

DICKENS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

DICKENS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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ANNUAL FINANCIAL REPORT
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TABLE OF CONTENTS (Continued)

	<u>Statement Identification</u>	<u>Page No.</u>
FINANCIAL SECTION		
Independent Auditor's Report		1
Management's Discussion and Analysis (Required Supplementary Information)		4
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements:		
Statement of Net Position	Exhibit A-1	11
Statement of Activities	Exhibit A-2	12
Fund Financial Statements:		
Balance Sheet – Governmental Funds	Exhibit A-3	13
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position	Exhibit A-4	14
Statement of Revenues, Expenditures, and		
Changes in Fund Balances – Governmental Funds	Exhibit A-5	15
Reconciliation of the Statement of Revenues, Expenditures, and		
Changes in Fund Balances of Governmental Funds to the		
Statement of Activities	Exhibit A-6	16
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	Exhibit A-7	17
Statement of Changes in Fiduciary Net Position	Exhibit A-8	18
Notes to Financial Statements		19
REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	Exhibit B-1	41
Schedule of Employer Contributions	Exhibit B-2	42
Schedule of Changes in the Total OPEB Liability and Related Ratios	Exhibit B-3	43
Budgetary Comparison – General Fund	Exhibit B-4	44
Budgetary Comparison – Road & Bridge Fund	Exhibit B-5	45
Notes to Required Supplementary Information		46
COMBINING STATEMENTS		
Combining Balance Sheet – Nonmajor Governmental Funds	Exhibit C-1	47
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	Exhibit C-2	48

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

TABLE OF CONTENTS (Concluded)

	<u>Statement Identification</u>	<u>Page No.</u>
OTHER INFORMATION REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>		
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 <i>Government Auditing Standards</i>		49

DICKENS COUNTY, TEXAS

**COUNTY OFFICIALS
SEPTEMBER 30, 2024**

Kevin Brendle

County Judge

Dennis Wyatt

Commissioner Precinct 1

Mike Smith

Commissioner Precinct 2

Charlie Morris

Commissioner Precinct 3

Greg Arnold

Commissioner Precinct 4

Danay Carnes

District and County Clerk

Brandi Abbott

County Treasurer

Rebecca Haney

Tax-Assessor-Collector

Stella Carter

Justice of the Peace

Terry Braly

Sheriff

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

To the Honorable Judge and
Members of the Commissioners' Court of
Dickens 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 Dickens County, Texas, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Dickens County, Texas' basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial statements contained in *Governmental 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 Dickens County, Texas (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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* and 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, individually or in the aggregate, they would influence the judgement made by a reasonable user based the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability (asset) and related ratios, schedule of employer contributions, schedule of changes in the total OPEB liability and related ratios, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 additional schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, 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 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 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 of the County's internal control over financial reporting and compliance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

February 10, 2025

DICKENS COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Dickens County, Texas' (the County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended September 30, 2024. Please read it in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

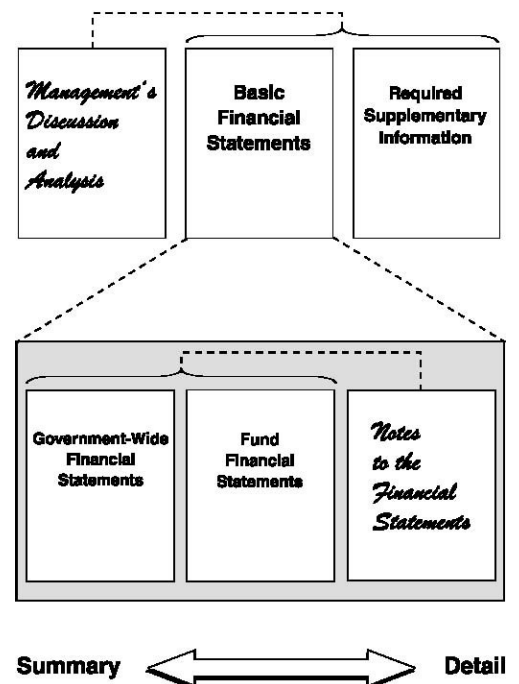
- The County's total combined net position was \$12,287,991 at September 30, 2024.
- The General Fund reported a fund balance this year of \$7,403,920, of which \$250,161 is restricted by enabling legislation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are Government-Wide Financial Statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are Fund Financial Statements that focus on individual parts of the government, reporting the County's operations in more detail than the government-wide statements.
- The Governmental Funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Fiduciary Fund statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Figure A-1. Required Components of the County's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the statements.

