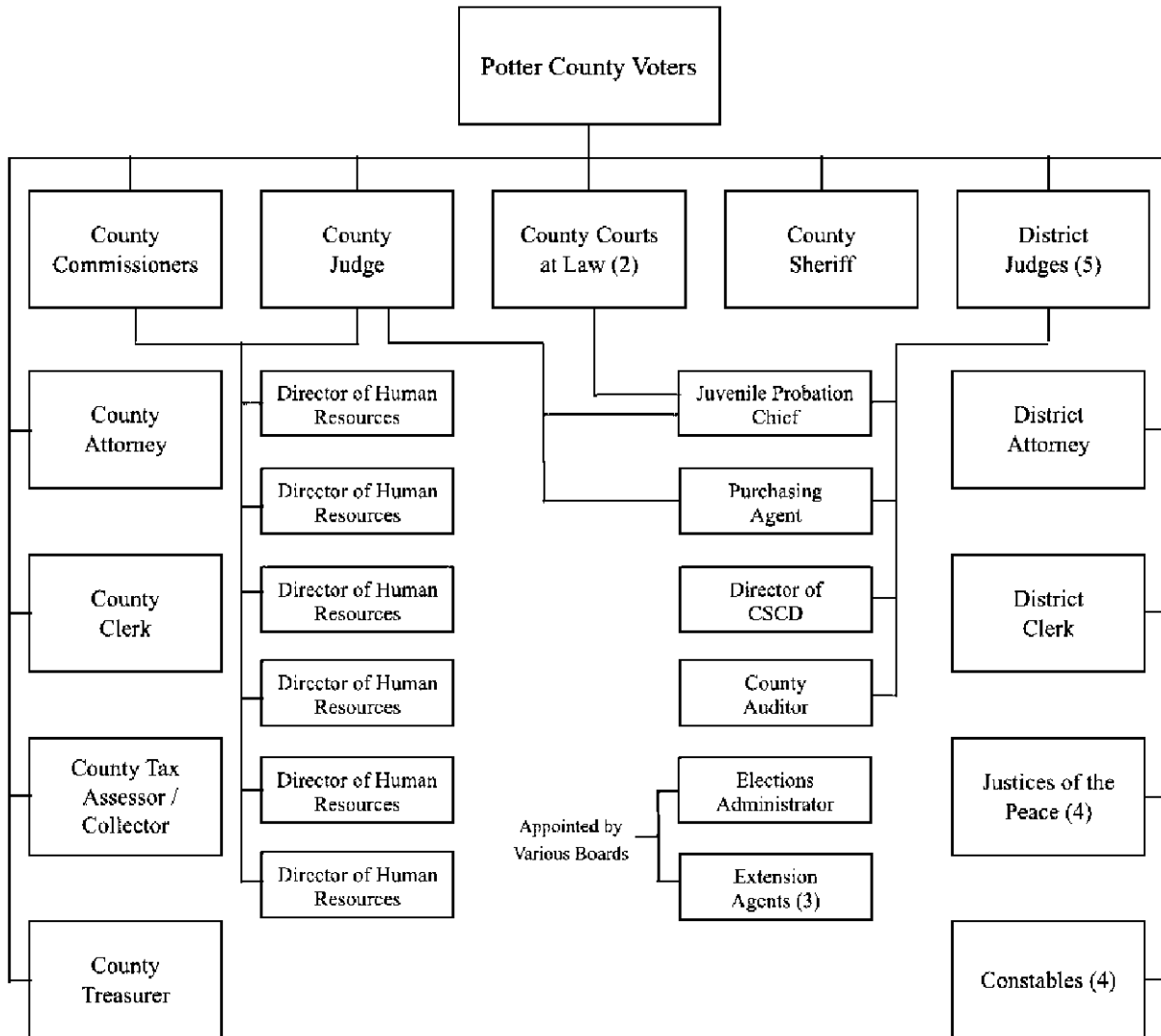
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

POTTER COUNTY, TEXAS
ORGANIZATION CHART
FOR THE YEAR ENDED SEPTEMBER 30, 2023



POTTER COUNTY, TEXAS
LISTING OF PRINCIPAL COUNTY OFFICIALS
SEPTEMBER 30, 2023

Nancy Tanner.....County Judge

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

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

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

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

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

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

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

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

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

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

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

Jason Herring.....District Attorney

Stephanie Menke.....District Clerk

Scott Brumley.....County Attorney

Julie Smith.....County Clerk

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

Brooke Graves.....County Treasurer

Brian Thomas.....County Sheriff

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

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

Gary Johnson.....Justice of the Peace, Precinct #3

Thomas Jones.....Justice of the Peace, Precinct #4

Darryl Wertz.....Constable, Precinct #1

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

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

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

Alyson Villalon.....Purchasing Agent

Brandon Boston.....County Auditor

FINANCIAL SECTION

HankinsEastup

★
Deaton Tonn Scay & Scarborough | A Texas LLC

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

a guarantee that an audit conducted in accordance with general accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Prior Period Adjustments to Beginning Net Position

As described in Note 19 to the basic financial statements, the County has recorded prior period adjustments to beginning net position due to (1) its implementation of GASB Statement No. 96, which requires the capitalization of subscription-based information technology arrangements and (2) the removal of unsubstantiated assets and liabilities in its accounting records pertaining to prior accounting periods.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and

are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Hankins Eastup Deaton Tonn Seay & Scarborough, LLC

Amarillo, Texas
March 15, 2024

POTTER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

As management of Potter County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources as of September 30, 2023, by \$151.9 million (its "net position"). Of this amount, \$31.7 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased \$7.3 million during fiscal 2023.
- Property tax revenue increased \$2.3 million.
- At the close of fiscal 2023, the County's governmental funds reported combined fund balances of \$84.5, an increase of \$7 million from the prior fiscal year. Approximately 45.4% of the fund balance (\$38.4 million) is available for spending at the government's discretion (unassigned fund balance).
- At the end of fiscal 2023, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$39.1 million or approximately 65% of total general fund expenditures.
- Potter County's total outstanding long-term bonded indebtedness decreased by \$3.1 million during fiscal 2023.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 12 through 14 of this report.

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

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

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

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

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

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

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

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

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

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

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

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

The required supplementary information can be found on pages 49 through 55 of this report.

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

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

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

The combining and individual fund statements and schedules can be found on pages 78 through 110 of this report.

Government-wide Overall Financial Analysis

Net position is measure of a government’s financial position at a point in time. As of September 30, 2023, the County’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$151.9 million (its “net position”).

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

	Governmental Activities	
	2023	2022
Current assets	\$ 96,621	\$ 102,914
Net pension asset		10,120
Capital assets	145,958	149,202
Total assets	242,579	262,236
Deferred outflows - pension and OPEB	13,189,532	10,848,566
Non-current liabilities	72,103	74,947
Net pension liability	18,828	
Other liabilities	11,276	11,705
Total liabilities	102,207	86,652
Deferred inflows - pension and OPEB	1,618	31,687
Net position:		
Net investment in capital assets	84,539	83,184
Restricted	35,714	40,268
Unrestricted	31,691	21,174
Total net position	\$ 151,944	\$ 144,626

The largest portion of the County’s net position (55.6%) is its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, infrastructure, and capitalized software licenses), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. These assets, therefore, are not available for future spending. Other resources must be used to repay the related debt because the capital assets themselves cannot be liquidated to repay the debt.

An additional 23.5% of the County’s net position are resources subject to external restrictions on how they may be used. 20.9% of the County’s net position, \$31.7 million, is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors.

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

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

	Governmental Activities	
	2023	2022
Charges for services	\$ 5,852	\$ 5,789
Operating grants and contributions	3,038	16,205
Capital grants and contributions	2,690	862
Property taxes	61,029	58,699
Other taxes	7,183	5,632
Other revenues	6,633	3,213
Total revenues	86,425	90,400
General administrative	8,970	8,317
Facilities maintenance	6,033	4,076
Election administration	730	1,151
Judicial	16,981	15,542
Public safety	24,676	19,555
Corrections and rehabilitation	13,175	11,647
Health and human services	990	874
Roads and bridges	3,789	2,955
Community service	975	
Loss on disposal of assets	434	
Interest on long-term debt	2,354	2,457
Total expenses	79,107	66,574
Increase (decrease) in net position	7,318	23,826
Net position, beginning	144,626	123,116
Prior period adjustments		(2,316)
Net position, ending	\$ 151,944	\$ 144,626

During fiscal 2023, net position increased \$7.3 million.

Significant changes relate primarily to decreasing amounts of ARPA funding and increases in public safety expenses during the fiscal year.

Financial Analysis of Governmental Funds

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

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

As of September 30, 2023, the County's governmental funds reported combined fund balances of \$84.5

million, an increase of \$7 million as compared to September 30, 2022. Approximately 45.4% of this amount (\$38.4 million) constitutes unassigned fund balance that is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is not in spendable form (\$0.5 million), restricted for particular purposes (\$35.6 million), committed for particular purposes (\$10 million), or assigned for particular purposes, respectively.

The general fund is the primary operating fund of the County. As of September 30, 2023, the unassigned fund balance of the general fund was \$38.5 million, while total fund balance increased to \$39.6 million.

As a measure of the general fund's liquidity, it is useful to compare both the unassigned fund balance and total fund balance of the general fund to total general fund expenditures during the most recent fiscal year. Unassigned fund balance in the general fund as of September 30, 2023, is 64% of total general fund expenditures for the year ended September 30, 2023, while total general fund balance is 65.9% of total general fund expenditures.

The County's general fund balance increased by \$5.6 million during fiscal 2023.

The District Courts Building capital projects fund, a major governmental fund, was established to account for proceeds from the 2019 sale of certificates of obligation, which were issued to construct a new District Courts facility. The fund had capital expenditures of \$9.7 million during the fiscal 2023.

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

Unrestricted net position of the internal service fund as of September 30, 2023, was \$4.2 million. The increase in net position was \$0.8 million.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. During fiscal 2023, there were multiple adjustments among budget categories, but there were no individually significant amendments that changed the original budget.

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

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$146 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads and bridges, and capitalized subscription-based information technology arrangement.

The County implemented GASB Statement No. 96 in fiscal 2023, which requires the capitalization of subscription-based information technology arrangements and the recording of related liabilities that meet specified requirements in the new accounting standard.

The major capital asset addition during fiscal year 2023 is the continuing work on the new District Courts Building, the total cost of which is \$58.6 million as of September 30, 2023, with \$7.7 million of the cost occurring during fiscal year 2023.

Capital Assets (in thousands of dollars)

	2023	2022
<i>Capital assets - governmental activities</i>		
Capital assets not being depreciated/amortized:		
Land	\$ 4,912	\$ 4,912
Construction in progress	58,634	50,928
	<u>63,545</u>	<u>55,840</u>
Capital assets being depreciated/amortized:		
Roads and bridges	39,687	39,687
Buildings and improvements	100,738	100,738
Furniture and equipment	27,453	24,775
Leased equipment	3,604	3,726
Subscription-based information technology arrangements	1,283	1,283
	<u>172,764</u>	<u>170,208</u>
Accumulated depreciation/amortization:		
Roads and bridges	(32,940)	(28,483)
Buildings and improvements	(40,980)	(40,980)
Furniture and equipment	(14,929)	(15,221)
Leased equipment	(998)	(998)
Subscription-based information technology arrangements	(504)	-
	<u>(90,351)</u>	<u>(85,684)</u>
Capital assets, net of accumulated depreciation/amortization	<u>\$ 145,958</u>	<u>\$ 140,365</u>

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

Long-term Debt. At the end of fiscal 2023, the County had total outstanding bonded indebtedness of \$63.3 million. Repayment of this amount is made from ad valorem taxes.

Bonded Indebtedness (in thousands of dollars)

	2023	2022
<i>Bonds payable - governmental activities</i>		
2016 Certificates of obligation	\$ 15,865	\$ 16,850
2017 Tax notes	950	1,885
2019 Certificates of obligation	47,435	48,575
	<u>\$ 64,250</u>	<u>\$ 67,310</u>

The County's total debt decreased \$3.1 million during fiscal 2023. The County has an "AA-" bond rating from Standard & Poor's on its general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue; the limit is 5 percent of the assessed valuation of real property. The current debt limitation for the County is \$432.9 million which is significantly higher than the County's outstanding general obligation debt.

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

Economic Factors and Next Year's Budgets and Tax Rates

The County Judge, who is the County's budget officer, under advisement from elected and appointed officials considered many factors when proposing the fiscal year 2024 operating budget and tax rates. Those factors included the state of the economy, the County's population trends, current property tax rates, the County's fund balances, and projected grant revenues from both Federal and State sources. The County adopted a balanced budget for its debt service funds and a deficit budget for its general fund for fiscal year 2024. The County adopted a maintenance and operations tax rate of \$0.56785 per \$100 valuation, which is lower than the fiscal year 2023 rate of \$.58794 per \$100 valuation. The County's debt service tax rate was also lowered to .04907 per \$100 valuation, which was lower than the 2023 rate of .05931 per \$100 valuation. Population decline is projected over the next decade, which will impact the County's ability to raise tax revenue. The 2024 fiscal year will see the completion of the new District Courts building as well as progress toward the demolition of the old building to provide parking for the new building.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

POTTER COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities
ASSETS	
<i>Current assets</i>	
Cash and cash equivalents	\$ 92,979,441
Taxes receivable, net of allowance for doubtful accounts	715,186
Due from custodial funds	220,731
Due from other governmental entities	154,537
Other receivables	2,093,367
Prepaid expenses	458,087
Total current assets	96,621,349
 <i>Noncurrent assets</i>	
Capital assets, net of accumulated depreciation and amortization	145,958,321
Total assets	242,579,670
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pension plan	11,165,892
Deferred outflows of resources related to OPEB plan	2,023,640
Total deferred outflows of resources	13,189,532
 LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	5,412,265
Accrued payroll	1,530,883
Unearned revenue	70,125
Due to custodial funds	42,083
Due to other governmental entities	154,537
Bonds payable, current portion	2,715,000
Capital leases payable, current portion	400,962
Subscription-based information technology arrangements payable, current portion	347,253
Compensated absences, current portion	206,556
Accrued interest payable	396,439
Total current liabilities	11,276,103

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

POTTER COUNTY, TEXAS
STATEMENT OF NET POSITION (continued)
SEPTEMBER 30, 2023

	<u>Governmental Activities</u>
<i>Noncurrent liabilities</i>	
Bonds payable	\$ 61,535,000
Bond premiums	3,596,812
Capital leases payable	1,904,760
Subscription-based information technology arrangements payable	367,876
Compensated absences	1,859,000
Net pension liability	18,827,765
Net OPEB liability	2,840,169
Total noncurrent liabilities	<u>90,931,382</u>
Total liabilities	102,207,485
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pension plan	1,103,755
Deferred inflows of resources related to OPEB plan	514,060
Total deferred inflows of resources	<u>1,617,815</u>
 NET POSITION	
Net investment in capital assets	84,538,943
Restricted:	
Debt service	3,258,096
Other purposes	32,455,486
Unrestricted	31,691,377
Total net position	<u><u>\$ 151,943,902</u></u>

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

POTTER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Function / Program	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
<i>Governmental activities</i>					
Administrative	\$ 8,970,720	\$ 818,004	\$ 77,211	\$ 78,453	\$ (7,997,052)
Judicial	16,980,595	1,712,154	1,909,031	15,000	(13,344,410)
Elections	729,907	17,659			(712,248)
Public facilities	6,033,824				(6,033,824)
Public safety	24,676,473	984,572	486,047	2,366,757	(20,839,097)
Corrections and rehabilitation	13,174,861		257,045		(12,917,816)
Roads and bridges	3,789,158	2,319,920	19,074	229,836	(1,220,328)
Health and human services	989,816		289,218		(700,598)
Community service	974,651				(974,651)
Loss on disposal of assets	433,557				(433,557)
Interest on long-term debt	2,353,776				(2,353,776)
Total	79,107,338	5,852,309	3,037,626	2,690,046	(67,527,357)

General revenues:

Property taxes levied for general purposes	55,453,541
Property taxes levied for debt service	5,575,008
Sales and other taxes	7,182,633
Interest income	5,252,497
Other	1,381,818
Total general revenues	74,845,497
Change in net position	7,318,140
Beginning net position, October 1	146,941,295
Prior period adjustment	(2,315,533)
Ending net position, September 30	\$ 151,943,902

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

POTTER COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	American Rescue Fund	District Courts Building	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 40,023,097	\$ 16,143,962	\$ 7,056,248	\$ 24,937,336	\$ 88,160,643
Taxes receivable, net	649,650			65,536	715,186
Due from other governmental funds	185,120			48,371	233,491
Due from custodial and internal service funds	220,731				220,731
Due from other governmental entities	114,664			39,873	154,537
Other receivables	1,149,042			941,435	2,090,477
Prepaid items	458,087				458,087
Total assets	<u>\$ 42,800,391</u>	<u>\$ 16,143,962</u>	<u>\$ 7,056,248</u>	<u>\$ 26,032,551</u>	<u>\$ 92,033,152</u>
LIABILITIES					
Accounts payable	\$ 1,033,485	\$ 63,067	\$ 29,824	\$ 1,023,151	\$ 2,149,527
Retainage payable			2,657,665		2,657,665
Due to other governmental funds	24,532			208,959	233,491
Due to custodial funds				40,827	40,827
Due to other governmental entities	114,664			39,873	154,537
Accrued payroll	1,352,608			178,275	1,530,883
Unearned revenue	70,125				70,125
Total liabilities	<u>2,595,414</u>	<u>63,067</u>	<u>2,687,489</u>	<u>1,491,085</u>	<u>6,837,055</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	649,651			65,536	715,187
Total deferred inflows of resources	<u>649,651</u>	<u>-</u>	<u>-</u>	<u>65,536</u>	<u>715,187</u>
FUND BALANCES					
Non-spendable:					
Prepaid items	458,087				458,087
Restricted for:					
Debt service				3,177,796	3,177,796
Administrative		16,080,895		11,162,418	27,243,313
Judicial				1,691,223	1,691,223
Elections				444,840	444,840
Public safety				2,993,819	2,993,819
Committed to:					
Capital projects	561,580		4,368,759	5,049,702	9,980,041
Unassigned (deficit)	38,535,659			(126,159)	38,409,500
Total fund balances	<u>39,555,326</u>	<u>16,080,895</u>	<u>4,368,759</u>	<u>24,393,639</u>	<u>84,398,619</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,800,391</u>	<u>\$ 16,143,962</u>	<u>\$ 7,056,248</u>	<u>\$ 25,950,260</u>	<u>\$ 91,950,861</u>