FIGURE A-2
MAJOR FEATURES OF THE COUNTY'S GOVERNMENT-WIDE AND FUND STATEMENTS

Type of Statement	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire County's government (except fiduciary funds)	The activities of the County that are not proprietary or fiduciary	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	Statement of net position	Balance Sheet	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures and changes in fund balances	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the custodial funds do not currently contain capital assets, although they can
Type of flow/outflow	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received	All revenues and expenses during year; regardless of when cash is received or paid

Government-Wide Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the County's finances, using accounting methods similar to those used by private-sector companies. The Statement of Net Position (page 11) presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows 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 County's financial position is improving or deteriorating when examined in conjunction with nonfinancial factors. The Statement of Activities (page 12) presents information showing how the government's net position changed during the 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.

Both of these Government-Wide Financial Statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include County Judge, County Clerk, County Treasurer, Tax Assessor and Collector, County Sheriff, County Attorney, Justice of the Peace, Extension Office, building maintenance, County Court, District Court, Emergency Management Office, indigent health, General Administration, road and bridge, and prison facility. These activities are financed primarily by property taxes and grants.

The County does not have business-type activities.

Fund Financial Statements

The Fund Financial Statements provide more detailed information about the County's most significant funds – not the County as a whole. Funds are groupings of related accounts that the County uses to keep track of specific sources of funding and spending for particular purposes. The County, like other state and local governments, uses funds to show compliance with finance-related legal requirements as well as to control and manage money for other particular purposes. The County has two types of funds: governmental and fiduciary.

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on short-term inflows and outflows of available resources and the balances of these resources that are available at the end of the year. 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. These reconciliations can be found on pages in the basic financial statements section.

The County maintains four individual governmental funds. Information is presented separately in the governmental fund statements for the General Fund, Road and Bridge Fund, Caprock Regional Defender Grant Fund and Public Facility Corporation Fund.

The County adopts an annual appropriated budget for its funds. A budgetary comparison schedule has been included with the audit report, see table of contents, to demonstrate compliance with this budget.

- *Fiduciary funds*—The County is the trustee, or fiduciary, for certain funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position as listed in the table of contents. Fiduciary funds are not reflected in the Government-Wide Financial Statements because the County cannot use these assets to finance its operations.

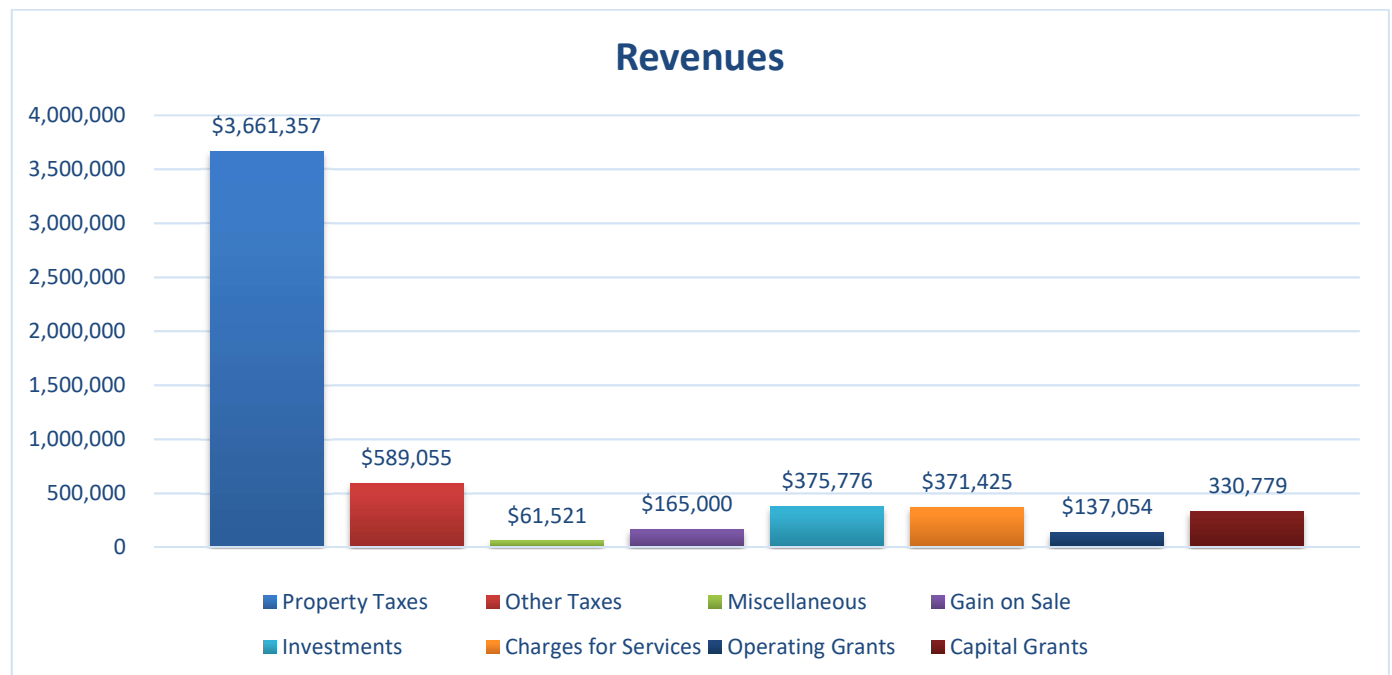
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County's combined net position was \$12,287,991 at September 30, 2024. The largest portion of the County's total assets \$5,188,129 reflects its capital assets with the remainder \$8,411,033 reported as cash, investments, accounts receivable, and other assets.