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

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

Total fund balances - governmental funds	\$ 84,480,910
Assets and liabilities of internal service funds are not included in the governmental funds financial statements.	4,215,359
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	145,958,321
Bonds payable, capitalized lease liabilities, capitalized subscription-based information technology arrangements, and accrued interest payable are not reported in the fund financial statements.	(71,264,102)
Accrued compensated absences are not reported in the fund financial statements.	(2,065,556)
Deferred property tax revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.	715,187
The County's net pension liability is not reported in the fund financial statements.	(18,827,765)
Deferred resource outflows (\$11,165,892) and deferred resource inflows (\$1,103,755) pertaining to the pension plan are not reported in the fund financial statements.	10,062,137
The County's net Other Post-Employment Benefit (OPEB) liability pertaining to retiree health benefits is not reported in the fund financial statements.	(2,840,169)
Deferred resource outflows (\$2,023,640) and deferred resource inflows (\$514,060) pertaining to the OPEB plan are not reported in the fund financial statements.	1,509,580
Net position of governmental activities	\$ 151,943,902

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

POTTER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	American Rescue Fund	District Courts Building	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 55,098,211	\$ -	\$ -	\$ 5,539,005	\$ 60,637,216
Sales and other taxes	1,557,086			5,625,547	7,182,633
Licenses and fees	4,454,280			814,016	5,268,296
Fines and forfeitures	584,013				584,013
Intergovernmental	3,037,626	229,836		2,460,210	5,727,672
Interest income	2,389,355	989,433	464,514	1,194,369	5,037,671
Other	904,350			477,468	1,381,818
Total revenues	68,024,921	1,219,269	464,514	16,110,615	85,819,319
EXPENDITURES					
Administrative	\$ 7,836,889	\$ -	\$ -	\$ 865,136	8,702,025
Judicial	17,733,340			193,970	17,927,310
Elections	526,074			141,252	667,326
Public facilities	2,753,318				2,753,318
Public safety	13,340,381			8,406,577	21,746,958
Corrections and rehabilitation	13,971,288				13,971,288
Roads and bridges	2,440,163				2,440,163
Health and human services	1,069,457				1,069,457
Capital outlay	452,332	3,623,674	9,698,546	3,250,681	17,025,233
Community service		1,014,473			1,014,473
Debt service - principal				3,060,000	3,060,000
Debt service - interest				2,460,088	2,460,088
Total expenditures	60,123,242	4,638,147	9,698,546	18,377,704	92,837,639
OTHER FINANCING SOURCES (USES)					
Transfers in	2,999,986			5,304,560	8,304,546
Transfers out	(5,282,263)	(2,999,986)		(22,297)	(8,304,546)
Total other financing sources (uses)	(2,282,277)	(2,999,986)	-	5,282,263	-
Net change in fund balance	5,619,402	(6,418,864)	(9,234,032)	3,015,174	(7,018,320)
Beginning fund balance, October 1	35,253,672	22,499,759	13,602,791	21,460,756	92,816,978
Prior Period Adjustment	(1,317,748)				(1,317,748)
Ending fund balance, September 30	\$ 39,555,326	\$ 16,080,895	\$ 4,368,759	\$ 24,475,930	\$ 84,480,910

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

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

Net change in fund balances - governmental funds	\$ (7,018,320)
The net profit (loss) of internal service funds is not included in the governmental funds financial statements.	773,061
Capital asset additions are expenditures in the fund financial statements, but they are capitalized in the government-wide financial statements.	10,987,688
Losses on disposal of capital assets are not reported in the fund financial statements.	(433,557)
Depreciation and amortization expense is not reported in the fund financial statements.	(4,834,425)
Principal payments on bonds payable, capitalized lease liabilities, and capitalized subscription-based information technology arrangements are recorded as debt service expenditures in the fund financial statements, but they are reported as reductions of long-term debt in the government-wide financial statements.	3,926,090
Accrued interest and the amortization of bond premiums are not reported in the fund financial statements.	162,971
The incurrence of long-term debt is not reported in the fund financial statements.	(60,601)
Unavailable property tax revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.	391,333
Accrued compensated absences are not reported in the fund financial statements.	77,505
Pension expense is recognized in the government-wide financial statements in lieu of retirement contributions in the fund level financial statements.	302,322
OPEB expense for retiree healthcare is not reported in the fund financial statements.	3,044,073
Change in net position of governmental activities	<u><u>\$ 7,318,140</u></u>

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

POTTER COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2023

	Internal Service Fund
ASSETS	
<i>Current assets</i>	
Cash and cash equivalents	\$ 4,818,798
Other	2,890
Total current assets	4,821,688
Total assets	4,821,688
 LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	35,202
Claims payable	569,871
Due to other funds	1,256
Other	
Total current liabilities	606,329
Total liabilities	606,329
 NET POSITION	
Unrestricted	4,215,359
Total net position	\$ 4,215,359

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

POTTER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Internal Service Fund</u>
OPERATING REVENUES	
Healthcare contributions - employees	\$ 7,347,267
Healthcare contributions - retirees	233,695
Reinsurance recoveries	<u>356,805</u>
Total operating revenues	7,937,767
OPERATING EXPENSES	
Medical claims	3,167,966
Pharmacy claims	2,446,753
Dental premiums	56,590
Vision premiums	327,242
Life insurance premiums	161,618
Third-part administrator fees	1,069,363
Contracted services	150,000
Other	<u>-</u>
Total operating expenses	7,379,532
Operating income (loss)	<u>558,235</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	<u>214,826</u>
Total non-operating revenues (expenses)	214,826
Change in net position	<u>773,061</u>
Beginning net position, October 1	<u>3,442,298</u>
Ending net position, September 30	<u><u>\$ 4,215,359</u></u>

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

POTTER COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from healthcare contributions	\$ 7,580,962
Receipts from reinsurance recoveries	356,805
Payments for healthcare claims	(5,823,181)
Payments to vendors	<u>(1,373,134)</u>
Total cash flows from operating activities	741,452
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other	<u>1,256</u>
Total cash flows from noncapital financing activities	1,256
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>214,826</u>
Total cash flows from investing activities	214,826
Net increase in cash and cash equivalents	<u>957,534</u>
Beginning cash and cash equivalents, October 1	<u>3,861,264</u>
Ending cash and cash equivalents, September 30	<u><u>\$ 4,818,798</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net operating income (loss)	\$ 558,235
<i>Adjustments to reconcile net operating income (loss) to net cash flows from operating activities</i>	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(328)
Increase (decrease) in accounts payable	<u>183,545</u>
Net cash provided by operating activities	<u><u>\$ 741,452</u></u>

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

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

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 8,117,146
Taxes receivable for other governments	4,456,712
Accounts receivable	2,097
Due from County	<u>40,827</u>
Total assets	12,616,782
LIABILITIES	
Accounts payable	26,953
Due to other governments	2,577,794
Due to County	<u>219,475</u>
Total liabilities	2,824,222
NET POSITION	
Net position held as custodian	<u>9,792,560</u>
Total net position	<u><u>\$ 9,792,560</u></u>

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

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

	Custodial Funds
Additions:	
Collection of funds for other entities	\$ 6,246,446
Taxes for other governments	159,451,497
Interest income	6,215
	165,704,158
Deductions:	
Distribution of funds to other entities	164,756,281
	947,877
Beginning fiduciary net position, October 1	6,614,911
Prior period adjustment	2,229,772
Ending fiduciary net position, September 30	\$ 9,792,560

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

POTTER COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

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

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

Government-wide Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on the non-fiduciary activities of the primary government and its component units. The effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-like activities, which rely to a significant extent on fees for services provided to customers.

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

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

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

Fund-level Statements

Governmental funds use the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both *measurable and available*). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on governmental long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Grant and entitlement revenues are also susceptible to accrual.

These funds are accounted for on a spending *financial flow measurement focus*. This means that only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

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

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

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

Governmental Funds

The County reports the following major governmental funds:

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

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

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

Other nonmajor governmental funds include the following:

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

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

Proprietary Funds

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

Fiduciary Funds

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

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

C. Deposits and Investments

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

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

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

D. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The County allows for trade accounts receivable in excess of 180 days. The allowance for uncollectible property taxes receivables is equal to 72 percent of outstanding property taxes as September 30, 2023.

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

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

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The County uses the consumption method to record its prepaid items, which requires reporting these items as assets and deferring the recognition of expenses/expenditures until the period in which prepaid items are used or consumed. In the fund financial statements, they are offset by a designation of non-spendable fund balance which indicates they do not represent “available spendable resources.”

F. Inter-fund Transactions

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

G. Capital Assets

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

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

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

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

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

H. Deferred Outflows/Inflows of Resources

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

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

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental fund has only one type of deferred inflows resources, which arises under the modified accrual basis of accounting: unavailable revenues are reported as deferred inflows of resources on the governmental funds' balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. On the government-wide statement of net position, deferred inflows of resources are reported for amounts related to the employee pension plan and the other post-employment benefits. These deferred amounts include economic/demographic gains, excess earnings, and assumption changes.

L. Compensated Absences

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

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

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund financial statements to the extent the liabilities are expected to be expensed using available financial resources. Compensated absences are accrued as a long-term liability in the government-wide statements.

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

J. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs in the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs withheld from the actual debt proceeds received are reported as debt service expenditures.

K. Pensions and Other Post-Employment Benefits

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

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

fiduciary net position of the County's Healthcare Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as is reported by the Healthcare Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Government-wide Net Position

In the government-wide financial statements, net position is reported in three categories:

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

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

Unrestricted Net Position. This amount includes all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

M. Governmental Fund Balances

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

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

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

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

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

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

N. Fund Balance Policies

When the County incurs an expenditure for which both restricted and unrestricted fund balance are available, the County uses restricted funds first, then unrestricted funds. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first from committed funds, then assigned funds, and finally unassigned funds.

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

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

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

Cash and cash equivalents in the Governmental Funds, Internal Service Fund and Custodial Funds as of September 30, 2023, are as follows:

Cash on hand – governmental funds	\$ 10,500
Bank deposits – governmental funds	29,902,071
TexPool deposits – governmental funds	9,047,996
Texas CLASS deposits – governmental funds	29,200,076
Multi-Bank Securities, Inc. – governmental funds	<u>20,000,000</u>
Total governmental funds	88,160,643
Bank deposits – internal service fund	4,783,518
TexPool deposits – internal service fund	34,326
Texas CLASS deposits – internal service fund	<u>954</u>
Total internal service funds	4,818,798
Bank deposits – custodial funds	<u>8,117,146</u>
Total custodial funds	<u>8,117,146</u>
Total cash and cash equivalents	<u>\$ 92,979,441</u>

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

Interest Rate Risk

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

Credit Risk

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

As of September 30, 2023, the County has \$20,000,000 invested with Multi-Bank Securities, Inc. (MBS), \$9,082,323 invested with the Texas Treasury Safekeeping Trust Company (TexPool); and \$29,201,030 invested with the Texas Cooperative Liquid Assets Securities System (Texas CLASS). The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, provide for the creation of public funds investment pools, such as MBS, TexPool, and Texas CLASS, through which political subdivisions and other entities may invest public funds.

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

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

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

Concentrations of Credit Risk

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

NOTE 5 – OTHER RECEIVABLES

Receivables as of September 30, 2023, in the County’s general, other major and non-major governmental and internal service funds are as follows:

	General Fund	Other Governmental Funds	Internal Service Fund	Total
Other receivables:				
Accounts	\$ 9,438	\$ -	\$ 2,890	\$ 12,328
Sales and use tax		911,576		911,576
Fees and reimbursable payroll	1,106,184			1,106,184
Other	33,420	29,859		63,279
Other receivables	<u>\$ 1,149,042</u>	<u>\$ 941,435</u>	<u>\$ 2,890</u>	<u>\$ 2,093,367</u>

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

NOTE 6 – INTER-FUND BALANCES AND ACTIVITY

	<u>Inter-fund Transfers In</u>	<u>Inter-fund Transfers Out</u>
General Fund	\$ 2,999,986	\$ 5,304,560
Special Revenue Funds:		
American Rescue Fund		2,999,986
Juvenile Probation	5,304,560	
	<u>\$ 8,304,546</u>	<u>\$ 8,304,546</u>

The General Fund transferred funds to Juvenile Probation to subsidize current year operations. The American Rescue Fund transferred funds to the General Fund in accordance with federal grant provisions.

	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
<i>Among Governmental Funds</i>		
General Fund	\$ 185,120	\$ 24,532
Special Revenue Funds:		
County Assistance District	11,947	49,043
Law Library	4,620	
Courthouse Security	5,310	
Justice Courts Building Security	10	
County Clerk Records Management	8,547	
Election Fund		25,399
Court Records Management	128	
District Clerk Records Management	3,112	
Justice Court Technology	674	
County Clerk / District Clerk Technology	193	
County Attorney Forfeiture Fund	579	5,630
County Attorney Federal Forfeiture Fund	3,248	3,248
County Attorney Pretrial Diversion Fund	853	8,223
District Attorney Payroll Fund	445	4,325
District Attorney Forfeiture Release Fund		3,330
Panhandle Auto Theft Unit Fund	4,343	30,909
Sheriff Federal Forfeiture Fund	670	4,262
Sheriff's Office Commissary Fund	3,693	74,591
	<u>\$ 233,491</u>	<u>\$ 233,491</u>
	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
<i>Between Governmental Funds and Other Fund Types</i>		
General Fund	\$ 220,731	\$ -
Special Revenue Funds:		
County Assistance District		40,827
Total Governmental Funds	<u>\$ 220,731</u>	<u>\$ 40,827</u>
Internal Service Fund:		
Employee Insurance Fund	\$ -	\$ 1,256
Custodial Funds:		
State and County Collection Fund		219,475
State Court Costs Fund	40,827	
Total Other Fund Types	<u>\$ 40,827</u>	<u>\$ 220,731</u>

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

NOTE 7 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Governmental activities</i>					
Capital assets not being depreciated/amortized:					
Land	\$ 4,911,954	\$ -	\$ -	\$ -	\$ 4,911,954
Construction in progress	50,928,157	7,705,354			58,633,511
	55,840,111	7,705,354	-	-	63,545,465
Capital assets being depreciated/amortized:					
Roads and bridges	39,686,827				39,686,827
Buildings and improvements	100,737,680				100,737,680
Furniture and equipment	24,775,037	3,186,322	(507,907)		27,453,452
Leased equipment	3,726,070	96,012	(218,487)		3,603,595
Subscription-based information technology arrangements	1,282,591				1,282,591
	170,208,205	3,282,334	(726,394)	-	172,764,145
Accumulated depreciation/amortization:					
Roads and bridges	(28,483,475)		(4,456,631)		(32,940,106)
Buildings and improvements	(40,980,439)				(40,980,439)
Furniture and equipment	(15,221,440)		292,837		(14,928,603)
Leased equipment	(998,416)				(998,416)
Subscription-based information technology arrangements	(125,931)		(377,794)		(503,725)
	(85,809,701)	-	(4,541,588)	-	(90,351,289)
Capital assets, net of accumulated depreciation/amortization	\$ 140,238,615	\$ 10,987,688	\$ (5,267,982)	\$ -	\$ 145,958,321

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

Governmental activities:	
Administrative	\$ 400,067
Judicial	45,405
Elections	47,664
Public facilities	1,601,083
Public safety	1,938,162
Roads and bridges	702,043
Total depreciation	\$ 4,834,425

Construction in progress as of September 30, 2023, pertains to the construction of a new District Courts Building; construction costs as of September 30, 2023, total \$58,633,511.

NOTE 8 – LEASES

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

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

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

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

The County's future total annual lease obligations as of September 30, 2023, are as follows:

Year Ending September 30	Lease Payments	Principal	Interest
2024	\$ 446,026	\$ 400,962	\$ 45,064
2025	315,087	275,284	39,803
2026	227,987	191,894	36,093
2027	149,678	116,591	33,087
2028	140,454	109,505	30,949
Thereafter	1,509,204	1,211,486	297,718
	<u>\$ 2,788,436</u>	<u>\$ 2,305,722</u>	<u>\$ 482,714</u>

NOTE 9 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

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

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

The County's future total annual subscriptions as of September 30, 2023, are as follows:

Year Ending September 30	Subscription Payments	Principal	Interest
2024	\$ 370,398	\$ 347,253	\$ 23,145
2025	322,083	310,198	11,885
2026	59,563	57,678	1,885
	<u>\$ 752,044</u>	<u>\$ 715,129</u>	<u>\$ 36,915</u>

NOTE 10 – GENERAL OBLIGATION BONDS AND CERTIFICATES OF OBLIGATION

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

In 2017, the County issued \$5,625,000 of Tax Notes to purchase an emergency radio system. Principal payments on the Tax Notes are made annually, each August 1, with interest payments made semi-annually, each February 1 and August 1, until maturity on August 1, 2024. The interest rate is 1.91%.

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

The County incurred interest expense of \$2,353,776 during the fiscal year ended September 30, 2023, including the amortization of bond premiums.

The annual debt service requirements to amortize this debt as of September 30, 2023, are as follows:

Year Ending September 30	Total Principal	Certificates of Obligation Series 2016		Tax Notes Series 2017		Certificates of Obligation Series 2019	
		Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,715,000	\$ 1,015,000	\$ 460,725	\$ 950,000	\$ 9,073	\$ 750,000	\$ 2,634,538
2025	2,805,000	1,045,000	429,825			1,760,000	3,607,038
2026	2,140,000	1,080,000	397,950			1,060,000	2,819,038
2027	2,285,000	1,110,000	365,100			1,175,000	2,881,038
2028	2,395,000	1,145,000	331,275			1,250,000	2,897,288
Thereafter	51,910,000	10,470,000	1,305,300			41,440,000	60,706,758
	<u>\$ 64,250,000</u>	<u>\$ 15,865,000</u>	<u>\$ 3,290,175</u>	<u>\$ 950,000</u>	<u>\$ 9,073</u>	<u>\$ 47,435,000</u>	<u>\$ 75,545,698</u>

NOTE 11 – COMPENSATED ABSENCES

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

NOTE 12 – RISK MANAGEMENT

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

NOTE 13 – HEALTH INSURANCE

The County has a self-insured Healthcare Plan (the “Plan”) for employees and retired employees (under 65 years old) and their covered dependents. The financial activities of the Plan are accounted for in an Internal Service Fund. For the year ended September 30, 2023, the County contributed \$994 per employee per month

to the Plan for employee coverage. Employees pay for dependent coverage contribute through regular payroll withholdings. Similarly, covered retirees under 65 years old pay the cost of their Plan coverage.

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

Changes in the Plan’s claims liability for the year ended September 30, 2023, are as follows:

Beginning claims liability	\$ 421,528
Incurred claims	5,614,719
Claims payments, net of recoveries	<u>5,466,376</u>
Ending claims liability	<u>\$ 569,871</u>

NOTE 14 – RETIREMENT PLAN

Plan Description

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

TCDRS is a savings-based plan. Under the County’s plan, 7% of each employee’s pay is deposited into his or her 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 (currently 210%) and is then converted to an annuity.

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

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

The County’s contribution rate is calculated annually on an actuarial basis, although the County may elect to contribute at a higher rate. The County’s contribution rate is based on the 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%.

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

Benefits Provided

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

TCERS offers retiring employees seven different monthly benefit payment options. All options pay the retiree a benefit for life and all the options are equivalent in value; however, the monthly benefit amounts are

different for each option. Some of the options allow the retiree to provide a monthly benefit for their beneficiary after the retiree's death.

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

Employer Contributions

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

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

Net Pension Liability

The measurement date for determining the County's net pension liability as of September 30, 2023, is December 31, 2022, which is an acceptable accounting practice in accordance with accounting principles generally accepted in the United States of America.

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

Number of inactive employees entitled to but not yet receiving benefits	387
Number of active employees	575
Average monthly salary	\$4,728
Average age:	43.65
Average length of service in years	11.89
Number of benefit recipients	429
Average monthly benefit	\$2,312

The County's net pension liability as of the measurement date is \$18,827,765, which is 92.25% of its total pension liability as of the measurement date:

Total pension liability	\$242,917,441
Fiduciary net position	224,089,676
Net pension liability	18,827,765
Fiduciary net position as % of total pension liability	92.25%

Actuarial Assumptions

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

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

Demographic assumptions to calculate the retirement plan's pension liability were developed from an actuarial experience investigation of TCDRS over the years 2017 to 2020. They were recommended by TCDRS contracted actuaries and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by the actuaries and adopted by the TCDRS Board of Trustees in March of 2021. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

The *discount rate* is the single rate of return that when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

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

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

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

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

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

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate used for purposes of calculating the total pension liability and net pension liability of the County is equal to the long-term assumed rate of return on investments. Therefore, actuaries of TSCDRS have used a discount rate of 7.60%.

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

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

The capital market assumptions and information shown below were provided by TCDRS' investment consultant. The returns shown below are based on January 2023 information over a 10-year investment time horizon:

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation (2))
U. S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Developed Markets	MSCI Emerging Markets (net) Index	5.00%	4.95%
Int'l Equities - Emerging Markets	Bloomberg U.S. Agregate Bond Index	6.00%	4.95%
Investment Grade Bonds	Morningstar LSTA US Leveraged Loan TR		
	USD Index	3.00%	2.40%
Strategic Credit	FTSE High Yield Cash Pay Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR		
	USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	7.60%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S & P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFR) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U. S. Treasury	2.00%	0.20%
		<u>100.00%</u>	

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

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.3%.

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

Change in Net Pension Liability

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

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability (Asset)
Beginning net pension liability (asset) - prior measurement date	\$ 233,196,517	\$ 243,316,892	\$ (10,120,375)
Increases (decreases) during the year:			
Service cost	4,624,247		4,624,247
Interest on total pension liability	17,616,222		17,616,222
Effect of plan changes			-
Effect of economic/demographic gains or losses	(237,915)		(237,915)
Effect of assumption changes or inputs			-
Refund of contributions	(494,447)	(494,447)	-
Benefit payments	(11,787,183)	(11,787,183)	-
Administrative expenses		(131,321)	131,321
Member contributions		2,333,546	(2,333,546)
Net investment income		(13,856,761)	13,856,761
Employer contributions		5,177,243	(5,177,243)
Other		(468,293)	468,293
	9,720,924	(19,227,216)	28,948,140
Ending net pension liability (asset) - current measurement date	\$ 242,917,441	\$ 224,089,676	\$ 18,827,765

Sensitivity Analysis of a Change in Discount Rate

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

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 274,815,957	\$ 242,917,441	\$ 216,277,312
Fiduciary net position	224,089,676	224,089,676	224,089,676
Net pension liability (asset)	\$ 50,726,281	\$ 18,827,765	\$ (7,812,364)

Pension Expense

The County's pension expense for the year ending September 30, 2023 (based on a measurement date of December 31, 2022) is \$5,089,192. The components of pension expense are as follows:

	<u>Pension Expense</u>
Service cost	\$ 4,624,247
Interest on total pension liability	17,616,222
Effect of plan changes	
Administrative expenses	131,321
Member contributions	(2,333,546)
Expected investment return net of investment expenses	(18,291,744)
Other	468,293
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(614,912)
Recognition of assumption changes or inputs	3,092,944
Recognition of investment gains or losses	396,367
Pension expenses (income)	<u>\$ 5,089,192</u>

Deferred Inflows / Outflows of Resources – Pension Plan

As of September 30, 2023, the County’s deferred inflows and outflows of resources pertaining to the TCDRS pension plan are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experiences	\$ 923,748	\$ 19,889
Changes of assumptions	180,007	3,182,945
Net difference between projected and actual earnings		3,935,285
Contributions made subsequent to the measurement date		4,027,773
	<u>\$ 1,103,755</u>	<u>\$ 11,165,892</u>

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

Measurement Year:	
2023	\$ (303,312)
2024	(680,776)
2025	588,751
2026	6,429,701
	<u>\$ 6,034,364</u>

NOTE 15 – GROUP TERM LIFE INSURANCE

The County participates in a cost-sharing multiple-employer group-term life insurance plan administered by TCDRS. The Group Term Life Fund (GTLF) provides term life insurance coverage to current eligible employees. Each participating employer contributes to GTLF at a contractually required rate. An annual actuarial valuation is performed to determine the contractual rate of providing term life insurance equal to one-year of an employee’s annual salary at death. The County contributed \$42,690 to the GTLF for the year ended September 30, 2023, which equaled its contractually required contribution amount.

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

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

Plan Description

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

Benefits Provided

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

Retirees Covered by the Healthcare Plan

As of September 30, 2023, 12 retirees were covered by the County’s healthcare plan. The number of active employees at the County is 473.

OPEB Liability

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

The County’s OPEB liability as of September 30, 2023, is \$2,840,169.

Actuarial Assumptions

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

Actuarial cost method	Individual entry-age normal
Discount rate	4.63%
Inflation	2.5%
Demographic assumptions	Based on the TCDRS experience study covering the four-year period ending December 31, 2020.
Mortality	For healthy retirees, the Pub-2010 General Retirees Tables for males and females with male rates multiplied by 135% and

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

Healthcare trend rates	Initial rate of 7.00% declining to 4.15% after 13 years.
Participation rates	15% for eligible retirees.

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

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

Change in OPEB Liability

	<u>OPEB Liability</u>
Beginning OPEB liability - prior measurement date	\$ 2,724,255
Increases (decreases) during the year:	
Service cost	192,729
Interest on total OPEB liability	121,412
Changes to benefit terms	
Difference between expected and actual experience	(17,665)
Changes in assumptions	(58,051)
Benefit payments	<u>(122,511)</u>
	115,914
Ending OPEB liability - current measurement date	<u><u>\$ 2,840,169</u></u>

Change in assumptions reflect a change in the discount rate from 4.40% to 4.63%

Sensitivity Analysis of a Change in Discount Rate

The following presents the OPEB liability of the County, calculated using the discount rate of 4.63%, as well as what the County's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.63%) or 1 percentage point higher (5.63%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$ 3,103,746	\$ 2,840,169	\$ 2,603,246

Sensitivity Analysis of a Change in Healthcare Trend Rate

The following presents the OPEB liability of the County, calculated using the current healthcare trend rate (initial rate of 7.00% declining to 4.15% after 13 years) as well as what the County's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Total OPEB liability	\$ 2,485,632	\$ 2,840,169	\$ 3,267,857

OPEB Expense

OPEB expense for the year ended September 30, 2023, is \$97,598.

	OPEB Expense
Service Cost	\$ 192,729
Interest on total OPEB liability	121,412
Current period benefit changes	
Administrative expenses	(8,414)
Recognition of deferred outflows/inflows of resources	(208,129)
OPEB expense	<u>\$ 97,598</u>

Deferred Inflows / Outflows of Resources – OPEB Retiree Healthcare

As of September 30, 2023, the County's deferred inflows and outflows of resources pertaining to the County's self-insured retiree healthcare plan are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experiences	\$ -	\$ 1,150,198
Changes of assumptions	514,060	873,442
	<u>\$ 514,060</u>	<u>\$ 2,023,640</u>

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

Measurement Year:	
2024	S (216,543.00)
2025	(213,603)
2026	(187,122)
2027	(187,122)
2028	(243,959)
Thereafter	(461,231)
	<u>S (1,509,580)</u>

NOTE 17 – TAX ABATEMENT AGREEMENTS

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

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

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

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

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

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

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

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

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

NOTE 18 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

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

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of money received may be required and the collectability of any related receivable at September 30, 2023, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

The County has engaged outside legal counsel to explore claims against parties responsible for the flooring in the Record Management space of the new District Courts building. If the responsible parties do not resolve this matter satisfactorily, the County would have to correct the problems at its own expense. Neither the cost of potential litigation nor the cost of remedial action is known as of the date of this report.

NOTE 19 – PRIOR PERIOD ADJUSTMENTS

Prior period net position increased due to the implementation of GASB Statement No. 96, which requires the capitalization of subscription-based information technology arrangements and the recording of related liabilities that meet specified requirements in the new accounting standard. The cumulative effect is to reduce beginning net position by \$18,036.

In addition, the County made adjusting journal entries to beginning net position to remove unsubstantiated assets and liabilities in its accounting records pertaining to prior accounting periods. The cumulative effect of these accounting corrections is to reduce beginning net position by \$2,297,497.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 56,146,818	\$ 56,146,818	\$ 55,098,211	\$ (1,048,607)
Sales and other taxes	791,580	791,580	1,557,086	765,506
Licenses and fees	4,151,519	4,151,519	4,454,280	302,761
Fines and forfeitures	1,165,500	1,165,500	584,013	(581,487)
Intergovernmental	3,176,524	3,190,213	3,037,626	(152,587)
Interest income	200,000	200,000	2,389,355	2,189,355
Other	244,500	244,500	904,350	659,850
Total revenues	65,876,441	65,890,130	68,024,921	2,134,791
EXPENDITURES				
Administrative	9,040,898	8,955,806	7,836,889	1,118,917
Judicial	20,454,814	20,463,590	17,733,340	2,730,250
Elections	603,526	606,796	526,074	80,722
Public facilities	3,109,946	3,156,963	2,753,318	403,645
Public safety	13,952,651	14,035,924	13,340,379	695,545
Corrections and rehabilitation	14,760,566	14,760,566	13,971,288	789,278
Roads and bridges	2,859,060	2,859,060	2,440,163	418,897
Health and human services	1,154,281	1,155,181	1,069,459	85,722
Capital outlay	490,622	646,649	452,332	194,317
Total expenditures	66,426,364	66,640,535	60,123,242	6,517,293
Excess of revenues over (under) expenditures	(\$49,923)	(750,405)	7,901,679	8,652,084
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	3,000,000	2,999,986	(14)
Transfers out	(5,282,263)	(5,282,263)	(5,282,263)	-
Total other financing sources (uses)	(2,282,263)	(2,282,263)	(2,282,277)	(14)
Net change in fund balance	(2,832,186)	(3,032,668)	5,619,402	8,652,070
Beginning fund balance, October 1	35,253,672	35,253,672	35,253,672	-
Prior period adjustment			(1,317,748)	(1,317,748)
Ending fund balance, September 30	\$ 32,421,486	\$ 32,221,004	\$ 39,555,326	\$ 7,334,322

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

	FY 2023	FY 2022	FY 2021
	Plan Year 2022	Plan Year 2021	Plan Year 2020
PENSION LIABILITY			
Service cost	\$ 4,624,247	\$ 4,892,146	\$ 4,388,580
Interest on total pension liability	17,616,222	16,996,284	16,261,798
Effect of plan changes	-		
Effect of assumption changes or inputs	-	(360,013)	12,731,786
Effect of economic/demographic gains (losses)	(237,915)	(1,300,404)	(380,448)
Benefit payments/refunds of contributions	(12,281,630)	(11,341,663)	(9,938,331)
Change in pension liability	9,720,924	8,886,350	23,063,385
Beginning pension liability (asset)	233,196,516	224,310,166	201,246,781
Ending pension liability (asset) (a)	\$ 242,917,440	\$ 233,196,516	\$ 224,310,166
FIDUCIARY NET POSITION			
Employer contributions	\$ 5,177,243	\$ 4,988,543	\$ 5,093,373
Member contributions	2,333,546	2,260,243	2,298,439
Investment income net of investment expenses	(13,856,761)	44,205,613	19,297,680
Benefit payments/refunds of contributions	(12,281,630)	(11,341,663)	(9,938,332)
Administrative expenses	(131,321)	(131,637)	(148,828)
Other	(468,293)	(59,942)	(56,837)
Change in fiduciary net position	(19,227,216)	39,921,157	16,545,495
Beginning fiduciary net position	243,316,891	203,395,734	186,850,239
Ending fiduciary net position (b)	\$ 224,089,675	\$ 243,316,891	\$ 203,395,734
NET PENSION LIABILITY			
Net pension liability (a) - (b)	\$ 18,827,765	\$ (10,120,375)	\$ 20,914,432
Fiduciary net position as a % of total pension liability	92.25%	104.34%	90.68%
Pensionable covered payroll - measurement year	\$ 33,336,260	\$ 32,289,189	\$ 32,608,141
Net pension liability as a % of covered payroll	56.48%	-31.34%	64.14%

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

	FY 2020	FY 2019	FY 2018
	Plan Year 2019	Plan Year 2018	Plan Year 2017
PENSION LIABILITY			
Service cost	\$ 4,184,777	\$ 4,231,120	\$ 4,273,814
Interest on total pension liability	15,436,690	14,703,036	13,871,195
Effect of plan changes			
Effect of assumption changes or inputs			439,421
Effect of economic/demographic gains (losses)	99,437	(775,543)	71,577
Benefit payments/refunds of contributions	(9,545,684)	(8,582,682)	(8,113,787)
Change in pension liability	10,175,220	9,575,931	10,542,220
Beginning pension liability (asset)	191,071,561	181,495,630	170,953,410
Ending pension liability (asset) (a)	<u>\$ 201,246,781</u>	<u>\$ 191,071,561</u>	<u>\$ 181,495,630</u>
FIDUCIARY NET POSITION			
Employer contributions	\$ 4,826,681	\$ 4,625,757	\$ 4,318,705
Member contributions	2,286,269	2,190,217	2,109,629
Investment income net of investment expenses	26,729,739	(3,146,419)	21,585,568
Benefit payments/refunds of contributions	(9,545,684)	(8,582,682)	(8,113,787)
Administrative expenses	(142,387)	(130,724)	(111,613)
Other	(57,261)	(35,776)	(23,400)
Change in fiduciary net position	24,097,357	(5,079,627)	19,765,102
Beginning fiduciary net position	162,752,882	167,832,509	148,067,407
Ending fiduciary net position (b)	<u>\$ 186,850,239</u>	<u>\$ 162,752,882</u>	<u>\$ 167,832,509</u>
NET PENSION LIABILITY			
Net pension liability (a) - (b)	<u>\$ 14,396,542</u>	<u>\$ 28,318,679</u>	<u>\$ 13,663,121</u>
Fiduciary net position as a % of total pension liability	92.85%	85.18%	92.47%
Pensionable covered payroll - measurement year	\$ 32,634,836	\$ 31,288,811	\$ 30,137,563
Net pension liability as a % of covered payroll	44.11%	90.51%	45.34%

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

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

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

Year Ended September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Payroll
2015	\$ 3,899,238	\$ 3,899,238	\$ -	\$ 28,296,592	13.8%
2016	3,944,278	3,944,278	-	28,706,709	13.7%
2017	4,074,113	4,074,113	-	29,544,082	13.8%
2018	4,318,705	4,318,705	-	30,137,563	14.3%
2019	4,813,538	4,813,538	-	32,551,378	14.8%
2020	5,030,180	5,030,180	-	32,638,696	15.4%
2021	5,003,406	5,003,406	-	32,294,692	15.5%
2022	5,073,805	5,073,805	-	32,713,010	15.5%
2023	5,361,865	5,361,865	-	35,614,382	15.1%

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

Notes to schedule:

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

Methods and assumptions used to determine contribution rates

Actuarial Cost Method	Entry age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	18.0 years based on 12/31/2022 valuation
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	Varies by age and service - 4.7% average
Investment Rate of Return	7.50%, net of administrative and investment expenses
Retirement Age	Based on age - average is 61
Mortality	135% of Pub-2010 General Retiree Tables for males 120% of Pub-2010 General Retiree Tables for females Both at 100% of the MP-2021 Ultimate Scale after 2010
Changes in Assumptions and Methods	New inflation, mortality and other assumptions in 2015 and 2019 New mortality assumptions in 2017 New inflation and mortality assumptions in 2022
Changes in Plan Provisions	New annuity purchase rates in 2017

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

	2023	2022	2021	2020
OPEB LIABILITY				
Service cost	\$ 192,729	\$ 347,884	\$ 250,533	\$ 318,294
Interest on total OPEB liability	121,412	82,555	83,149	119,444
Change in benefit terms	-			
Difference between expected and actual experience	(17,665)	(741,692)	(16,986)	(710,159)
Change in assumptions	(58,051)	(493,365)	71,704	(634,535)
Benefit payments	(122,511)	(133,654)	(101,549)	(97,183)
Change in pension liability	115,914	(938,272)	286,851	(1,004,139)
Beginning pension liability (asset)	2,724,255	3,662,527	3,375,676	4,379,815
Ending pension liability (asset) (a)	<u>\$ 2,840,169</u>	<u>\$ 2,724,255</u>	<u>\$ 3,662,527</u>	<u>\$ 3,375,676</u>
Covered payroll - measurement year	\$ 32,623,651	\$ 32,289,189	\$ 32,608,141	\$ 32,634,836
OPEB liability as a % of covered payroll	8.71%	8.44%	11.23%	10.34%

Notes to schedule:

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

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

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

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

	2019	2018
OPEB LIABILITY		
Service cost	\$ 181,073	\$ 196,351
Interest on total OPEB liability	148,114	129,989
Change in benefit terms		
Difference between expected and actual experience	(249,198)	
Change in assumptions	1,004,351	(232,428)
Benefit payments	(132,327)	(81,049)
Change in pension liability	952,013	12,863
Beginning pension liability (asset)	3,427,802	3,414,939
Ending pension liability (asset) (a)	\$ 4,379,815	\$ 3,427,802
Covered payroll - measurement year	\$ 31,288,811	\$ 25,795,275
OPEB liability as a % of covered payroll	14.00%	13.29%

OTHER SUPPLEMENTARY INFORMATION

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

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 56,146,818	\$ 56,146,818	\$ 55,098,211	\$ (1,048,607)
Miscellaneous taxes	791,580	791,580	1,557,086	765,506
Licenses and fees	4,151,519	4,151,519	4,454,280	302,761
Fines and forfeitures	1,165,500	1,165,500	584,013	(581,487)
Intergovernmental	3,176,524	3,190,213	3,037,626	(152,587)
Interest income	200,000	200,000	2,389,355	2,189,355
Other	244,500	244,500	904,350	659,850
Total revenues	65,876,441	65,890,130	68,024,921	2,134,791
EXPENDITURES				
Administrative				
<i>County Judge</i>				
Salaries and fringe benefits	267,170	267,170	265,292	1,878
Travel and uniforms	3,000	3,000	465	2,535
Contract services				-
General operations	6,500	6,500	4,165	2,335
Equipment/vehicle maintenance	1,000	1,000	612	388
Total	277,670	277,670	270,534	7,136
<i>Commissioners' Court</i>				
Salaries and fringe benefits	274,445	274,445	240,194	34,251
Travel and uniforms	12,000	12,000	5,751	6,249
Contract services				-
General operations	4,700	4,700	2,995	1,705
Equipment/vehicle maintenance				-
Total	291,145	291,145	248,940	42,205
<i>Human resources</i>				
Salaries and fringe benefits	391,754	379,845	355,412	24,433
Travel and uniforms	3,300	152	152	-
Contract services	15,252	33,580	33,580	-
General operations	8,280	6,549	6,549	-
Equipment/vehicle maintenance	3,600	2,060	2,060	-
Total	422,186	422,186	397,753	24,433