Table A-1
Dickens County's Net Position
(in thousands)

	Governmental Activities	
	2024	2023
Current and Other Assets	\$ 8,411	\$ 7,643
Capital and Non-Current Assets	5,188	11,763
Total Assets	<u>\$ 13,599</u>	<u>\$ 19,406</u>
Deferred Outflows of Resources	\$ 300	\$ 714
Current Liabilities	\$ 120	\$ 4,808
Long-Term Liabilities	1,142	9,658
Total Liabilities	<u>\$ 1,262</u>	<u>\$ 14,466</u>
Deferred Inflows of Resources	\$ 349	\$ 1,279
Net Position		
Net Investment in Capital Assets	\$ 5,188	\$ (2,329)
Restricted	737	684
Unrestricted	6,363	6,020
Total Net Position	<u>\$ 12,288</u>	<u>\$ 4,375</u>

Changes in Net Position—The County's net position increased by \$1,148,613 during the current fiscal year. This increase in net position from the prior year was mainly due to increase in property tax and other tax revenues and decrease in expenses.



Governmental Activities—Total revenues for the fiscal year ending September 30, 2024 were \$5,691,967. Approximately 7% of the County's revenue comes from fines, fees, and charges for services, while 74% comes from property taxes and other taxes. Investment earnings accounts for 7% of total revenues. Capital and operating grants and contribution, sale of property, and miscellaneous revenue account for another 12% of total revenues.

Table A-2
Dickens County Changes in Net Position
(in thousands)

	Governmental Activities	
	2024	2023
Revenues:		
Program Revenues		
Fees, Fines, and Charge for Services	\$ 371	\$ 463
Operating Grants and Contributions	137	311
Capital Grants and Contributions	331	
General Revenues		
Property Taxes	3,661	2,417
Sales Taxes	449	253
Payments in Lieu of Taxes	140	200
Investment Earnings	376	163
Gain on Sale of Real and Personal Property	165	154
Miscellaneous	61	26
Total Revenues	\$ <u>5,692</u>	\$ <u>3,987</u>
Expenses:		
County Judge	\$ 88	\$ 95
County Clerk	104	71
County Treasurer	63	61
Tax Assessor and Collector	95	89
County Sheriff	357	494
County Attorney	75	41
Justice of Peace	68	48
Extension Office	48	10
Building Maintenance	124	87
County Court	4	34
District Court	76	65
Emergency Management Office	26	23
Indigent Health	24	87
General Administration	1,971	885
Road and Bridge	1,419	965
Prison Facility	1	7
Total Expenses	\$ <u>4,543</u>	\$ <u>3,062</u>
Change in Net Position Before Extraordinary Item	\$ 1,149	\$ 925
Extraordinary Item	6,764	
Change in Net Position	\$ 7,913	\$ 925
Beginning Net Position	4,375	3,450
Ending Net Position	\$ <u>12,288</u>	\$ <u>4,375</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of the end of the fiscal year, the County's General Fund reported a fund balance of \$7,403,920, an increase of \$1,048,790 from the prior year. The unassigned fund balance is \$7,135,010 and is available for spending at the government's discretion. The County has \$250,161 that is restricted for enabling legislation.

As a measure of the fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 262% of total General Fund expenditures.

General Fund Budgetary Highlights — During the year ended September 30, 2024, actual expenditures were \$489,040 under final budgeted amounts. Revenues came in over the budget by \$558,881.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets — As of September 30, 2024, the County had invested approximately \$5 million in a broad range of capital assets, including land, buildings, roads, bridges, equipment, a correctional facility, and leasehold improvements on the correctional facility.

Major events affecting capital assets during the year were:

- Purchased two 2025 Mack Trucks
- Purchased a 2025 Kenworth
- Purchased a Ford E450 Type 3 Ambulance
- Purchased a 2024 John Deere 770G Motor Grader
- Purchased a Caterpillar Model 926M Small Wheel Loader
- Purchased a 2024 Chevrolet 1500 and a 2019 Chevrolet 1500

More detailed information about the County's capital assets can be found in the notes to the basic financial statements.

Table A-3
Dickens County's Capital Assets
(in thousands)

	Governmental Activities	
	2024	2023
Land	\$ 73	\$ 115
Buildings and Improvements	3,884	3,878
Correctional Facility		10,622
Furniture and Equipment	236	224
Vehicles and Heavy Equipment	4,164	2,960
Leasehold Improvements	848	848
Infrastructure	889	844
Total	\$ 10,094	\$ 19,491
Total Accumulated Depreciation	\$ 4,906	\$ 7,728
Net Capital Assets	\$ 5,188	\$ 11,763

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The 2024-2025 budget will raise less revenue from property taxes by an amount of \$172,804 under the previous year's budget.
- The tax rate established for 2024-2025 is \$0.85, which is up from the prior year.

These factors and others were taken into consideration when preparing the General Fund budget for the 2024-25 fiscal year.

Revenues available for appropriation in the General Fund budget are \$4,117,502, an increase of \$405,229 over the 2024 amended budget of \$3,712,273.

Budgeted expenditures are expected to increase approximately 11% over the 2024 amended budget of \$3,712,273 to \$4,117,502.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Office of the Dickens County Treasurer, P.O. Box 108, Dickens, Texas 79229.

BASIC FINANCIAL STATEMENTS

DICKENS COUNTY, TEXAS

Exhibit A-1

STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 310,557
Investments	7,815,354
Taxes Receivable, Net	31,431
Interest Receivable	26,863
Prepays	18,749
Office Receivables, Net	144,531
Restricted Investments - Held by Trustee	63,548
Capital Assets (Net of Accumulated Depreciation):	
Land	72,772
Infrastructure	148,130
Buildings and Improvements	2,754,745
Leasehold Improvements	216,097
Furniture & Equipment	71,788
Vehicles and Heavy Equipment	1,924,597
Total Assets	<u>\$ 13,599,162</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Plan	\$ 295,445
OPEB Plan	4,254
Total Deferred Outflows of Resources	<u>\$ 299,699</u>
LIABILITIES:	
Accounts Payable	\$ 88,229
Wages Payable	32,738
Noncurrent Liabilities	
Noncurrent Portion of Long-Term Debt	
Net Pension Liability	990,588
Total OPEB Liability	142,618
Accrued Compensated Absences	7,944
Total Liabilities	<u>\$ 1,262,117</u>
DEFERRED INFLOWS OF RESOURCES:	
OPEB Plan	\$ 14,180
Insurance Proceeds	92,545
Unearned Revenue - Grant Proceeds	242,028
Total Deferred Inflows of Resources	<u>\$ 348,753</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 5,188,129
Restricted For:	
Enabling Legislation	251,067
Maintenance of Correctional Facility	63,548
Road and Bridge	421,913
Unrestricted	<u>6,363,334</u>
Total Net Position	<u>\$ 12,287,991</u>

The accompanying notes are an integral part of this statement.

-12-
DICKENS COUNTY, TEXAS

Exhibit A-2

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Departments/Programs	Expenses	Program Revenues			Net (Expense) and
		Fines, Fees & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position Primary Gov. Governmental Activities
PRIMARY GOVERNMENT:					
Governmental Activities					
County Judge	\$ 88,398	\$	\$ 25,200	\$	\$ (63,198)
County Clerk	104,103	26,733			(77,370)
County Treasurer	63,392				(63,392)
Tax Assessor and Collector	94,987				(94,987)
County Sheriff	356,881	23,493	29,593	64,575	(239,220)
County Attorney	74,755		52,380		(22,375)
Justice of Peace	67,982	107,030			39,048
Extension Office	47,710				(47,710)
Building Maintenance	124,666				(124,666)
County Court	4,385				(4,385)
District Court	75,975				(75,975)
Emergency Management Office	25,804			266,204	240,400
Indigent Health	24,359		5,865		(18,494)
General Administration	1,970,594	19,804	10,209		(1,940,581)
Road and Bridge	1,418,613	194,365	13,807		(1,210,441)
Prison Facility	750				(750)
Total Governmental Activities	\$ 4,543,354	\$ 371,425	\$ 137,054	\$ 330,779	\$ (3,704,096)
General Revenues:					
Property Taxes				\$	3,661,357
Sales Taxes					448,920
Payments in Lieu of Taxes					140,135
Miscellaneous Revenue					61,487
Rents and Royalties					34
Gain on Sale of Real and Personal Property					165,000
Investment Earnings					375,776
Total General Revenues				\$	4,852,709
Change in Net Position Before Extraordinary Item				\$	1,148,613
Extraordinary Item					6,763,817
Changes in Net Position				\$	7,912,430
Net Position - Beginning					4,375,561
Net Position - Ending				\$	12,287,991

The accompanying notes are an integral part of this statement.