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Information technology

Salaries and fringe benefits	\$ -	\$ -	\$ -	\$ -
Travel and uniforms				-
Contract services	1,615,113	1,615,113	1,557,623	57,490
General operations	613,300	627,900	352,651	275,249
Equipment/vehicle maintenance				-
Total	2,228,413	2,243,013	1,910,274	332,739

Information and records management

Salaries and fringe benefits	497,454	497,454	475,336	22,118
Travel and uniforms	3,750	3,750	82	3,668
Contract services	6,000	6,000	5,440	560
General operations	16,480	14,480	6,424	8,056
Equipment/vehicle maintenance		2,000		2,000
Total	523,684	523,684	487,282	36,402

General administrative

Salaries and fringe benefits	10,000	10,072	10,072	-
Travel and uniforms				-
Contract services	655,168	655,168	600,643	54,525
General operations	1,092,733	1,005,333	721,236	284,097
Equipment/vehicle maintenance	194,650	180,111	146,356	33,755
Total	1,952,551	1,850,684	1,478,307	372,377

County Auditor

Salaries and fringe benefits	706,591	684,419	633,178	51,241
Travel and uniforms	10,000	7,289	7,289	-
Contract services	192,995	220,785	220,784	1
General operations	12,170	9,299	9,299	-
Equipment/vehicle maintenance	1,700	1,664	1,664	-
Total	923,456	923,456	872,214	51,242

County Treasurer

Salaries and fringe benefits	261,154	261,154	258,170	2,984
Travel and uniforms	5,000	5,000	3,668	1,332
Contract services				-
General operations	9,250	11,425	10,749	676
Equipment/vehicle maintenance	2,200	2,200	1,526	674
Total	277,604	279,779	274,113	5,666

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Purchasing Agent

Salaries and fringe benefits	\$ 487,567	\$ 487,567	\$ 367,585	\$ 119,982
Travel and uniforms	15,000	9,625	4,614	5,011
Contract services	10,000	15,375	15,375	-
General operations	16,300	13,300	12,415	885
Equipment/vehicle maintenance	1,500	4,500	614	3,886
Total	530,367	530,367	400,603	129,764

Tax Assessor/Collector

Salaries and fringe benefits	1,437,920	1,437,920	1,340,236	97,684
Travel and uniforms	9,000	9,000	7,081	1,919
Contract services	76,552	78,264	78,264	-
General operations	86,150	84,438	67,553	16,885
Equipment/vehicle maintenance	4,200	4,200	3,735	465
Total	1,613,822	1,613,822	1,496,869	116,953

Total administrative

9,040,898	8,955,806	7,836,889	1,118,917
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Judicial

County Clerk

Salaries and fringe benefits	1,027,794	1,027,794	956,158	71,636
Travel and uniforms	6,000	6,000	2,899	3,101
Contract services	228,500	228,500	135,959	92,541
General operations	38,474	38,474	22,868	15,606
Equipment/vehicle maintenance	5,500	5,500	4,093	1,407
Total	1,306,268	1,306,268	1,121,977	184,291

District Clerk

Salaries and fringe benefits	1,338,531	1,338,531	1,209,535	128,996
Travel and uniforms	10,000	10,000	3,514	6,486
Contract services	236,525	236,525	100,000	136,525
General operations	56,510	54,922	29,275	25,647
Equipment/vehicle maintenance	12,000	13,588	13,588	-
Total	1,653,566	1,653,566	1,355,912	297,654

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Court of appeals

Salaries and fringe benefits	\$	-	\$ 10,302.00	\$ 10,282.00	\$ 20.00
Travel and uniforms					-
Contract services					-
General operations					-
Equipment/vehicle maintenance					-
Total		-	10,302	10,282	20

Specialty court

Salaries and fringe benefits	50,372	40,070	37,043	3,027
Travel and uniforms	1,200	680		680
Contract services	6,240	6,760	6,760	-
General operations	500	500		500
Equipment/vehicle maintenance				-
Total	58,312	48,010	43,803	4,207

47th District Court

Salaries and fringe benefits	388,370	388,370	357,045	31,325
Travel and uniforms	11,250	11,250	6,367	4,883
Contract services				-
General operations	12,430	12,430	8,110	4,320
Equipment/vehicle maintenance	1,500	1,500	408	1,092
Total	413,550	413,550	371,930	41,620

108th District Court

Salaries and fringe benefits	388,370	388,370	365,377	22,993
Travel and uniforms	11,250	11,250	4,104	7,146
Contract services				-
General operations	11,200	11,200	10,008	1,192
Equipment/vehicle maintenance	1,500	1,500	1,155	345
Total	412,320	412,320	380,644	31,676

181st District Court

Salaries and fringe benefits	388,343	388,343	376,625	11,718
Travel and uniforms	11,250	11,250	2,668	8,582
Contract services				-
General operations	15,289	15,289	10,026	5,263
Equipment/vehicle maintenance	1,500	1,500	328	1,172
Total	416,382	416,382	389,647	26,735

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

251st District Court

Salaries and fringe benefits	\$ 388,370	\$ 401,540	\$ 399,438	\$ 2,102
Travel and uniforms	11,250	3,023	3,023	-
Contract services				-
General operations	13,660	9,788	9,788	-
Equipment/vehicle maintenance	1,500	431	431	-
Total	414,780	414,782	412,680	2,102

320th District Court

Salaries and fringe benefits	388,343	399,388	399,388	-
Travel and uniforms	11,250	8,850	8,850	-
Contract services				-
General operations	16,000	13,989	13,989	-
Equipment/vehicle maintenance	1,500	371	371	-
Total	417,093	422,598	422,598	-

Associate judge - child support

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	1,500	1,500	226	1,274
Equipment/vehicle maintenance				-
Total	1,500	1,500	226	1,274

Associate judge - child abuse

Salaries and fringe benefits	43,132	43,132	34,183	8,949
Travel and uniforms				-
Contract services				-
General operations	2,000	2,000	1,447	553
Equipment/vehicle maintenance				-
Total	45,132	45,132	35,630	9,502

County Court-at-Law #1

Salaries and fringe benefits	588,278	588,278	571,184	17,094
Travel and uniforms	10,650	10,650	7,139	3,511
Contract services				-
General operations	11,489	11,489	9,991	1,498
Equipment/vehicle maintenance	600	600	537	63
Total	611,017	611,017	588,851	22,166

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

County Court-at-Law #2

Salaries and fringe benefits	\$ 576,350	\$ 582,670	\$ 579,864	\$ 2,806
Travel and uniforms	12,250	7,157	7,157	-
Contract services				-
General operations	8,000	7,202	7,202	-
Equipment/vehicle maintenance	800	371	371	-
Total	597,400	597,400	594,594	2,806

Veterans' Treatment Court

Salaries and fringe benefits	47,210	47,210	14,091	33,119
Travel and uniforms	2,000	2,000		2,000
Contract services	20,000	22,385		22,385
General operations	6,335	3,950	1,875	2,075
Equipment/vehicle maintenance				-
Total	75,545	75,545	15,966	59,579

Mental Health Specialty Court

Salaries and fringe benefits	45,274	45,274	14,091	31,183
Travel and uniforms				-
Contract services	4,000	4,200	40	4,160
General operations	2,350	2,150	2,150	-
Equipment/vehicle maintenance				-
Total	51,624	51,624	16,281	35,343

Justice of the Peace, Precinct #1

Salaries and fringe benefits	312,032	312,032	297,989	14,043
Travel and uniforms	3,500	3,500	1,641	1,859
Contract services		17,292	8,992	8,300
General operations	31,231	13,939	13,409	530
Equipment/vehicle maintenance	1,370	1,370	1,297	73
Total	348,133	348,133	323,328	24,805

Justice of the Peace, Precinct #2

Salaries and fringe benefits	251,007	251,007	229,996	21,011
Travel and uniforms	3,500	4,826	4,826	-
Contract services	17,000	15,674	8,992	6,682
General operations	10,380	10,380	7,611	2,769
Equipment/vehicle maintenance	1,300	1,300	662	638
Total	283,187	283,187	252,087	31,100

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Justice of the Peace, Precinct #3

Salaries and fringe benefits	\$ 317,358	\$ 317,358	\$ 302,532	\$ 14,826
Travel and uniforms	3,500	3,500	2,923	577
Contract services	17,000	17,000	8,992	8,008
General operations	13,255	13,255	11,571	1,684
Equipment/vehicle maintenance	2,500	2,500	985	1,515
Total	353,613	353,613	327,003	26,610

Justice of the Peace, Precinct #4

Salaries and fringe benefits	251,009	251,009	237,085	13,924
Travel and uniforms	3,500	3,500	3,034	466
Contract services	17,000	16,669	8,992	7,677
General operations	8,730	8,730	8,721	9
Equipment/vehicle maintenance	1,300	1,631	1,631	-
Total	281,539	281,539	259,463	22,076

Jury

Salaries and fringe benefits	209,382	209,382	188,898	20,484
Travel and uniforms	2,000	2,000		2,000
Contract services	12,100	130,100	99,412	30,688
General operations	168,000	50,000	34,761	15,239
Equipment/vehicle maintenance	5,000	5,000	4,315	685
Total	396,482	396,482	327,386	69,096

County Attorney

Salaries and fringe benefits	2,595,770	2,595,770	2,382,174	213,596
Travel and uniforms	22,600	25,394	19,769	5,625
Contract services		25,400	10,751	14,649
General operations	72,280	38,258	37,805	453
Equipment/vehicle maintenance	3,500	12,122	12,122	-
Total	2,694,150	2,696,944	2,462,621	234,323

District Attorney

Salaries and fringe benefits	3,830,028	3,830,028	3,349,727	480,301
Travel and uniforms	35,900	35,900	23,897	12,003
Contract services		67,073	67,073	-
General operations	145,200	70,992	59,328	11,664
Equipment/vehicle maintenance	8,000	15,200	5,629	9,571
Total	4,019,128	4,019,193	3,505,654	513,539

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Bail Bond Board Administration

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

General judicial

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services	779,000	1,050,945	1,050,945	-
General operations	598,500	598,500	140,090	458,410
Equipment/vehicle maintenance				-
Total	1,377,500	1,649,445	1,191,035	458,410

Managed assigned counsel

Salaries and fringe benefits	843,623	843,623	526,900	316,723
Travel and uniforms	12,500	12,500	7,584	4,916
Contract services	2,138,000	1,866,465	1,705,342	161,123
General operations	23,220	23,220	20,916	2,304
Equipment/vehicle maintenance	1,800	1,800	1,372	428
Total	3,019,143	2,747,608	2,262,114	485,494

Public Defender

Salaries and fringe benefits	944,766	944,766	847,702	97,064
Travel and uniforms	12,500	12,500	11,912	588
Contract services	28,000	28,000	5,338	22,662
General operations	24,200	24,200	19,217	4,983
Equipment/vehicle maintenance	1,800	1,800		1,800
Total	1,011,266	1,011,266	884,169	127,097

CPS Counsel

Salaries and fringe benefits	188,784	188,784	173,868	14,916
Travel and uniforms	4,000	4,000	2,585	1,415
Contract services				-
General operations	1,100	900	582	318
Equipment/vehicle maintenance	300	500	424	76
Total	194,184	194,184	177,459	16,725

Total judicial

20,454,814	20,463,590	17,733,340	2,730,250
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POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Elections

Election administration

Salaries and fringe benefits	\$ 436,576	\$ 436,576	\$ 389,223	\$ 47,353
Travel and uniforms	4,000	6,390	6,390	-
Contract services	92,400	90,010	79,667	10,343
General operations	63,650	66,920	46,535	20,385
Equipment/vehicle maintenance	6,900	6,900	4,259	2,641
Total	603,526	606,796	526,074	80,722

Total elections

	603,526	606,796	526,074	80,722
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Public facilities

Facilities maintenance

Salaries and fringe benefits	1,683,122	1,683,122	1,560,066	123,056
Travel and uniforms	16,500	16,500	3,338	13,162
Contract services				-
General operations	74,320	73,747	49,285	24,462
Equipment/vehicle maintenance	26,880	27,453	27,453	-
Total	1,800,822	1,800,822	1,640,142	160,680

Courthouse

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	248,888	248,888	183,291	65,597
Equipment/vehicle maintenance				-
Total	248,888	248,888	183,291	65,597

Courts building

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	278,822	294,759	294,759	-
Equipment/vehicle maintenance				-
Total	278,822	294,759	294,759	-

Library building

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	10,100	10,100	8,291	1,809
Equipment/vehicle maintenance				-
Total	10,100	10,100	8,291	1,809

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Extension service building

Salaries and fringe benefits	\$ -	\$ -	\$ -	\$ -
Travel and uniforms				-
Contract services				-
General operations	18,150	18,150	12,951	5,199
Equipment/vehicle maintenance				-
Total	18,150	18,150	12,951	5,199

Santa Fe building

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	512,250	512,250	365,042	147,208
Equipment/vehicle maintenance				-
Total	512,250	512,250	365,042	147,208

Baseball stadium

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

JP #3 office

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	14,700	14,700	13,502	1,198
Equipment/vehicle maintenance				-
Total	14,700	14,700	13,502	1,198

Bowie Annex

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	23,000	23,000	17,362	5,638
Equipment/vehicle maintenance				-
Total	23,000	23,000	17,362	5,638

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Law Enforcement Center

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	133,914	147,868	147,868	-
Equipment/vehicle maintenance				-
Total	133,914	147,868	147,868	-

Vehicle maintenance garage

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	29,000	30,539	30,539	-
Equipment/vehicle maintenance				-
Total	29,000	30,539	30,539	-

Fire Station #3

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services				-
General operations	34,300	49,887	39,571	10,316
Equipment/vehicle maintenance				-
Total	34,300	49,887	39,571	10,316

Total public facilities

	3,109,946	3,156,963	2,753,318	403,645
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Public safety

Forensic science lab

Salaries and fringe benefits				-
Travel and uniforms				-
Contract services	571,500	571,500	516,129	55,371
General operations				-
Equipment/vehicle maintenance				-
Total	571,500	571,500	516,129	55,371

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Constable Precinct #1

Salaries and fringe benefits	\$ 90,620	\$ 89,620	\$ 88,990	\$ 630
Travel and uniforms	1,500	5,411	289	5,122
Contract services	1,199	1,200	1,200	-
General operations	9,080	3,579	2,928	651
Equipment/vehicle maintenance	5,500	5,500	4,015	1,485
Total	107,899	105,310	97,422	7,888

Constable Precinct #2

Salaries and fringe benefits	89,620	89,620	88,743	877
Travel and uniforms	4,000	6,349	4,702	1,647
Contract services	1,250	1,250	1,200	50
General operations	8,380	2,613	2,524	89
Equipment/vehicle maintenance	4,000	5,767	5,766	1
Total	107,250	105,599	102,935	2,664

Constable Precinct #3

Salaries and fringe benefits	89,620	89,620	88,914	706
Travel and uniforms	4,000	4,564	775	3,789
Contract services	1,250	1,250	1,200	50
General operations	10,630	6,854	5,614	1,240
Equipment/vehicle maintenance	7,225	7,225	6,697	528
Total	112,725	109,513	103,200	6,313

Constable Precinct #4

Salaries and fringe benefits	89,620	89,620	88,963	657
Travel and uniforms	4,000	6,315	3,708	2,607
Contract services	1,250	1,250	1,200	50
General operations	10,580	5,580	3,755	1,825
Equipment/vehicle maintenance	5,000	5,000	3,332	1,668
Total	110,450	107,765	100,958	6,807

Sheriff

Salaries and fringe benefits	9,278,875	9,278,875	8,845,916	432,959
Travel and uniforms	151,800	164,545	161,840	2,705
Contract services	262,000	267,620	249,359	18,261
General operations	234,487	255,495	251,541	3,954
Equipment/vehicle maintenance	359,000	369,389	369,389	-
Total	10,286,162	10,335,924	9,878,045	457,879

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Public services

Salaries and fringe benefits	\$	-	\$	-	\$	-	\$	-
Travel and uniforms								-
Contract services								-
General operations		1,488,753		1,513,681		1,513,681		-
Equipment/vehicle maintenance								-
Total		1,488,753		1,513,681		1,513,681		-

Fire / rescue department

Salaries and fringe benefits		453,402		467,166		467,166		-
Travel and uniforms		70,000		77,338		46,326		31,012
Contract services		45,000		45,000		26,418		18,582
General operations		165,760		225,378		185,205		40,173
Equipment/vehicle maintenance		433,750		371,750		302,894		68,856
Total		1,167,912		1,186,632		1,028,009		158,623

Total public safety

13,952,651 14,035,924 13,340,379 695,545

Corrections and rehabilitation

Detention center

Salaries and fringe benefits		11,920,800		11,700,647		10,937,196		763,451
Travel and uniforms				11,917		11,917		-
Contract services				62,790		62,790		-
General operations		2,566,365		2,735,219		2,735,219		-
Equipment/vehicle maintenance		45,000		21,592		21,592		-
Total		14,532,165		14,532,165		13,768,714		763,451

Community supervision and corrections

Salaries and fringe benefits								-
Travel and uniforms								-
Contract services								-
General operations		13,000		12,788		10,149		2,639
Equipment/vehicle maintenance		15,000		15,212		15,212		-
Total		28,000		28,000		25,361		2,639

Court supervised release program

Salaries and fringe benefits		171,401		171,401		168,944		2,457
Travel and uniforms		5,000		5,000		335		4,665
Contract services				18,000		6,140		11,860
General operations		24,000		3,000		1,062		1,938
Equipment/vehicle maintenance				3,000		732		2,268
Total		200,401		200,401		177,213		23,188

Total corrections and rehabilitation

14,760,566 14,760,566 13,971,288 789,278

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Roads and bridges

Road and bridge

Salaries and fringe benefits	\$ 1,727,376	\$ 1,727,376	\$ 1,528,393	\$ 198,983
Travel and uniforms	15,700	15,700	14,621	1,079
Contract services	27,557	27,557	17,241	10,316
General operations	720,236	766,867	591,659	175,208
Equipment/vehicle maintenance	368,191	321,560	288,249	33,311
Total	2,859,060	2,859,060	2,440,163	418,897

Total roads and bridges

2,859,060 2,859,060 2,440,163 418,897

Health and human services

Mental health - community services

Salaries and fringe benefits	84,549	84,549	82,584	1,965
Travel and uniforms	2,000	2,000		2,000
Contract services	500	8,000	2,145	5,855
General operations	8,250	750	156	594
Equipment/vehicle maintenance				-
Total	95,299	95,299	84,885	10,414

County extension services

Salaries and fringe benefits	240,802	240,802	228,719	12,083
Travel and uniforms	10,500	10,500	9,271	1,229
Contract services				-
General operations	15,690	16,590	16,451	139
Equipment/vehicle maintenance	18,800	18,800	12,303	6,497
Total	285,792	286,692	266,744	19,948

Family crime unit

Salaries and fringe benefits	442,453	442,453	404,588	37,865
Travel and uniforms	600	600		600
Contract services				-
General operations	2,600	2,600	2,342	258
Equipment/vehicle maintenance	2,050	2,050	1,549	501
Total	447,703	447,703	408,479	39,224

Victim assistance - VOCA

Salaries and fringe benefits	242,729	242,729	230,618	12,111
Travel and uniforms	4,000	3,836	2,531	1,305
Contract services	2,685	2,849	2,849	-
General operations	1,440	1,440	1,440	-
Equipment/vehicle maintenance				-
Total	250,854	250,854	237,438	13,416

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

<i>Victim assistance - VLCC</i>				
Salaries and fringe benefits	\$ 73,633	\$ 73,633	\$ 71,913	\$ 1,720
Travel and uniforms	1,000	1,000		1,000
Contract services				-
General operations				-
Equipment/vehicle maintenance				-
Total	74,633	74,633	71,913	2,720
Total health and human services	1,154,281	1,155,181	1,069,459	85,722
Capital outlay				
<i>Capital outlay</i>				
Capital outlay	490,622	646,649	452,332	194,317
Other				-
Total	490,622	646,649	452,332	194,317
Total capital outlay	490,622	646,649	452,332	194,317
Excess of revenues over (under) expenditures	(549,923)	(750,405)	7,901,679	8,652,084
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000,000	3,000,000	2,999,986	(14)
Transfers out	(5,282,263)	(5,282,263)	(5,282,263)	-
Total other financing sources (uses)	(2,282,263)	(2,282,263)	(2,282,277)	(14)
Net change in fund balance	(2,832,186)	(3,032,668)	5,619,402	8,652,070
Beginning fund balance, October 1	35,253,672	35,253,672	35,253,672	-
Prior Period Adjustment			(1,317,748)	(1,317,748)
Ending fund balance, September 30	\$ 32,421,486	\$ 32,221,004	\$ 39,555,326	\$ 7,334,322

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND – DISTRICT COURTS BUILDING
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Interest income	\$ 2,500	\$ 2,500	\$ 464,514	\$ 462,014
Other				-
Total revenues	2,500	2,500	464,514	462,014
EXPENDITURES				
Judicial	200,000	200,000	863,286	(663,286)
Capital outlay	6,700,000	6,700,000	8,835,260	(2,135,260)
Total expenditures	6,900,000	6,900,000	9,698,546	(2,798,546)
Excess of revenues over (under) expenditures	(6,897,500)	(6,897,500)	(9,234,032)	(2,336,532)
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(6,897,500)	(6,897,500)	(9,234,032)	(2,336,532)
Beginning fund balance, October 1	13,602,791	13,602,791	13,602,791	-
Ending fund balance, September 30	<u>\$ 6,705,291</u>	<u>\$ 6,705,291</u>	<u>\$ 4,368,759</u>	<u>\$ (2,336,532)</u>

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSIITON – BUDGET TO ACTUAL
PROPRIETARY – INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
OPERATING REVENUES				
Healthcare contributions - employees	\$ 7,027,000	\$ 7,027,000	\$ 7,347,267	\$ 320,267
Healthcare contributions - retirees	190,000	190,000	233,695	43,695
Reinsurance recoveries			356,805	356,805
Total operating revenues	7,217,000	7,217,000	7,937,767	720,767
OPERATING EXPENSES				
Medical claims	3,402,500	3,402,500	3,167,966	234,534
Pharmacy claims	1,914,970	1,914,970	2,446,753	(531,783)
Dental premiums	380,000	380,000	56,590	323,410
Vision premiums	82,000	82,000	327,242	(245,242)
Life insurance premiums	160,000	160,000	161,618	(1,618)
Third-part administrator fees	1,135,029	1,135,029	1,069,363	65,666
Contracted services	150,000	150,000	150,000	-
Other				-
Total operating expenses	7,224,499	7,224,499	7,379,532	(155,033)
Operating income (loss)	(7,499)	(7,499)	558,235	565,734
NON-OPERATING REVENUES (EXPENSES)				
Interest income	7,500	7,500	214,826	207,326
Total non-operating revenues (expenses)	7,500	7,500	214,826	207,326
Change in net position	1	1	773,061	773,060
Beginning net position, October 1	3,442,298	3,442,298	3,442,298	-
Ending net position, September 30	\$ 3,442,299	\$ 3,442,299	\$ 4,215,359	\$ 773,060

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

Justice Courts Building Security – The Justice Courts Building Security Fund accounts for statutory filing fees collected by the District and County Clerks, which are dedicated by law to maintain the security of the Justice Courts Building.

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

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

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

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

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

Justice Court Technology – The Justice Court Technology Funds account for amounts charged to a defendant convicted of a misdemeanor in a justice court. It is designated for the purpose of financing the purchase of technological enhancements for a justice court.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CAPITAL PROJECTS FUNDS

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

DEBT SERVICE FUNDS

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

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

	<i>Special Revenue</i>			
	County	Vehicle		
	Assistance	Inventory	Law	Courthouse
	District	Tax Interest	Library	Security
ASSETS				
Cash and cash equivalents	\$ 9,962,347	\$ 139,574	\$ 307,423	\$ 269,592
Taxes receivable, net				
Due from other funds	11,947		4,620	5,310
Due from other governmental entities				
Other receivables	911,576			
Total assets	\$ 10,885,870	\$ 139,574	\$ 312,043	\$ 274,902
LIABILITIES				
Accounts payable	\$ 420,784	\$ -	\$ 2,837	\$ -
Due to other funds	89,870			
Due to other governmental entities				
Accrued payroll	89,815			
Total liabilities	600,469	-	2,837	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Debt service				
Administrative	10,285,401	139,574		
Judicial			309,206	
Elections				
Public safety				274,902
Committed to:				
Capital projects				
Unassigned (deficit)				
Total fund balances	10,285,401	139,574	309,206	274,902
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,885,870	\$ 139,574	\$ 312,043	\$ 274,902

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	Justice Courts	County Clerk		
	Building	Records		Voter
	Security	Management	Election	Registration
ASSETS				
Cash and cash equivalents	\$ 51,418	\$ 434,450	\$ 441,311	\$ 36,523
Taxes receivable, net				
Due from other funds	10	8,547		
Due from other governmental entities				
Other receivables				
Total assets	\$ 51,428	\$ 442,997	\$ 441,311	\$ 36,523
LIABILITIES				
Accounts payable	\$ -	\$ 50,700	\$ 5,900	\$ -
Due to other funds			25,399	
Due to other governmental entities				
Accrued payroll			1,695	
Total liabilities	-	50,700	32,994	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Debt service				
Administrative		392,297		
Judicial				
Elections			408,317	36,523
Public safety	51,428			
Committed to:				
Capital projects				
Unassigned (deficit)				
Total fund balances	51,428	392,297	408,317	36,523
Total liabilities, deferred inflows of resources, and fund balances	\$ 51,428	\$ 442,997	\$ 441,311	\$ 36,523

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	Court Records Management	District Clerk Records Management	Justice Court Technology	County Clerk / District Clerk Technology
ASSETS				
Cash and cash equivalents	\$ 54,957	\$ 252,555	\$ 194,894	\$ 60,728
Taxes receivable, net				
Due from other funds	128	3,112	674	193
Due from other governmental entities				
Other receivables				
Total assets	\$ 55,085	\$ 255,667	\$ 195,568	\$ 60,921
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds				
Due to other governmental entities				
Accrued payroll				
Total liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Debt service				
Administrative	55,085	255,667		
Judicial			195,568	60,921
Elections				
Public safety				
Committed to:				
Capital projects				
Unassigned (deficit)				
Total fund balances	55,085	255,667	195,568	60,921
Total liabilities, deferred inflows of resources, and fund balances	\$ 55,085	\$ 255,667	\$ 195,568	\$ 60,921

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	County Attorney Hot Check	County Attorney Forfeiture	County Attorney Federal Forfeiture	County Attorney Pretrial Diversion Fund
ASSETS				
Cash and cash equivalents	\$ 4,300	\$ 72,786	\$ 140,714	\$ 44,212
Taxes receivable, net				
Due from other funds		579	3,248	853
Due from other governmental entities				
Other receivables				500
Total assets	\$ 4,300	\$ 73,365	\$ 143,962	\$ 45,565
LIABILITIES				
Accounts payable	\$ 71	\$ 15	\$ -	\$ -
Due to other funds		5,630	3,248	8,223
Due to other governmental entities				
Accrued payroll		2,717	3,247	4,480
Total liabilities	71	8,362	6,495	12,703
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Debt service				
Administrative				
Judicial	4,229	65,003	137,467	32,862
Elections				
Public safety				
Committed to:				
Capital projects				
Unassigned (deficit)				
Total fund balances	4,229	65,003	137,467	32,862
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,300	\$ 73,365	\$ 143,962	\$ 45,565

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	District Attorney Hot Check	District Attorney Payroll	DA Forfeiture Release	District Attorney Crime Victim
ASSETS				
Cash and cash equivalents	\$ 109,922	\$ (742)	\$ 604,176	\$ 43,763
Taxes receivable, net				
Due from other funds		445		
Due from other governmental entities				
Other receivables				
Total assets	<u>\$ 109,922</u>	<u>\$ (297)</u>	<u>\$ 604,176</u>	<u>\$ 43,763</u>
LIABILITIES				
Accounts payable	\$ 73	\$ -	\$ 3,270	\$ -
Due to other funds		4,325	3,330	
Due to other governmental entities				
Accrued payroll		1,887		
Total liabilities	<u>73</u>	<u>6,212</u>	<u>6,600</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Debt service				
Administrative				
Judicial	109,849	(6,509)	597,576	43,763
Elections				
Public safety				
Committed to:				
Capital projects				
Unassigned (deficit)				
Total fund balances	<u>109,849</u>	<u>(6,509)</u>	<u>597,576</u>	<u>43,763</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 109,922</u>	<u>\$ (297)</u>	<u>\$ 604,176</u>	<u>\$ 43,763</u>

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
		Auto Burglary	Sheriff	Law
		and Theft	Federal	Enforcement
	DA Federal	Prevention	Forfeiture	Grants
	Forfeiture			
ASSETS				
Cash and cash equivalents	\$ 132,175	\$ (35,203)	\$ 367,736	\$ 23,340
Taxes receivable, net				
Due from other funds		4,343	670	
Due from other governmental entities				
Other receivables		704	5,429	
Total assets	\$ 132,175	\$ (30,156)	\$ 373,835	\$ 23,340
LIABILITIES				
Accounts payable	\$ -	\$ 12,221	\$ 2,817	\$ -
Due to other funds		30,909	4,262	
Due to other governmental entities				
Accrued payroll		31,599	2,129	
Total liabilities	-	74,729	9,208	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Debt service				
Administrative				
Judicial	132,175			
Elections				
Public safety			364,627	23,340
Committed to:				
Capital projects				
Unassigned (deficit)		(104,885)		
Total fund balances	132,175	(104,885)	364,627	23,340
Total liabilities, deferred inflows of resources, and fund balances	\$ 132,175	\$ (30,156)	\$ 373,835	\$ 23,340

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	Sheriff Office Forfeiture	Sheriff Office Commissary	Drug Court	DA Pretrial Diversion Fund
	\$	\$	\$	\$
ASSETS				
Cash and cash equivalents	\$ 97,654	\$ 776,563	\$ (19,815)	\$ 9,113
Taxes receivable, net				
Due from other funds		3,692		
Due from other governmental entities				
Other receivables				
Total assets	\$ 97,654	\$ 780,255	\$ (19,815)	\$ 9,113
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 123	\$ -
Due to other funds		74,590		
Due to other governmental entities				
Accrued payroll			1,321	
Total liabilities	-	74,590	1,444	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Debt service				
Administrative				
Judicial				9,113
Elections				
Public safety	97,654	705,665		
Committed to:				
Capital projects				
Unassigned (deficit)			(21,259)	
Total fund balances	97,654	705,665	(21,259)	9,113
Total liabilities, deferred inflows of resources, and fund balances	\$ 97,654	\$ 780,255	\$ (19,815)	\$ 9,113

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	Juvenile Probation	CARES Act - HAVA Grant	Opioid Settlement	Special Revenue Total
ASSETS				
Cash and cash equivalents	\$ 2,039,928	\$ (15)	\$ 116,685	\$ 16,733,064
Taxes receivable, net				-
Due from other funds				48,371
Due from other governmental entities	39,873			39,873
Other receivables				918,209
Total assets	\$ 2,079,801	\$ (15)	\$ 116,685	\$ 17,739,517
LIABILITIES				
Accounts payable	\$ 524,340	\$ -	\$ -	\$ 1,023,151
Due to other funds				249,786
Due to other governmental entities	39,873			39,873
Accrued payroll	39,385			178,275
Total liabilities	603,598	-	-	1,491,085
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes				-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Debt service				-
Administrative			116,685	11,244,709
Judicial				1,691,223
Elections				444,840
Public safety	1,476,203			2,993,819
Committed to:				
Capital projects				-
Unassigned (deficit)		(15)		(126,159)
Total fund balances	1,476,203	(15)	116,685	16,248,432
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,079,801	\$ (15)	\$ 116,685	\$ 17,739,517

POTTER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2023

	<i>Capital Projects</i>	<i>Debt Service</i>			<i>Total</i>	
	Capital Projects Fund	Series 2016 Certificates of Obligation	Series 2017 Tax Notes	Series 2019 Certificates of Obligation	Debt Service Total	Non-major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,049,702	\$ 1,931,424	\$ 367,560	\$ 855,586	\$ 3,154,570	\$ 24,937,336
Taxes receivable, net		17,141	11,466	36,929	65,536	65,536
Due from other funds					-	48,371
Due from other governmental entities					-	39,873
Other receivables		6,074	4,064	13,088	23,226	941,435
Total assets	<u>\$ 5,049,702</u>	<u>\$ 1,954,639</u>	<u>\$ 383,090</u>	<u>\$ 905,603</u>	<u>\$ 3,243,332</u>	<u>\$ 26,032,551</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,023,151
Due to other funds						249,786
Due to other governmental entities						39,873
Accrued payroll						178,275
Total liabilities	-	-	-	-	-	1,491,085
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes		17,141	11,466	36,929	65,536	65,536
Total deferred inflows of resources	-	17,141	11,466	36,929	65,536	65,536
FUND BALANCES						
Restricted for:						
Debt service		1,937,498	371,624	868,674	3,177,796	3,177,796
Administrative					-	11,244,709
Judicial					-	1,691,223
Elections					-	444,840
Public safety					-	2,993,819
Committed to:						
Capital projects	5,049,702				-	5,049,702
Unassigned (deficit)					-	(126,159)
Total fund balances	<u>5,049,702</u>	<u>1,937,498</u>	<u>371,624</u>	<u>868,674</u>	<u>3,177,796</u>	<u>24,475,930</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,049,702</u>	<u>\$ 1,954,639</u>	<u>\$ 383,090</u>	<u>\$ 905,603</u>	<u>\$ 3,243,332</u>	<u>\$ 26,032,551</u>

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	County	Vehicle		
	Assistance District	Inventory Tax Interest	Law Library	Courthouse Security
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes	5,543,256			
Licenses and fees			70,217	76,744
Intergovernmental				
Interest income	414,221	6,182	16,162	13,412
Other income				
Total revenues	5,957,477	6,182	86,379	90,156
EXPENDITURES				
Administrative	728,556			
Judicial			19,837	
Elections				
Public safety				
Capital outlay	2,798,639			
Debt service - principal				
Debt service - interest				
Total expenditures	3,527,195	-	19,837	-
Excess of revenues over (under) expenditures	2,430,282	6,182	66,542	90,156
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	2,430,282	6,182	66,542	90,156
Beginning fund balance, October 1	7,772,828	133,392	242,664	184,746
Ending fund balance, September 30	\$ 10,203,110	\$ 139,574	\$ 309,206	\$ 274,902

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	Justice Courts Building Security	County Clerk Records Management	Election	Voter Registration
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees	109	103,607	17,659	
Intergovernmental				23,171
Interest income	2,948	17,900	17,546	1,101
Other income			175,650	
Total revenues	3,057	121,507	210,855	24,272
EXPENDITURES				
Administrative		99,655		
Judicial				
Elections			126,803	
Public safety				
Capital outlay			5,900	
Debt service - principal				
Debt service - interest				
Total expenditures	-	99,655	132,703	-
Excess of revenues over (under) expenditures	3,057	21,852	78,152	24,272
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out			(22,297)	
Total other financing sources (uses)	-	-	(22,297)	-
Net change in fund balance	3,057	21,852	55,855	24,272
Beginning fund balance, October 1	48,371	370,445	352,462	12,251
Ending fund balance, September 30	\$ 51,428	\$ 392,297	\$ 408,317	\$ 36,523

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	Court Records Management	District Clerk Records Management	Justice Court Technology	County Clerk / District Clerk Technology
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees	1,760	48,098	11,710	2,335
Intergovernmental				
Interest income	3,111	10,594	11,218	3,426
Other income				
Total revenues	4,871	58,692	22,928	5,761
EXPENDITURES				
Administrative		31,004		
Judicial			7,844	
Elections				
Public safety				
Capital outlay				
Debt service - principal				
Debt service - interest				
Total expenditures	-	31,004	7,844	-
Excess of revenues over (under) expenditures	4,871	27,688	15,084	5,761
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	4,871	27,688	15,084	5,761
Beginning fund balance, October 1	50,214	227,979	180,484	55,160
Ending fund balance, September 30	\$ 55,085	\$ 255,667	\$ 195,568	\$ 60,921

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	County Attorney Hot Check	County Attorney Forfeiture	County Attorney Federal Forfeiture	County Attorney Pretrial Diversion Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees	680			23,505
Intergovernmental			55,282	
Interest income	19	5,507	5,700	2,590
Other income				
Total revenues	699	5,507	60,982	26,095
EXPENDITURES				
Administrative			5,921	
Judicial	1,577	44,488		45,815
Elections				
Public safety				
Capital outlay		40,722		
Debt service - principal				
Debt service - interest				
Total expenditures	1,577	85,210	5,921	45,815
Excess of revenues over (under) expenditures	(878)	(79,703)	55,061	(19,720)
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(878)	(79,703)	55,061	(19,720)
Beginning fund balance, October 1	5,107	144,706	82,406	52,582
Ending fund balance, September 30	\$ 4,229	\$ 65,003	\$ 137,467	\$ 32,862