-13-
DICKENS COUNTY, TEXAS

Exhibit A-3

**BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Major Funds		Nonmajor Governmental Funds (See Exhibit C-1)	Total Governmental Funds
	General Fund	Road and Bridge Fund		
ASSETS:				
Cash and Cash Equivalents	\$ 78,989	\$ 58,976	\$ 172,592	\$ 310,557
Investments	7,542,352	273,002		7,815,354
Investments - Held by Trustee			63,548	63,548
Taxes Receivable	25,258	6,173		31,431
Prepays	18,749			18,749
Due from Other Funds	63,386	108,300		171,686
Accounts Receivable (Net)	130,344	7,275		137,619
Total Assets	<u>\$ 7,859,078</u>	<u>\$ 453,726</u>	<u>\$ 236,140</u>	<u>\$ 8,548,944</u>
LIABILITIES:				
Accounts Payable	\$ 70,985	\$ 17,244	\$	\$ 88,229
Wages Payable	24,342	8,396		32,738
Due to Other Funds			171,686	171,686
Total Liabilities	<u>\$ 95,327</u>	<u>\$ 25,640</u>	<u>\$ 171,686</u>	<u>\$ 292,653</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Property Taxes	\$ 25,258	\$ 6,173	\$	\$ 31,431
Insurance Proceeds	92,545			92,545
Unearned Revenue - Grant Proceeds	242,028			242,028
Total Deferred Inflows of Resources	<u>\$ 359,831</u>	<u>\$ 6,173</u>	<u>\$ 0</u>	<u>\$ 366,004</u>
FUND BALANCES:				
Nonspendable - Prepays	\$ 18,749	\$	\$	\$ 18,749
Restricted for:				
Enabling Legislation	250,161		906	251,067
Maintenance of Correctional Facility			63,548	63,548
Road and Bridge		421,913		421,913
Unassigned	7,135,010			7,135,010
Total Fund Balances	<u>\$ 7,403,920</u>	<u>\$ 421,913</u>	<u>\$ 64,454</u>	<u>\$ 7,890,287</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,859,078</u>	<u>\$ 453,726</u>	<u>\$ 236,140</u>	<u>\$ 8,548,944</u>

The accompanying notes are an integral part of this statement.

DICKENS COUNTY, TEXAS

Exhibit A-4

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Total Fund Balances - Governmental Funds Balance Sheet	\$ 7,890,287
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	5,188,129
Revenues unavailable to pay for current period expenditures are deferred in the funds.	31,431
Net pension liability, deferred outflows and deferred inflows are not recognized in the governmental funds.	(695,143)
Total OPEB Liability and related deferred outflows are not reported in the funds.	(152,544)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(7,944)
To record the Justice of Peace and County/District Clerk fines receivable.	6,912
Interest receivable on investments is not recorded in the funds.	<u>26,863</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>12,287,991</u></u>

The accompanying notes are an integral part of this statement.

-15-
DICKENS COUNTY, TEXAS

Exhibit A-5

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Major Funds		Nonmajor Governmental Funds (See Exhibit C-2)	Total Governmental Funds
	General Fund	Road and Bridge Fund		
Revenue:				
Taxes:				
Property Taxes	\$ 2,951,845	\$ 716,086	\$	\$ 3,667,931
Sales Taxes	448,920			448,920
Payments in Lieu of Taxes	140,135			140,135
License and Permits		131,195		131,195
Intergovernmental Revenue and Grants	454,026	13,807		467,833
Charges for Services	171,183	28,996		200,179
Fines and Fees	11,705	34,174		45,879
Investment Earnings	348,745	10,704	3,078	362,527
Rents and Royalties	34			34
Other Revenue	61,487			61,487
Total Revenues	<u>\$ 4,588,080</u>	<u>\$ 934,962</u>	<u>\$ 3,078</u>	<u>\$ 5,526,120</u>
Expenditures:				
Current:				
County Judge	\$ 88,327	\$	\$	\$ 88,327
County Clerk	103,750			103,750
County Treasurer	63,392			63,392
Tax Assessor and Collector	95,250			95,250
County Sheriff	557,091			557,091
County Attorney	74,755			74,755
Justice of Peace	51,184			51,184
Extension Office	47,710			47,710
Building Maintenance	124,578			124,578
County Court	4,385			4,385
District Court	75,975			75,975
Emergency Management Office	25,804			25,804
Indigent Health	24,359			24,359
General Administration	1,391,517			1,391,517
Road and Bridge		1,636,221		1,636,221
Special Road and Bridge		273,181		273,181
Prison Facility			750	750
Total Expenditures	<u>\$ 2,728,077</u>	<u>\$ 1,909,402</u>	<u>\$ 750</u>	<u>\$ 4,638,229</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,860,003</u>	<u>\$ (974,440)</u>	<u>\$ 2,328</u>	<u>\$ 887,891</u>
Other Financing Sources (Uses):				
Transfers	\$ (811,213)	\$ 811,213	\$	\$
Proceeds from Sale of Real and Personal Property		165,000		165,000
Total Other Financing Sources (Uses)	<u>\$ (811,213)</u>	<u>\$ 976,213</u>	<u>\$ 0</u>	<u>\$ 165,000</u>
Net Change in Fund Balances	<u>\$ 1,048,790</u>	<u>\$ 1,773</u>	<u>\$ 2,328</u>	<u>\$ 1,052,891</u>
Fund Balances - Beginning	<u>6,355,130</u>	<u>420,140</u>	<u>62,126</u>	<u>6,837,396</u>
Fund Balances - Ending	<u><u>\$ 7,403,920</u></u>	<u><u>\$ 421,913</u></u>	<u><u>\$ 64,454</u></u>	<u><u>\$ 7,890,287</u></u>

The accompanying notes are an integral part of this statement.