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	District Attorney Hot Check	District Attorney Payroll	DA Forfeiture Release	District Attorney Crime Victim
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees				
Intergovernmental		15,000		
Interest income	471		28,184	2,057
Other income			25,846	
Total revenues	471	15,000	54,030	2,057
EXPENDITURES				
Administrative				
Judicial	2,761	24,528	43,238	
Elections				
Public safety				
Capital outlay				
Debt service - principal				
Debt service - interest				
Total expenditures	2,761	24,528	43,238	-
Excess of revenues over (under) expenditures	(2,290)	(9,528)	10,792	2,057
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(2,290)	(9,528)	10,792	2,057
Beginning fund balance, October 1	112,139	3,019	586,784	41,706
Ending fund balance, September 30	\$ 109,849	\$ (6,509)	\$ 597,576	\$ 43,763

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	DA Federal Forfeiture	Auto Burglary and Theft Prevention	Sheriff Federal Forfeiture	Law Enforcement Grants
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees		26,605		
Intergovernmental		379,795	18,519	62,238
Interest income	5,614		23,819	1,540
Other income	83,601		28,460	
Total revenues	89,215	406,400	70,798	63,778
EXPENDITURES				
Administrative				
Judicial	3,882			
Elections				
Public safety		417,964	44,830	27,186
Capital outlay		49,055	332,286	20,644
Debt service - principal				
Debt service - interest				
Total expenditures	3,882	467,019	377,116	47,830
Excess of revenues over (under) expenditures	85,333	(60,619)	(306,318)	15,948
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	85,333	(60,619)	(306,318)	15,948
Beginning fund balance, October 1	46,842	(44,266)	670,945	7,392
Ending fund balance, September 30	\$ 132,175	\$ (104,885)	\$ 364,627	\$ 23,340

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<i>Special Revenue</i>			
	Sheriff Office Forfeiture	Sheriff Office Commissary	Drug Court	DA Pretrial Diversion Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				
Licenses and fees		428,487		2,500
Intergovernmental			86,151	
Interest income	4,691	28,523		470
Other income				
Total revenues	4,691	457,010	86,151	2,970
EXPENDITURES				
Administrative				
Judicial				
Elections				
Public safety	7,859	250,722	83,348	
Capital outlay	3,435			
Debt service - principal				
Debt service - interest				
Total expenditures	11,294	250,722	83,348	-
Excess of revenues over (under) expenditures	(6,603)	206,288	2,803	2,970
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(6,603)	206,288	2,803	2,970
Beginning fund balance, October 1	104,257	499,377	(24,062)	6,143
Ending fund balance, September 30	\$ 97,654	\$ 705,665	\$ (21,259)	\$ 9,113

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<i>Special Revenue</i>			Special Revenue Total
	Juvenile Probation	CARES Act - HAVA Grant	Opiod Settlement	
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes				5,625,547
Licenses and fees				814,016
Intergovernmental	1,820,054			2,460,210
Interest income	148,441	67		775,514
Other income			116,685	430,242
Total revenues	1,968,495	67	116,685	10,105,529
EXPENDITURES				
Administrative				865,136
Judicial				193,970
Elections		14,449		141,252
Public safety	7,574,668			8,406,577
Capital outlay				3,250,681
Debt service - principal				-
Debt service - interest				-
Total expenditures	7,574,668	14,449	-	12,857,616
Excess of revenues over (under) expenditures	(5,606,173)	(14,382)	116,685	(2,752,087)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,282,263	22,297		5,304,560
Transfers out				(22,297)
Total other financing sources (uses)	5,282,263	22,297	-	5,282,263
Net change in fund balance	(323,910)	7,915	116,685	2,530,176
Beginning fund balance, October 1	1,800,113	(7,930)		13,718,256
Ending fund balance, September 30	\$ 1,476,203	\$ (15)	\$ 116,685	\$ 16,248,432

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<i>Capital Projects</i>	<i>Debt Service</i>			<i>Total</i>	
	Capital Projects Fund	Series 2016 Certificates of Obligation	Series 2017 Tax Notes	Series 2019 Certificates of Obligation	Debt Service Total	Non-major Governmental Funds
REVENUES						
Property taxes	\$ -	\$ 1,450,305	\$ 972,464	\$ 3,116,236	\$ 5,539,005	\$ 5,539,005
Sales and other taxes					-	5,625,547
Licenses and fees					-	814,016
Intergovernmental					-	2,460,210
Interest income	234,051	184,804			184,804	1,194,369
Other income		13,651	4,162	29,413	47,226	477,468
Total revenues	234,051	1,648,760	976,626	3,145,649	5,771,035	16,110,615
EXPENDITURES						
Administrative					-	865,136
Judicial					-	193,970
Elections					-	141,252
Public safety					-	8,406,577
Capital outlay					-	3,250,681
Debt service - principal		985,000	935,000	1,140,000	3,060,000	3,060,000
Debt service - interest		491,125	27,025	1,941,938	2,460,088	2,460,088
Total expenditures	-	1,476,125	962,025	3,081,938	5,520,088	18,377,704
Excess of revenues over (under) expenditures	234,051	172,635	14,601	63,711	250,947	(2,267,089)
OTHER FINANCING SOURCES (USES)						
Transfers in					-	5,304,560
Transfers out					-	(22,297)
Total other financing sources (uses)	-	-	-	-	-	5,282,263
Net change in fund balance	234,051	172,635	14,601	63,711	250,947	3,015,174
Beginning fund balance, October 1	4,815,651	1,764,863	357,023	804,963	2,926,849	21,460,756
Ending fund balance, September 30	\$ 5,049,702	\$ 1,937,498	\$ 371,624	\$ 868,674	\$ 3,177,796	\$ 24,475,930

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COUNTY ASSISTANCE DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Sales Tax	\$ 3,700,000	\$ 3,700,000	\$ 5,543,256	\$ 1,843,256
Interest income	15,000	15,000	414,221	399,221
Total revenues	3,715,000	3,715,000	5,957,477	2,242,477
EXPENDITURES				
Administrative	1,059,209	1,124,088	728,556	395,532
Capital outlay	2,107,124	4,846,208	2,798,639	2,047,569
Total expenditures	3,166,333	5,970,296	3,527,195	2,443,101
Excess of revenues over (under) expenditures	548,667	(2,255,296)	2,430,282	4,685,578
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	548,667	(2,255,296)	2,430,282	4,685,578
Beginning fund balance, October 1	7,772,828	7,772,828	7,772,828	-
Ending fund balance, September 30	\$ 8,321,495	\$ 5,517,532	\$ 10,203,110	\$ 4,685,578

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
LAW LIBRARY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and fees	\$ 55,500	\$ 55,500	\$ 70,217	\$ 14,717
Interest income	600	600	16,162	15,562
Total revenues	56,100	56,100	86,379	30,279
EXPENDITURES				
Judicial	51,000	51,000	19,837	31,163
Capital outlay				-
Total expenditures	51,000	51,000	19,837	31,163
Excess of revenues over (under) expenditures	5,100	5,100	66,542	61,442
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	5,100	5,100	66,542	61,442
Beginning fund balance, October 1	242,664	242,664	242,664	-
Ending fund balance, September 30	\$ 247,764	\$ 247,764	\$ 309,206	\$ 61,442

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COURTHOUSE SECURITY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and fees	\$ 45,000	\$ 45,000	\$ 76,744	\$ 31,744
Interest income	350	350	13,412	13,062
Total revenues	45,350	45,350	90,156	44,806
EXPENDITURES				
Public safety	40,000	40,000		40,000
Capital outlay				-
Total expenditures	40,000	40,000	-	40,000
Excess of revenues over (under) expenditures	5,350	5,350	90,156	84,806
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	5,350	5,350	90,156	84,806
Beginning fund balance, October 1	184,746	184,746	184,746	-
Ending fund balance, September 30	\$ 190,096	\$ 190,096	\$ 274,902	\$ 84,806

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
JUSTICE COURTS BUILDING SECURITY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and fees	\$ 250	\$ 250	\$ 109	\$ (141)
Interest income	100	100	2,948	2,848
Total revenues	350	350	3,057	2,707
EXPENDITURES				
Public safety	10,000	10,000		10,000
Capital outlay	5,000	5,000		5,000
Total expenditures	15,000	15,000	-	15,000
Excess of revenues over (under) expenditures	(14,650)	(14,650)	3,057	17,707
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(14,650)	(14,650)	3,057	17,707
Beginning fund balance, October 1	48,371	48,371	48,371	-
Ending fund balance, September 30	\$ 33,721	\$ 33,721	\$ 51,428	\$ 17,707

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and fees	\$ 105,000	\$ 105,000	\$ 103,607	\$ (1,393)
Interest income	700	700	17,900	17,200
Total revenues	105,700	105,700	121,507	15,807
EXPENDITURES				
Administrative	102,800	102,800	99,655	3,145
Capital outlay				-
Total expenditures	102,800	102,800	99,655	3,145
Excess of revenues over (under) expenditures	2,900	2,900	21,852	18,952
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	2,900	2,900	21,852	18,952
Beginning fund balance, October 1	370,445	370,445	370,445	-
Ending fund balance, September 30	\$ 373,345	\$ 373,345	\$ 392,297	\$ 18,952

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COURT RECORDS MANAGEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and fees	\$ 10,000	\$ 10,000	\$ 1,760	\$ (8,240)
Interest income	75	75	3,111	3,036
Total revenues	10,075	10,075	4,871	(5,204)
EXPENDITURES				
Administrative	30,000	30,000		30,000
Capital outlay				-
Total expenditures	30,000	30,000	-	30,000
Excess of revenues over (under) expenditures	(19,925)	(19,925)	4,871	24,796
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(19,925)	(19,925)	4,871	24,796
Beginning fund balance, October 1	50,214	50,214	50,214	-
Ending fund balance, September 30	\$ 30,289	\$ 30,289	\$ 55,085	\$ 24,796

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and fees	\$ 32,000	\$ 32,000	\$ 48,098	\$ 16,098
Interest income	400	400	10,594	10,194
Total revenues	32,400	32,400	58,692	26,292
EXPENDITURES				
Administrative	58,000	58,000	31,004	26,996
Capital outlay				-
Total expenditures	58,000	58,000	31,004	26,996
Excess of revenues over (under) expenditures	(25,600)	(25,600)	27,688	53,288
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(25,600)	(25,600)	27,688	53,288
Beginning fund balance, October 1	227,979	227,979	227,979	-
Ending fund balance, September 30	<u>\$ 202,379</u>	<u>\$ 202,379</u>	<u>\$ 255,667</u>	<u>\$ 53,288</u>

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and fees	\$ 10,000	\$ 10,000	\$ 11,710	\$ 1,710
Interest income	400	400	11,218	10,818
Total revenues	10,400	10,400	22,928	12,528
EXPENDITURES				
Judicial	82,000	82,000	7,844	74,156
Capital outlay				-
Total expenditures	82,000	82,000	7,844	74,156
Excess of revenues over (under) expenditures	(71,600)	(71,600)	15,084	86,684
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(71,600)	(71,600)	15,084	86,684
Beginning fund balance, October 1	180,484	180,484	180,484	-
Ending fund balance, September 30	<u>\$ 108,884</u>	<u>\$ 108,884</u>	<u>\$ 195,568</u>	<u>\$ 86,684</u>

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COUNTY CLERK / DISTRICT COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and fees	\$ 2,000	\$ 2,000	\$ 2,335	\$ 335
Interest income	250	250	3,426	3,176
Total revenues	2,250	2,250	5,761	3,511
EXPENDITURES				
Judicial	7,500	7,500		7,500
Capital outlay				-
Total expenditures	7,500	7,500	-	7,500
Excess of revenues over (under) expenditures	(5,250)	(5,250)	5,761	11,011
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(5,250)	(5,250)	5,761	11,011
Beginning fund balance, October 1	55,160	55,160	55,160	-
Ending fund balance, September 30	\$ 49,910	\$ 49,910	\$ 60,921	\$ 11,011

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
AUTO BURGLARY AND THEFT PREVENTION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and fees	\$ 15,000	\$ 15,000	\$ 26,605	\$ 11,605
Intergovernmental	362,000	362,000	379,795	17,795
Total revenues	377,000	377,000	406,400	29,400
EXPENDITURES				
Public safety	475,134	475,134	417,964	57,170
Capital outlay	3,850	3,850	49,055	(45,205)
Total expenditures	478,984	478,984	467,019	11,965
Excess of revenues over (under) expenditures	(101,984)	(101,984)	(60,619)	41,365
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(101,984)	(101,984)	(60,619)	41,365
Beginning fund balance, October 1	(44,266)	(44,266)	(44,266)	-
Ending fund balance, September 30	\$ (146,250)	\$ (146,250)	\$ (104,885)	\$ 41,365

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DRUG COURT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 86,151	\$ 86,151
Interest income				-
Total revenues	-	-	86,151	86,151
EXPENDITURES				
Public safety	85,406	85,406	83,348	2,058
Capital outlay				-
Total expenditures	85,406	85,406	83,348	2,058
Excess of revenues over (under) expenditures	(85,406)	(85,406)	2,803	88,209
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(85,406)	(85,406)	2,803	88,209
Beginning fund balance, October 1	(24,062)	(24,062)	(24,062)	-
Ending fund balance, September 30	\$ (109,468)	\$ (109,468)	\$ (21,259)	\$ 88,209

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Other income	\$ -	\$ -		\$ -
Interest income	10,000	10,000	234,051	224,051
Total revenues	10,000	10,000	234,051	224,051
EXPENDITURES				
Public facilities				-
Capital outlay	425,000	425,000		425,000
Total expenditures	425,000	425,000	-	425,000
Excess of revenues over (under) expenditures	(415,000)	(415,000)	234,051	649,051
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(415,000)	(415,000)	234,051	649,051
Beginning fund balance, October 1	4,815,651	4,815,651	4,815,651	-
Ending fund balance, September 30	<u>\$ 4,400,651</u>	<u>\$ 4,400,651</u>	<u>\$ 5,049,702</u>	<u>\$ 649,051</u>

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SERIES 2016 CERTIFICATES OF OBLIGATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 1,348,749	\$ 1,348,749	\$ 1,450,305	\$ 101,556
Penalties and interest	2,500	2,500	13,651	11,151
Interest income	9,000	9,000	184,804	175,804
Total revenues	1,360,249	1,360,249	1,648,760	288,511
EXPENDITURES				
Debt service - principal	985,000	985,000	985,000	-
Debt service - interest	491,125	491,125	491,125	-
Total expenditures	1,476,125	1,476,125	1,476,125	-
Excess of revenues over (under) expenditures	(115,876)	(115,876)	172,635	288,511
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(115,876)	(115,876)	172,635	288,511
Beginning fund balance, October 1	1,764,863	1,764,863	1,764,863	-
Ending fund balance, September 30	\$ 1,648,987	\$ 1,648,987	\$ 1,937,498	\$ 288,511

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SERIES 2017 TAX NOTES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 901,436	\$ 901,436	\$ 972,464	\$ 71,028
Penalties and interest	2,500	2,500	4,162	1,662
Total revenues	903,936	903,936	976,626	72,690
EXPENDITURES				
Debt service - principal	935,000	935,000	935,000	-
Debt service - interest	27,575	27,575	27,025	550
Total expenditures	962,575	962,575	962,025	550
Excess of revenues over (under) expenditures	(58,639)	(58,639)	14,601	73,240
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(58,639)	(58,639)	14,601	73,240
Beginning fund balance, October 1	357,023	357,023	357,023	-
Ending fund balance, September 30	\$ 298,384	\$ 298,384	\$ 371,624	\$ 73,240

POTTER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SERIES 2019 CERTIFICATES OF OBLIGATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 2,891,294	\$ 2,891,294	\$ 3,116,236	\$ 224,942
Penalties and interest	20,000	20,000	29,413	9,413
Total revenues	2,911,294	2,911,294	3,145,649	234,355
EXPENDITURES				
Debt service - principal	1,140,000	1,140,000	1,140,000	-
Debt service - interest	1,941,938	1,941,938	1,941,938	-
Total expenditures	3,081,938	3,081,938	3,081,938	-
Excess of revenues over (under) expenditures	(170,644)	(170,644)	63,711	234,355
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(170,644)	(170,644)	63,711	234,355
Beginning fund balance, October 1	804,963	804,963	804,963	-
Ending fund balance, September 30	\$ 634,319	\$ 634,319	\$ 868,674	\$ 234,355

FIDUCIARY FUNDS

CUSTODIAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	State Collections	Tax Assessor/ Collector	Bail Security Fund	State Court Costs
ASSETS				
Cash and cash equivalents	\$ 245,541	\$ 2,577,569	\$ 59,740	\$ 118,507
Taxes receivable for other governments		4,456,712		
Accounts receivable	887	225		985
Due from County				40,827
Total assets	246,428	7,034,506	59,740	160,319
LIABILITIES				
Accounts payable	26,953			
Due to other governments		2,577,794		
Due to County	219,475			
Total liabilities	246,428	2,577,794	-	-
NET POSITION				
Net position held as custodian	-	4,456,712	59,740	160,319
Total net position	\$ -	\$ 4,456,712	\$ 59,740	\$ 160,319

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	District Registry Fund	County Registry Fund	County Attorney Restitution	District Attorney Restitution
ASSETS				
Cash and cash equivalents	\$ 4,110,991	\$ 369,722	\$ 4,270	\$ 1,847
Taxes receivable for other governments				
Accounts receivable				
Due from County				
Total assets	4,110,991	369,722	4,270	1,847
LIABILITIES				
Accounts payable				
Due to other governments				
Due to County				
Total liabilities	-	-	-	-
NET POSITION				
Net position held as custodian	4,110,991	369,722	4,270	1,847
Total net position	\$ 4,110,991	\$ 369,722	\$ 4,270	\$ 1,847

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	District Attorney Seizure	Detention Center Trust Fund	Detention Center Bond Fund	Unclaimed Property	Total
ASSETS					
Cash and cash equivalents	\$ 167,142	\$ 120,797	\$ 59,500	\$ 281,520	\$ 8,117,146
Taxes receivable for other governments					4,456,712
Accounts receivable					2,097
Due from County					40,827
Total assets	167,142	120,797	59,500	281,520	12,616,782
LIABILITIES					
Accounts payable					26,953
Due to other governments					2,577,794
Due to County					219,475
Total liabilities	-	-	-	-	2,824,222
NET POSITION					
Net position held as custodian	167,142	120,797	59,500	281,520	9,792,560
Total net position	\$ 167,142	\$ 120,797	\$ 59,500	\$ 281,520	\$ 9,792,560

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

	State Collections	Tax Assessor/ Collector	Bail Security Fund	State Court Costs
Additions:				
Collection of funds for other entities	\$ -	\$ -	\$ -	\$ 677,285
Taxes for other governments		159,451,497		
Interest income				
	-	159,451,497	-	677,285
Deductions:				
Distribution of funds to other entities		157,054,627		516,966
	-	157,054,627	-	516,966
Change in fiduciary net position	-	2,396,870	-	160,319
Beginning fiduciary net position, October 1	-	-	59,740	-
Prior period adjustment		2,059,842		
Ending fiduciary net position, September 30	\$ -	\$ 4,456,712	\$ 59,740	\$ 160,319

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	District Registry Fund	County Registry Fund	County Attorney Restitution	District Attorney Restitution
Additions:				
Collection of funds for other entities	\$ 3,956,456	\$ 185,719	\$ 5,216	\$ -
Taxes for other governments				
Interest income				
	<u>3,956,456</u>	<u>185,719</u>	<u>5,216</u>	<u>-</u>
Deductions:				
Distribution of funds to other entities	<u>5,579,017</u>	<u>164,199</u>	<u>6,332</u>	<u>9,315</u>
	<u>5,579,017</u>	<u>164,199</u>	<u>6,332</u>	<u>9,315</u>
Change in fiduciary net position	(1,622,561)	21,520	(1,116)	(9,315)
Beginning fiduciary net position, October 1	5,733,552	348,202	5,386	11,162
Prior period adjustment				
Ending fiduciary net position, September 30	<u>\$ 4,110,991</u>	<u>\$ 369,722</u>	<u>\$ 4,270</u>	<u>\$ 1,847</u>

POTTER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (continued)
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	District Attorney Seizure	Detention Center Trust Fund	Detention Center Bond Fund	Unclaimed Property	Total
Additions:					
Collection of funds for other entities	\$ 60,742	\$ 1,224,482	\$ 120,250	\$ 16,296	\$ 6,246,446
Taxes for other governments					159,451,497
Interest income	6,215				6,215
	66,957	1,224,482	120,250	16,296	165,704,158
Deductions:					
Distribution of funds to other entities	69,745	1,220,371	134,250	1,459	164,756,281
	69,745	1,220,371	134,250	1,459	164,756,281
Change in fiduciary net position	(2,788)	4,111	(14,000)	14,837	947,877
Beginning fiduciary net position, October 1	-	116,686	73,500	266,683	6,614,911
Prior period adjustment	169,930				2,229,772
Ending fiduciary net position, September 30	\$ 167,142	\$ 120,797	\$ 59,500	\$ 281,520	\$ 9,792,560

STATISTICAL SECTION
(Unaudited)

POTTER COUNTY, TEXAS
STATISTICAL SECTION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

This part of Potter County’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County’s overall financial health.