DICKENS COUNTY, TEXAS

Exhibit A-6

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,052,891
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital assets are not reported as expenses in the SOA.	1,521,004
The depreciation of capital assets used in governmental activities is not reported in the funds.	(706,630)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(6,574)
To record the change in the Justice of the Peace and County/District Clerk fines receivable.	(5,829)
The change in accrued interest income on investments is reflected in the SOA.	13,249
Net change in pension expense to convert amounts paid in for the governmental funds to accrued pension expense for governmental activities.	(716,109)
OPEB Expense is not accrued in the funds related to the Total OPEB liability and Deferred Outflows.	(1,013)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>(2,376)</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$ <u><u>1,148,613</u></u>

The accompanying notes are an integral part of this statement.

DICKENS COUNTY, TEXAS

Exhibit A-7

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	Custodial Funds
ASSETS:	
Current Assets	
Cash and Cash Equivalents	\$ 1,008,600
Total Current Assets	\$ 1,008,600
NET POSITION:	
Unrestricted Net Position	\$ 1,008,600
Total Net Position	\$ 1,008,600

The accompanying notes are an integral part of this statement.

DICKENS COUNTY, TEXAS

Exhibit A-8

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	Custodial Funds
ADDITIONS:	
Tax Levy and Adjustments	\$ 8,040,150
Fines and Fees Collected	428,449
Other	931,534
	<u>\$ 9,400,133</u>
DEDUCTIONS:	
Distributions	\$ 8,017,340
Fines and Fees Disbursed	415,418
Other	79,982
	<u>\$ 8,512,740</u>
Change in Net Position	\$ 887,393
NET POSITION	
October 1, 2023 (Beginning)	<u>121,207</u>
September 30, 2024 (Ending)	<u><u>\$ 1,008,600</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

-19-
DICKENS COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The authority of county governments and their specific functions and responsibilities are created by and are dependent upon laws and legal regulations of the Texas State Constitution and Vernon's Annotated Civil Statutes (V.A.C.S.).

Dickens County, Texas (the County) operates under a County Judge/Commissioners' Court type of government as provided by state statute. The financial and reporting policies of the County conform to generally accepted accounting principles (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*.

The Commissioners' Court has governance responsibilities over all activities related to Dickens County, Texas. The County receives funding from local, state, and federal government sources and must comply with the concomitant requirements of these funding source entities; however, the County is not included in any other governmental "reporting entity" as defined by GASB, Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34". There is one blended component unit included within the reporting entity.

Component units are legally separate entities for which the County is considered to be financially accountable. The blended component unit, although a legally separate entity, is in substance part of the County's operations. Therefore, data from this unit is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. The blended component unit is described below and discussed further in Footnote I. The County has no discretely presented component units.

The following table describes the County's component unit:

<u>Component Unit</u>	<u>Description: Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Dickens County Public Facility Corporation	Formed to Finance the Acquisition of the Dickens County Correctional Facility	Blended	Not Available

The County's major activities or functions include public safety (sheriff and ambulance), parks and libraries, public health and social services, construction and maintenance of roads, and general administrative services.

DICKENS COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the County's non-fiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, fines and fees, grants and other intergovernmental revenues.

The Statement of Activities presents a comparison between expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: a) fees, fines and charges paid by the recipients of goods or services offered by the program, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Interfund activities between governmental funds appear as due to/due from on the governmental fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds (other funds).

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The Government-Wide Financial Statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

DICKENS COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available. Available means collectible within the current period or expected to be collected within 60 days after year end and be used to pay liabilities of the current period. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Exceptions to this general rule include unmatured principal and interest on general long-term obligations which are recognized when due. This exception is in conformity with generally accepted accounting principles. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Property tax revenues and sales tax receipts are considered measurable and available when collected by the respective intermediary collecting agency and recognized as revenue at that time. Property tax revenues are considered measurable at the time of levy and are recognized as deferred revenue and taxes receivable, net of an allowance for estimated uncollectible taxes, at that time. Property tax revenues are considered available if collected within 60 days subsequent to year end. However, the amount of taxes collected in the period 60 days subsequent to year end are considered immaterial and not recorded as current year revenue. All tax collections expected to be received subsequent to year end are, therefore, reported as deferred revenues. Licenses and permits, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded on the accrual basis in all funds.

Intergovernmental revenues are recorded on a basis applicable to the legal and contractual requirements of the individual grant programs. If funds must be expended on the specific purpose or project before any amounts will be paid to the County, revenues are recognized as the expenditures or expenses are recorded. If funds are virtually unrestricted and irrevocable, except for failure to comply with required compliance requirements, revenues are recognized when received or susceptible to accrual. Federal and State grants awarded on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other federal reimbursable-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position.