STASTICAL CONTENTS

	<u>Pages</u>
Financial Trends	120 - 126
<i>These tables contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	128 - 131
<i>These tables contain trend information to help the reader access the County’s most significant local revenue source, the property tax.</i>	
Debt Capacity	132 - 135
<i>These tables contain trend information to help the reader assess the affordability of the County’s current level of outstanding debt and the County’s ability to issue additional debt in the future.</i>	
Demographics and Economic Information	136 - 137
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information	138 - 142
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

POTTER COUNTY, TEXAS
TABLE 1 – NET POSITION (in thousands)
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities:	\$ 65,492	\$ 66,473	\$ 68,307	\$ 67,559	\$ 64,693
Net investment in capital assets					
Restricted	3,226	4,038	3,915	3,906	5,739
Unrestricted	<u>27,409</u>	<u>19,228</u>	<u>19,494</u>	<u>20,180</u>	<u>19,791</u>
Total net position	<u><u>\$ 89,859</u></u>	<u><u>\$ 96,127</u></u>	<u><u>\$ 89,739</u></u>	<u><u>\$ 91,716</u></u>	<u><u>\$ 91,645</u></u>

POTTER COUNTY, TEXAS
TABLE 1 – NET POSITION (in thousands, continued)
LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities:	\$ 63,816	\$ 67,199	\$ 71,488	\$ 83,184	\$ 84,539
Net investment in capital assets					
Restricted	13,307	12,538	26,397	40,267	35,714
Unrestricted	<u>20,119</u>	<u>23,582</u>	<u>25,230</u>	<u>23,490</u>	<u>31,691</u>
Total net position	<u>\$ 90,223</u>	<u>\$ 97,242</u>	<u>\$ 103,319</u>	<u>\$ 123,115</u>	<u>\$ 151,944</u>

POTTER COUNTY, TEXAS
TABLE 2 – CHANGES IN NET POSITION (in thousands)
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
Expenses	\$ 6,966	\$ 6,666	\$ 7,264	\$ 7,885	\$ 7,344
Judicial	14,145	14,607	15,209	16,951	16,512
Elections	400	445	486	685	823
Public facilities	3,941	3,743	4,580	4,298	4,086
Public safety	9,130	8,806	11,528	10,816	16,500
Corrections and rehabilitation	13,994	13,765	15,061	15,739	15,693
Road and bridge	3,876	3,303	2,570	2,531	2,753
Health and human services	799	758	636	661	735
Community Service					
Interest on long-term debt	86	58	570	470	652
Total governmental activities expenses	<u>53,337</u>	<u>52,151</u>	<u>57,904</u>	<u>60,036</u>	<u>65,098</u>
Program Revenues					
Charges for services:	1,677	1,028	2,091	1519	899
Judicial	3,785	3,623	3,585	3,255	3,165
Elections	1			1	
Public safety	793	810	721	726	926
Corrections and rehabilitation	109	432	356	256	403
Road and bridge	2,094	2,110	2,111	2,050	2,035
Health and human services	14	21	21	21	57
Operating grants and contributions	1,848	1,662	3,094	2,307	3,141
Capital grants and contributions	5,539	10	231	62	
Total governmental activities program revenues	<u>15,860</u>	<u>9,696</u>	<u>12,210</u>	<u>10,197</u>	<u>10,626</u>
Net (expense) revenue	(37,477)	(42,455)	(45,694)	(49,839)	(54,472)
General Revenues and Other Changes in Net Position					
Property taxes, levied for general purposes	40,524	41,868	44,378	45,341	46,490
Property taxes, levied for debt service	2,091	2,166	2,163	2,906	4,542
Payments in lieu of taxes					
Mixed beverage taxes	556	594	611	598	656
Sales and other taxes	236	228	236	270	184
Investment earnings	76	91	283	653	1,046
Gain on disposal of assets	28				
Miscellaneous	235	60			
Total general revenues and other changes	<u>43,746</u>	<u>45,007</u>	<u>47,671</u>	<u>49,768</u>	<u>52,918</u>
Change in net position - governmental activities	<u>\$ 6,269</u>	<u>\$ 2,552</u>	<u>\$ 1,977</u>	<u>\$ (71)</u>	<u>\$ (1,554)</u>

POTTER COUNTY, TEXAS
TABLE 2 – CHANGES IN NET POSITION (in thousands, continued)
LAST TEN FISCAL YEARS

	2019	2020	2021	2022	2023
Expenses	\$ 7,947	\$ 8,681	\$ 7,646	\$ 8,317	\$ 8,971
Judicial	17,325	15,781	16,185	15,542	16,981
Elections	523	644	638	1,151	730
Public facilities	4,141	3,920	3,976	4,076	6,034
Public safety	19,598	19,894	19,904	19,555	25,109
Corrections and rehabilitation	13,102	12,688	12,783	11,646	13,175
Road and bridge	2,867	2,905	2,837	2,955	3,789
Health and human services	1,019	1,049	1,006	874	989
Community Service					975
Interest on long-term debt	1,184	2,988	2,478	2,458	2,354
Total governmental activities expenses	<u>67,706</u>	<u>68,550</u>	<u>67,453</u>	<u>66,574</u>	<u>79,107</u>
Program Revenues					
Charges for services:	646	537	802	695	818
Judicial	2,373	1,930	1,978	1,959	1,712
Elections	9	4	13	8	18
Public safety	968	810	851	961	984
Corrections and rehabilitation					
Road and bridge	2,043	2,043	2,049	2,165	2,320
Health and human services	6	5	6	1	
Operating grants and contributions	4,496	5,003	16,785	16,205	3,038
Capital grants and contributions	1,673	580	815	862	2,690
Total governmental activities program revenues	<u>12,214</u>	<u>10,912</u>	<u>23,299</u>	<u>22,856</u>	<u>11,580</u>
Net (expense) revenue	(55,492)	(57,638)	(44,154)	(43,718)	(67,527)
General Revenues and Other Changes in Net Position					
Property taxes, levied for general purposes	49,799	52,426	52,287	54,096	55,454
Property taxes, levied for debt service	2,725	4,041	4,727	4,603	5,575
Payments in lieu of taxes	99	102	103	106	135
Mixed beverage taxes	688	488	617	776	990
Sales and other taxes	2,978	3,339	3,823	4,751	6,058
Investment earnings	2,290	1,440	203	900	5,253
Gain on disposal of assets			176		
Miscellaneous	2,089	1,879	1,919	2,312	1,382
Total general revenues and other changes	<u>60,668</u>	<u>63,715</u>	<u>63,855</u>	<u>67,544</u>	<u>74,847</u>
Change in net position - governmental activities	<u>\$ 5,176</u>	<u>\$ 6,077</u>	<u>\$ 19,701</u>	<u>\$ 23,826</u>	<u>\$ 7,320</u>

POTTER COUNTY, TEXAS
TABLE 3 – FUND BALANCE OF GOVERNMENTAL FUNDS (in thousands)
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
General Fund:					
Non-spendable	\$ 23	\$ 17	\$ 521	\$ 1,030	\$ 1,014
Restricted	656	864	813	578	1,335
Committed	3,000	3,000	2,098	2,098	1,548
Assigned					
Unassigned	14,102	13,237	16,397	17,999	20,831
Total General Fund	\$ 17,781	\$ 17,118	\$ 19,829	\$ 21,705	\$ 24,728
All Other Governmental Funds:					
Non-spendable - Prepays	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:					
Debt Service Fund	1,518	1,753	2,014	2,123	2,464
Special Revenue Funds	382	518	415	543	1,846
Capital Projects Funds			19,544	9,757	2,418
Assigned:					
Special Revenue Funds	3,522	3,351	3,735	3,409	3,459
Capital Projects Funds	7,680	9,223	7,854	9,544	9,101
Unassigned		(34)	(207)	(24)	(13)
Total all other governmental funds	\$ 13,102	\$ 14,811	\$ 33,355	\$ 25,352	\$ 19,275

POTTER COUNTY, TEXAS
TABLE 3 – FUND BALANCE OF GOVERNMENTAL FUNDS (in thousands, continued)
LAST TEN FISCAL YEARS

	2019	2020	2021	2022	2023
General Fund:					
Non-spendable	\$ 1,078	\$ 1,011	\$ 1,357	\$ 1,486	\$ 458
Restricted	1,405	1,380	1,254	1,055	
Committed					562
Assigned	1,548	1,562	1,562	561	
Unassigned	23,633	27,298	28,936	32,152	38,536
Total General Fund	<u>\$ 27,664</u>	<u>\$ 31,251</u>	<u>\$ 33,109</u>	<u>\$ 35,254</u>	<u>\$ 39,556</u>
All Other Governmental Funds:					
Non-spendable - Prepays	\$ -	\$ -	\$ -	\$ 31	\$ -
Restricted:					
Debt Service Fund	2,891	4,170	3,716	2,927	3,178
Special Revenue Funds	9,011	6,988	21,446	36,286	32,454
Capital Projects Funds	56,324	51,946	45,109	13,603	4,369
Assigned:					
Special Revenue Funds					
Capital Projects Funds	10,560	11,993	5,623	4,816	5,050
Unassigned	(116)	(107)	(116)	(100)	(126)
Total all other governmental funds	<u>\$ 78,670</u>	<u>\$ 74,990</u>	<u>\$ 75,778</u>	<u>\$ 57,563</u>	<u>\$ 44,925</u>

POTTER COUNTY, TEXAS
TABLE 4 – CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (in thousands)
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
Revenues:					
Taxes	\$ 43,249	\$ 44,666	\$ 47,172	\$ 48,854	\$ 53,043
Licenses and fees	5,278	5,350	5,094	4,773	5,080
Fines and forfeitures	1,217	1,211	1,142	1,005	1,008
Intergovernmental	2,117	2,022	3,315	2,752	3,350
Interest	74	88	277	643	1,029
Sales and miscellaneous taxes					
Miscellaneous	2,185	1,399	2,848	1,903	1,487
Total revenues	<u>54,120</u>	<u>54,736</u>	<u>59,848</u>	<u>59,930</u>	<u>64,997</u>
Expenditures:					
Administrative	6,468	6,224	6,575	6,555	6,553
Judicial	13,882	14,556	14,645	15,696	15,888
Elections	388	449	474	544	492
Public facilities	2,387	2,463	3,241	2,722	2,609
Public safety	8,317	8,365	10,365	9,531	11,736
Corrections and rehabilitation	13,628	13,678	14,620	14,671	15,252
Road and Bridge	1,974	1,968	2,020	1,990	2,216
Health and human services	788	765	621	615	675
Community service					
Capital outlay	1,038	3,253	5,595	16,487	8,852
Debt service - principal	1,705	1,820	1,860	1,900	2,150
Debt service - interest	162	115	78	970	731
Bond issuance cost			375		
Total expenditures	<u>50,737</u>	<u>53,656</u>	<u>60,469</u>	<u>71,681</u>	<u>67,154</u>
Excess of revenues over (under) expenditures	3,383	1,080	(621)	(11,751)	(2,157)
Other financing sources (uses):					
Transfers in	5,251	3,600	2,494	2,098	2,139
Transfers out	(5,251)	(3,600)	(2,494)	(2,098)	(2,389)
Proceeds from sale of assets					
Issuance of debt			21,875	5,625	
Bond premiums					
Total other financing sources (uses)			<u>21,875</u>	<u>5,625</u>	<u>(250)</u>
Net change in fund balances	<u>\$ 3,383</u>	<u>\$ 1,080</u>	<u>\$ 21,254</u>	<u>\$ (6,126)</u>	<u>\$ (2,407)</u>
Debt Service as a percentage of noncapital expenditures	3.76%	3.84%	3.53%	5.20%	4.94%

POTTER COUNTY, TEXAS

TABLE 4 – CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (in thousands, continued)
LAST TEN FISCAL YEARS

	2019	2020	2021	2022	2023
Revenues:					
Taxes	\$ 52,803	\$ 56,568	\$ 56,952	\$ 58,838	\$ 60,637
Licenses and fees	4,997	4,674	4,888	5,180	5,268
Fines and forfeitures	984	742	666	624	584
Intergovernmental	4,496	5,002	17,082	16,875	5,728
Interest	2,268	1,419	197	869	5,038
Sales and miscellaneous taxes	3,766	3,928	4,543	5,632	7,182
Miscellaneous	1,949	1,911	1,947	2,328	1,382
Total revenues	<u>71,263</u>	<u>74,244</u>	<u>86,275</u>	<u>90,346</u>	<u>85,819</u>
Expenditures:					
Administrative	7,439	8,753	7,467	8,526	8,702
Judicial	15,971	15,250	15,903	16,707	17,927
Elections	483	620	761	1,151	667
Public facilities	2,424	2,461	2,564	2,781	2,753
Public safety	18,162	19,068	19,053	19,532	21,747
Corrections and rehabilitation	12,474	12,588	12,951	13,092	13,971
Road and Bridge	2,322	2,315	2,266	2,500	2,440
Health and human services	982	1,048	1,038	954	1,069
Community service					1,014
Capital outlay	1,886	7,353	16,354	37,517	17,025
Debt service - principal	1,864	2,031	2,977	3,414	3,060
Debt service - interest	673	3,352	2,639	2,594	2,460
Bond issuance cost	221				
Total expenditures	<u>64,901</u>	<u>74,839</u>	<u>83,973</u>	<u>108,768</u>	<u>92,835</u>
Excess of revenues over (under) expenditures	6,362	(595)	2,302	(18,422)	(7,016)
Other financing sources (uses):					
Transfers in	7,383	7,873	6,761	6,952	8,305
Transfers out	(7,383)	(7,873)	(6,761)	(6,952)	(8,305)
Proceeds from sale of assets	33	95	220		
Issuance of debt	50,375	408	123	2,353	
Bond premiums	3,846				
Total other financing sources (uses)	<u>54,254</u>	<u>503</u>	<u>343</u>	<u>2,353</u>	
Net change in fund balances	<u>\$ 60,616</u>	<u>\$ 92</u>	<u>\$ 2,645</u>	<u>\$ (16,069)</u>	<u>\$ (7,016)</u>
Debt Service as a percentage of noncapital expenditures	4.03%	7.98%	8.31%	8.43%	7.85%

POTTER COUNTY, TEXAS
TABLE 5 – PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Tax Rates per \$100 Assessed Valuation							
Fiscal Year	Roll Year	Operations Rate Potter County	Debt Rate Potter County	Total Direct Rate Potter County	City of Amarillo	Amarillo Independent School District	Amarillo Junior College District
2014	2013	0.60272	0.03130	0.63402	0.34009	1.18900	0.19950
2015	2014	0.60270	0.03132	0.63402	0.34509	1.18900	0.20750
2016	2015	0.63306	0.03096	0.66402	0.35072	1.18900	0.20750
2017	2016	0.62393	0.04009	0.66402	0.35072	1.18900	0.20750
2018	2017	0.62773	0.04227	0.67000	0.36364	1.18900	0.20750
2019	2018	0.64998	0.03502	0.68500	0.36838	1.23900	0.20750
2020	2019	0.65099	0.05001	0.70100	0.38851	1.16900	0.22790
2021	2020	0.63303	0.05712	0.69015	0.39681	1.15540	0.22790
2022	2021	0.65057	0.05538	0.70595	0.44334	1.14960	0.21129
2023	2022	0.58794	0.05931	0.64725	0.40628	0.92580	0.22323

Tax Rates per \$100 Assessed Valuation							
Fiscal Year	Roll Year	Bushland Independent School District	Highland Park Independent School District	River Road Independent School District	Village of Bishop Hills	Underground Water Preservation Districts	Total
2014	2013	1.29440	1.16750	1.35000	0.08000	0.01658	6.27109
2015	2014	1.29000	1.16190	1.35000	0.08000	0.01604	6.27355
2016	2015	1.26804	1.16190	1.35000	0.08000	0.01593	6.28711
2017	2016	1.25433	1.16190	1.35000	0.08000	0.01652	6.27399
2018	2017	1.23777	1.16190	1.35000	0.08000	0.01595	6.27576
2019	2018	1.23371	1.18590	1.35000	0.08000	0.01576	6.36525
2020	2019	1.16371	1.10330	1.27650	0.08000	0.01590	6.12582
2021	2020	1.16010	1.09740	1.26280	0.08000	0.01020	6.08076
2022	2021	1.15665	1.08480	1.23967	0.08000	0.01020	6.08150
2023	2022	1.06737	0.98670	0.96560	0.08000	0.00936	5.95884

Sources: Potter County Tax Office and the Potter-Randall Appraisal District.

Note: Overlapping rates are those that apply to property owners within Potter County. Not all overlapping rates apply to all County property owners. For example, although property tax rates apply to all County property owners, the City of Amarillo rates apply only to those property owners whose property is located within the city’s geographic boundaries.