D. FUND ACCOUNTING

The County applies GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which the amounts in the funds may be spent. Application of the Statement requires the County to classify and report amounts in the appropriate fund balance classifications. The County's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned. From interpretation of the adopted policy the County will spend its fund in the following order: Committed, Assigned, and Unassigned, if more than one classification of fund balance is available.

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

The County reports the following classifications:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Restrictions are placed on fund balances when legally enforceable legislation establishes the County's right to assess, levy, or charge fees to be used for a specific purpose – such as the County's property tax revenue for debt service requirements, which must be used to repay debt. Legal enforceability means that the County can be compelled by an external party to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Commissioners' Court. Committed amounts cannot be used for any other purposes unless the Commissioners' Court removes those constraints by taking the same type of actions (legislation, resolution, and ordinance). Committed fund balances include non-liquidated encumbrances at year end that are carried forward to the next fiscal year. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Commissioners' Court. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the County Treasurer or (b) an appointed body or official to which the Commissioners' Court has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes.

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment with the General Fund conveys that the intended use of those amounts is for specific purposes that are narrower than the general purposes of the County itself.

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

DICKENS COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. County funds do not include funds held by County offices, which are not yet remitted to the County Treasurer. County funds are amounts which have been received by the County Treasurer and which are subject to control by the Commissioners' Court. These various County funds, which are reported as Governmental Funds in the financial statements of this report, are grouped into five fund types: General Fund, Public Facility Corporation Fund, Road and Bridge Fund, Payroll Fund, and the Caprock Regional Defender Grant Fund. The remaining funds held by other County offices are reported as Fiduciary Funds and are not subject to control by the Commissioners' Court.

The County maintains the following funds:

Major Governmental Funds:

General Fund – This fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose, provided it is expended or transferred in accordance with the legally adopted budget of the County.

Road and Bridge Fund – This special revenue fund is used to account for proceeds of specific revenue sources that are legally reserved for expenditures for public transportation for county citizens.

Nonmajor Governmental Funds:

Public Facility Corporation – This special revenue fund is used to account for the restricted funds to maintain the correctional facility building.

Caprock Regional Defender Grant Fund – This special revenue fund is used to account for intergovernmental revenues received and passed-through to the sub-recipient.

Payroll Fund – Accounts for payments of Payroll Deductions and Employee Benefits.

Fiduciary Funds:

Fiduciary Funds, which include funds held by County offices, also are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other government, and/or other funds. These include Custodial Funds, which are required to recognize revenues and expenses and maintain a net position.

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

E. OTHER ACCOUNTING POLICIES

1. Capital assets include land, buildings, furniture and equipment and are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects when constructed.

Buildings, vehicles, furniture and equipment, and infrastructure of the County are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	10-20
Furniture and Equipment	5-10
Vehicles and Heavy Equipment	7-10
Leasehold Improvements	13
Infrastructure	30

2. The County provides statutory workers' compensation insurance for its employees through Texas Association of Counties (TAC), a joint insurance fund, in which the County is a member. Health insurance is provided to the County's employees through a licensed insurer paid by the County.

F. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

1. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.
2. In addition to liabilities, the balance sheet/statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has one type of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

DICKENS COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

G. TRANSFERS

The County budgeted transfers from the general fund to the road and bridge fund in the amount of \$811,213 for the year ended September 30, 2024.

II. PROPERTY TAX

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

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature that affects the methods of property assessment and tax collection in the County. This legislation, with certain exceptions, exempts intangible personal property, household goods and family-owned automobiles from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of county wide Appraisal Districts and for the State Property Tax Board which commenced operation in January 1980.

The County is permitted by Article 8, Section 9 of the State of Texas Constitution to levy taxes up to \$0.80 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rates assessed for the year ended September 30, 2022 to finance maintenance and operations of the County was \$.61382 per \$100 valuation and to finance road and bridge operations of the County was \$.15000 per \$100 valuation.

The County's taxes on real property are a lien against such property until paid. The County may foreclose real property upon which it has a lien for unpaid taxes. Although the County makes little effort to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title on property.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

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

At September 30, 2024, the carrying amount of the County's cash and cash equivalents was \$310,557 and the bank balance was \$374,573.

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

The Public Funds Investment Act (Government Code Chapter 2256) (The Act) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy.

That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

The carrying value of investments at September 30, 2024 was \$7,815,354. The investments consist of:

	Cost	Market Value
TexPool	\$ 1	\$ 1
Certificates of Deposit - Spur Security Bank	3,608,560	3,608,560
Certificates of Deposit - UBS	1,753,466	1,712,526
Government Securities - UBS	1,375,261	1,357,125
Money Market - UBS	1,128,565	1,137,142
	<u>\$ 7,865,853</u>	<u>\$ 7,815,354</u>

The carrying value of the restricted investments - held by trustee (US Bank) at September 30, 2024 was \$63,548. The restricted investments consist of:

	Cost	Market Value
US Bank Money Market Account	<u>\$ 63,548</u>	<u>\$ 63,548</u>

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board require or permit in the statements at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County's investments as of September 30, 2024 were all considered Level 1 and 2.