POTTER COUNTY, TEXAS
TABLE 6 – ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (in thousands)
LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Real Property Value		Personal Property Value		Total Value		Total Direct Tax Rate	Ratio of Total Assessed Value to Total Estimated Actual Value
		Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual		
2014	2013	\$ 6,690,462	\$ 6,935,556	\$ 1,631,586	\$ 1,631,586	\$ 8,322,048	\$ 8,567,142	0.63402	97.14%
2015	2014	6,921,060	7,172,364	1,727,791	1,727,791	8,648,851	8,900,155	0.63402	97.18%
2016	2015	7,107,807	7,357,630	1,752,275	1,752,275	8,860,082	9,109,905	0.66402	97.26%
2017	2016	7,192,330	7,449,131	1,848,664	1,848,664	9,040,994	9,297,795	0.66402	97.24%
2018	2017	7,564,639	7,841,179	1,917,145	1,917,145	9,481,784	9,758,324	0.67000	97.17%
2019	2018	7,863,970	8,126,646	1,943,631	1,943,631	9,807,601	10,070,277	0.68500	97.39%
2020	2019	8,279,646	8,608,172	1,986,271	1,986,271	10,265,917	10,594,443	0.70100	96.90%
2021	2020	7,841,714	8,102,421	2,654,122	2,654,122	10,495,836	10,756,543	0.69015	97.58%
2022	2021	7,718,851	7,937,606	2,966,105	2,966,105	10,684,956	10,903,711	0.70595	97.99%
2023	2022	8,228,500	8,657,901	2,984,496	2,966,104	11,212,996	11,624,005	0.64725	96.46%

Source: Potter-Randall Appraisal District.

Note: Direct tax rates are per \$100 of assessed value.

POTTER COUNTY, TEXAS
TABLE 7 – PRINCIPAL TAXPAYERS – CURRENT AND NINE YEARS AGO
SEPTEMBER 30, 2023

Taxpayer	Type of Business	2023		Percentage of Total Assessed	2014		Percentage of Total Assessed
		Valuation	Rank	Valuation	Valuation	Rank	Valuation
Southwestern Pblie Service	Utility	\$ 556,490,890	1	6.43%	\$ 288,070,777	1	4.17%
Bell Helicopter	Aircraft Manufacturer	170,752,981	2	1.97%			0.00%
BNSF Railway Company	Railroad	167,764,319	3	1.94%	106,992,001	2	1.55%
BSA Hospital	Hospital	131,009,411	4	1.51%	96,830,827	3	1.40%
Tyson Fresh meats, Inc	Meat Packing Plant	103,503,533	5	1.20%	91,101,282	4	1.32%
Atmost Energy	Utility	75,593,980	6	0.87%	37,833,573	12	0.55%
Scout Energy Management	Oil Extraction	64,210,700	7	0.74%			0.00%
UHS of Amarillo Inc	Hospital	59,349,982	8	0.69%	91,013,625	5	1.32%
Bell Textron Inc	Manufacturer	51,879,204	9	0.60%	24,401,558	20	0.35%
Asarco LLC	Copper Refinery	49,443,646	10	0.57%	79,024,788	6	1.14%
		<u>\$ 1,429,998,646</u>		<u>16.52%</u>	<u>\$ 815,268,431</u>		<u>11.81%</u>

Source: Potter-Randall Appraisal District.

POTTER COUNTY, TEXAS
TABLE 8 – PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX ROLL YEARS

Fiscal Year	Roll Year	Original Tax Levy	Collected within the Fiscal year of Levy		Collections in Subsequent Years	Total Collections To Date	
			Amount	Percent of Levy		Amount	Percent of Levy
2014	2013	\$ 42,066,200	\$ 41,545,818	98.76%	\$ 438,620	\$ 41,984,438	99.81%
2015	2014	43,446,569	42,961,582	98.88%	393,671	43,355,253	99.79%
2016	2015	46,009,549	45,445,342	98.77%	459,236	45,904,578	99.77%
2017	2016	47,820,877	47,232,286	98.77%	443,620	47,675,906	99.70%
2018	2017	50,535,016	49,853,961	98.65%	479,505	50,333,466	99.60%
2019	2018	53,148,726	52,523,561	98.82%	26,893	52,550,454	98.87%
2020	2019	56,460,173	55,452,872	98.22%	418,563	55,871,435	98.96%
2021	2020	57,083,843	56,384,956	98.78%	541,612	56,384,956	98.78%
2022	2021	59,058,954	58,174,578	98.50%	538,253	59,251,997	100.33%
2023	2022	61,182,325	60,311,428	98.58%	499,476	60,810,904	99.39%

Source: Potter County Tax Office.

POTTER COUNTY, TEXAS
TABLE 9 – RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Refunding Bonds	Certificates of Obligation	Tax Notes	Capital Leases	Total Primary Government	Percentage of Property Value (1)	Percentage of Personal Income (2)	Per Capita
2014	\$ 6,845,324	\$ -	\$ -	\$ -	\$ 6,845,324	0.08%	0.14%	\$ 56
2015	4,970,254			-	4,970,254	0.06%	0.10%	41
2016	3,030,221	21,887,782		-	24,918,003	0.27%	0.47%	204
2017	1,100,211	21,840,412	5,625,000	-	28,565,623	0.31%	0.55%	237
2018	-	20,922,350	5,450,000	-	26,372,350	0.27%	0.50%	220
2019	-	74,225,686	4,585,000	601,063	79,411,749	0.79%	1.47%	676
2020	-	73,157,217	3,700,000	1,151,004	78,008,221	0.74%	1.33%	658
2021	-	71,323,748	2,800,000	881,512	75,005,260	0.70%	1.25%	636
2022	-	69,170,279	1,885,000	2,741,000	73,796,279	0.68%	1.14%	639
2023	-	63,300,000	950,000	2,277,398	66,527,398	0.81%	1.04%	586

Note: See notes to the financial statements for more information about the County's debt.

(1) – Property values are found in Table 6.

(2) – Personal income and population data are found in Table 13.

POTTER COUNTY, TEXAS
TABLE 10 – LEGAL DEBT MARGIN INFORMATION
SEPTEMBER 30, 2023

Taxable assessed value	\$ 8,657,901,933
<i>Legal debt margin</i>	
Debt limitation - 5% of taxable assessed value	432,895,097
Debt applicable to limitation:	
Total bonded debt	64,250,000
Less: amount set aside for prepayment of debt	(2,896,832)
Total debt applicable to limitation	68,158,447
Legal debt margin	\$ 364,736,650
Total net debt applicable to the limit as a percente of debt limit	15.94%

Last 10 Years			
Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Percentage of Legal Debt Margin Available
2014	334,013,008	5,152,339	98.46%
2015	344,960,488	3,081,511	99.11%
2016	350,204,733	22,431,045	93.59%
2017	364,014,349	26,141,654	92.82%
2018	382,306,235	23,612,723	93.82%
2019	394,422,001	76,007,756	80.73%
2020	410,395,226	76,857,217	81.27%
2021	421,629,963	74,123,748	82.42%
2022	427,512,746	71,055,279	83.38%
2023	432,895,097	68,158,447	84.06%

POTTER COUNTY, TEXAS
TABLE 11 – RATIO OF GENERAL BONDED DEBT OUTSTANDING TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Roll Year</u>	<u>Population</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Net Bonded Debt to Estimated Actual Assessed</u>	<u>Net Bonded Debt Per Capita</u>
2014	2013	122,146	\$ 8,616,985	\$ 1,283,520	\$7,333,465	0.09%	\$ 60
2015	2014	121,627	6,845,324	1,517,693	5,327,631	0.06%	44
2016	2015	121,857	4,970,254	1,753,489	3,216,765	0.04%	27
2017	2016	122,082	24,918,003	2,013,955	22,904,048	0.25%	190
2018	2017	120,346	28,565,623	2,122,859	26,442,764	0.28%	220
2019	2018	119,648	26,372,350	2,464,218	23,908,132	0.24%	200
2020	2019	117,415	78,810,686	2,802,930	76,007,756	0.74%	638
2021	2020	118,525	76,857,217	4,170,306	72,686,911	0.71%	613
2022	2021	116,547	74,123,748	3,722,468	70,401,280	0.67%	604
2023	2022	115,440	70,230,000	2,918,173	67,311,827	0.63%	583

Note: Additional information about the County’s debt can be found in the notes to the basic financial statements.

POTTER COUNTY, TEXAS
TABLE 12 – COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2023

Governmental Unit	Gross Debt	Estimated Percent Applicable to Potter County	County Share of Overlapping Debt
Direct:			
Potter County, Texas	\$ 64,250,000	100.00%	<u>\$ 64,250,000</u>
Overlapping:			
Amarillo Independent School District	215,050,000	51.69%	111,159,345
Amarillo College District	108,360,000	45.80%	49,628,880
River Road Independent School District	7,475,000	100.00%	7,475,000
Highland Park Independent School District	5,750,000	100.00%	5,750,000
Bushland Independent School District	92,440,000	86.51%	79,969,844
City of Amarillo	209,083,000	45.61%	<u>95,362,756</u>
			349,345,825
Total direct and overlapping debt			<u><u>\$ 413,595,825</u></u>

Source: County Auditor's Office.

Note: The percentage of overlapping debt is estimated by using assessed property values. Percentages are calculated by determining the portion of the County's total taxable value that is within the entity's boundaries and dividing it by the County's total taxable assessed valuation.

POTTER COUNTY, TEXAS
TABLE 13 – DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	121,627	4,950,948,662	40,706	4.10%
2015	121,857	5,158,694,238	42,334	3.20%
2016	122,082	5,341,958,164	43,757	3.30%
2017	120,346	5,220,202,900	43,377	2.90%
2018	119,648	5,257,978,000	43,945	2.70%
2019	117,415	5,411,245,000	46,086	2.70%
2020	118,525	5,866,750,450	49,498	5.00%
2021	116,547	6,022,233,750	51,672	3.20%
2022	115,440	6,499,175,000	56,299	3.00%
2023	113,462	6,382,066,228	57,988	3.00%

Sources: Texas County Information Program and Texas Association of Counties.

Note: Estimates for 2023 are based on average growth rates over the previous five years.

POTTER COUNTY, TEXAS
TABLE 14 – PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

Employer	2023		
	Employees	Rank	Percentage of Total City Employment
Amarillo ISD	4,500	1	0.22%
Tyson Foods	4,300	2	0.21%
CNS Pantex	3,844	3	0.19%
Baptist St. Anthony's Health Care System	3,100	4	0.15%
Northwest Texas Healthcare System	2,150	5	0.11%
City of Amarillo	1,953	6	0.10%
Exel Energy/Southwestern Public Service Co.	1,431	7	0.07%
Affiliated Foods/TriState Baking/Plains Dairy	1,250	8	0.06%
Amarillo VA Health Care System	984	9	0.05%
Bell	900	10	0.04%
	<u>24,412</u>		<u>1.22%</u>

Employer	2014		
	Employees	Rank	Percentage of Total City Employment
Amarillo ISD	4,200	1	2.20%
Tyson Foods	3,678	2	1.93%
BWXT Pantex	3,112	3	1.63%
Baptist St. Anthony's Health Care System	2,900	4	1.52%
City of Amarillo	1,900	5	1.00%
Amarillo College	1,642	6	0.86%
Northwest Texas Healthcare System	1,490	7	0.78%
Xcel Energy	1,430	8	0.75%
Canyon ISD	1,400	9	0.73%
Texas Department of Criminal Justice	1,274	10	0.67%
	<u>23,026</u>		<u>12.07%</u>

Source: Amarillo Chamber of Commerce.

POTTER COUNTY, TEXAS
TABLE 15 – FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES
BY FUNCTION/ACTIVITY
LAST TEN FISCAL YEARS

Activity	2014	2015	2016	2017	2018
GENERAL FUND					
General Administrative	64.25	66.75	67.75	69	68
Facilities Maintenance	27	27	28	28	29
Elections Administration	4.5	4.5	4.5	4.5	5
Judicial	143.5	147	150.5	149.5	151.5
Public Safety	89	89	89	89	100
Corrections and Rehabilitation	128	131	130	130	138
Health and Human Services	12	11	11	11	14
Roads & Bridges	26	26	26	26	25
	<u>494.25</u>	<u>502.25</u>	<u>506.75</u>	<u>507.0</u>	<u>530.5</u>
OTHER GOVERNMENTAL FUNDS					
Judicial	7.5	10.00	8	4	4
Public Safety	6	6	10	10	3
Corrections and Rehabilitation	22	22	22	23.5	24
	<u>35.5</u>	<u>38</u>	<u>40</u>	<u>37.5</u>	<u>31</u>
TOTAL GOVERNMENTAL FUNDS	<u><u>527.25</u></u>	<u><u>529.75</u></u>	<u><u>540.25</u></u>	<u><u>546.75</u></u>	<u><u>544.5</u></u>

POTTER COUNTY, TEXAS
TABLE 15 – FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES
BY FUNCTION/ACTIVITY (continued)
LAST TEN FISCAL YEARS

Activity	2019	2020	2021	2022	2023
GENERAL FUND					
General Administrative	67	59	59	54.5	54.5
Facilities Maintenance	28	25	25	24	24
Elections Administration	5	5	5	4.5	4.5
Judicial	149	148	146	154	156
Public Safety	104	104	109	110	110
Corrections and Rehabilitation	139	145	146	146	146
Health and Human Services	15	15	15	14	14
Roads & Bridges	25	25	25	24	24
	<u>532.0</u>	<u>526.0</u>	<u>530.0</u>	<u>531.0</u>	<u>533.0</u>
OTHER GOVERNMENTAL FUNDS					
Judicial	2	1	1	1	1
Public Safety	3	5	5	5	7
Corrections and Rehabilitation	24	24	24	24	24
	<u>29</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>32</u>
TOTAL GOVERNMENTAL FUNDS	<u><u>561.5</u></u>	<u><u>561.0</u></u>	<u><u>556.0</u></u>	<u><u>560.0</u></u>	<u><u>565.0</u></u>

Source: County employee records.

POTTER COUNTY, TEXAS
TABLE 16 – OPERATING INDICATORS BY FUNCTION/ACTIVITY
LAST TEN FISCAL YEARS

Activity	2014	2015	2016	2017	2018
General Government					
Tax Office					
Auto titles issued	31,956	31,122	31,307	29,818	29,912
Auto registrations	104,742	108,774	102,417	104,397	105,106
County Clerk					
Marriage license applications	1,529	1,540	1,501	1,429	1,273
Real property documents filed	19,822	18,617	19,517	22,300	19,092
Elections Administration					
Registered voters	52,747	54,120	54,999	54,024	53,219
Administration of Justice					
District Court Level					
Civil cases filed	3,472	3,981	3,212	3,953	3,825
Civil case dispositions	3,477	3,229	3,420	2,971	4,154
Criminal cases filed	2,385	2,019	2,165	2,243	1,808
Criminal case dispositions	2,449	2,212	1,987	2,161	1,996
County Court Level					
Civil cases filed	1,065	977	805	834	981
Civil case dispositions	1,080	870	776	722	875
Criminal cases filed	2,342	2,816	2,556	2,231	2,201
Criminal case dispositions	3,189	2,597	2,793	1,991	2,069
Justice of the Peace Court Level					
Civil cases filed	2,032	2,291	2,517	2,386	2,526
Civil case dispositions	1,962	2,063	1,842	2,045	2,341
Criminal cases filed	9,209	6,954	5,716	4,588	5,379
Criminal case dispositions	7,680	9,617	5,249	7,244	4,874
Public Safety & Correctional					
Average daily jail population	501	477	495	527	555
Average daily prisoner cost	\$ 52.55	\$ 57.05	\$ 60.32	\$ 60.15	\$ 57.69

POTTER COUNTY, TEXAS
TABLE 16 – OPERATING INDICATORS BY FUNCTION/ACTIVITY (continued)
LAST TEN FISCAL YEARS

Activity	2019	2020	2021	2022	2023
General Government					
Tax Office					
Auto titles issued	29,255	28,904	29,668	29,513	29,654
Auto registrations	104,311	102,311	105,412	105,069	104,639
County Clerk					
Marriage license applications	1,174	1,034	1,131	1,188	1,085
Real property documents filed	17,643	17,063	20,072	18,972	16,433
Elections Administration					
Registered voters	55,640	55,085	55,296	58,048	57,289
Administration of Justice					
District Court Level					
Civil cases filed	2,328	2,480	2,901	2,592	2,009
Civil case dispositions	2,393	2,484	3,209	2,915	1,856
Criminal cases filed	2,162	3,252	2,357	2,304	2,299
Criminal case dispositions	2,178	3,005	1,283	1,836	2,313
County Court Level					
Civil cases filed	1,063	881	793	735	742
Civil case dispositions	1,071	769	743	980	792
Criminal cases filed	1,470	1,889	1,955	1,886	1,886
Criminal case dispositions	1,926	833	1,009	1,393	1,838
Justice of the Peace Court Level					
Civil cases filed	2,592	2,235	2,097	3,103	3,241
Civil case dispositions	2,023	2,815	2,863	3,175	3,215
Criminal cases filed	5,347	5,916	3,771	4,938	5,278
Criminal case dispositions	4,902	5,216	3,220	4,714	5,285
Public Safety & Correctional					
Average daily jail population	518	504	446	506	529
Average daily prisoner cost	\$ 58.56	\$ 66.70	\$ 69.99	\$ 71.91	\$ 71.33

Sources: County offices, TxDOT, Texas Secretary of State, and Office of Court Administration.

POTTER COUNTY, TEXAS
TABLE 17 – CAPITAL ASSET STATISTICS BY FUNCTION ACTIVITY
LAST TEN FISCAL YEARS

Activity	2014	2015	2016	2017	2018
<i>General Government</i>					
Office Buildings / Courthouses	7	7	7	7	7
<i>Public Safety & Correctional</i>					
Constables					
Patrol Vehicles	4	4	4	4	4
Sheriff					
Enforcement Vehicles	43	46	46	46	48
Corrections Vehicles	10	8	8	8	8
Fire / Rescue					
Fire Stations	7	7	7	7	7
<i>Transportation</i>					
County Roads (miles)	291.56	291.56	291.37	291.37	291.37
Bridges	2	2	2	2	2

POTTER COUNTY, TEXAS
TABLE 17 – CAPITAL ASSET STATISTICS BY FUNCTION ACTIVITY (continued)
LAST TEN FISCAL YEARS

Activity	2019	2020	2021	2022	2023
<i>General Government</i>					
Office Buildings / Courthouses	7	7	7	7	7
<i>Public Safety & Correctional</i>					
<i>Constables</i>					
Patrol Vehicles	4	4	4	4	4
<i>Sheriff</i>					
Enforcement Vehicles	48	48	48	55	63
Corrections Vehicles	8	8	8	13	13
<i>Fire / Rescue</i>					
Fire Stations	7	7	7	6	6
<i>Transportation</i>					
County Roads (miles)	301.46	301.46	301.46	304.90	304.90
Bridges	2	2	2	2	2

Sources: County departments and fixed asset reports.

COMPLIANCE SECTION

HankinsEastup

★
Deaton Tonn Seay & Scarborough | A Texas LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Melissa Potter County, Texas (the "County"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report dated March 15, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the schedule of findings and questioned costs as item 2023-1 in separately issued Single Audit Reports dated March 15, 2024, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the schedule of findings and questioned costs as item 2023-2 in separately issued Single Audit Reports dated March 15, 2024.

County's Reponse to Findings

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

Purpose of this Report

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

Hankins Eastup Deaton Tonn Seay & Scarborough, LLC

Amarillo, Texas
March 15, 2024