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk – Deposits: This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was exposed to custodial credit risk since its deposits at year end and during the year ended September 30, 2024 were not entirely covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The County's securities are all in securities backed by the United States of America and are not exposed to custodial credit risk.

Other Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk, TexPool's investment policy allows the portfolio's investment manager to only invest in obligations of the U.S. Government, its agencies' repurchase agreements; and no-load AAAM money market mutual funds registered with the SEC. As of September 30, 2024 TexPool's investments credit quality rating was AAA (Standard & Pool's).

B. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at September 30, 2024, were as follows:

	Property Tax Receivable	Office Receivables	Total Receivables
Governmental Activities			
General Fund	\$ 82,133	\$ 216,029	\$ 298,162
Road and Bridge Fund	22,102	7,275	29,377
Less: Allowance for Uncollectibles	(72,804)	(78,773)	(151,577)
Total - Governmental	\$ 31,431	\$ 144,531	\$ 175,962

Payables at September 30, 2024 were as follows:

	Accounts Payable
Governmental Activities	
General Fund and Combining Funds	\$ 70,985
Road and Bridge Fund	17,244
Total - Governmental	\$ 88,229

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

C. CAPITAL ASSETS

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

	Balance October 1, 2023	Additions	Impairment/ Retirements	Balance September 30, 2024
Governmental Activities				
Land	\$ 115,284	\$	\$ (42,512)	\$ 72,772
Buildings and Improvements	3,878,113	5,660		3,883,773
Correctional Facility	10,622,488		(10,622,488)	
Furniture and Equipment	224,140	12,039		236,179
Vehicles and Heavy Equipment	2,960,188	1,458,305	(254,200)	4,164,293
Leasehold Improvements	848,062			848,062
Infrastructure	843,532	45,000		888,532
Totals at Historic Cost	\$ 19,491,807	\$ 1,521,004	\$ (10,919,200)	\$ 10,093,611
Less: Accumulated Depreciation				
Buildings and Improvement	\$ 1,037,031	\$ 91,997	\$	\$ 1,129,028
Correctional Facility	3,275,267		(3,275,267)	
Furniture and Equipment	147,091	17,300		164,391
Vehicles and Heavy Equipment	1,978,110	515,786	(254,200)	2,239,696
Leasehold Improvements	564,702	67,263		631,965
Infrastructure	726,118	14,284		740,402
Total Accumulated Depreciation	\$ 7,728,319	\$ 706,630	\$ (3,529,467)	\$ 4,905,482
Net Investment in Capital Assets	\$ 11,763,488	\$ 814,374	\$ (7,389,733)	\$ 5,188,129

Current year depreciation expense was charged to governmental functions as follows:

County Sheriff	\$ 127,982
Justice of Peace	16,798
General Administration	100,024
Road and Bridge	461,826
Total Depreciation Expense	\$ 706,630

The correctional facility capital assets related to the Dickens County Correctional Facility – Public Facility Corporation were deemed impaired and were taken off the books during the year ended September 30, 2024.

DICKENS COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

D. ACCRUED COMPENSATED ABSENCES

Accumulated unpaid leave amounts are not accrued in governmental funds using the modified accrual basis of accounting, but are reflected in the government-wide Statement of Net Position. At September 30, 2024, accrued employee benefits recorded on the Statement of Net Position were for vacation pay in the amount of \$7,944.

E. RISK MANAGEMENT

Worker's Compensation

During the fiscal year ended September 30, 2024 employees of the County were covered by a worker's compensation plan administered by TAC. The County paid a contribution of \$3,779 for the fiscal year ended September 30, 2024. These figures are subject to change based upon actual payroll figures.

Health Care

During the fiscal year ended September 30, 2024, employees of the County were covered by a health insurance plan (the Plan). The County paid \$999.78 of the employee's monthly premiums. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The cost to the County for the year ended September 30, 2024 was \$263,254.

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

F. RETIREMENT PENSION PLAN

Plan Description:

The County provides retirement, disability and death benefits (the Group Term Life program – See Note H) for all of its full-time employees through a non-traditional defined benefit pension plan in the Texas County & District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 868 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an Annual Comprehensive Financial Report (ACFR) on a calendar basis. The ACFR is available upon written request from the Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Pension Plan Fiduciary Net Position:

Detailed information about the TCDRS fiduciary net position is available in a separately-issued ACFR that includes financial statements and required supplementary information mentioned in the above section.

The information provided by TCDRS shows the following information regarding the Pension Plan fiduciary net position for the County as of December 31, 2023:

Net Pension Liability (Asset)	Total
Total Pension Liability	\$ 6,823,079
Less: Plan Fiduciary Net Position	5,832,491
Net Pension Liability (Asset)	\$ 990,588
Net Position as Percentage of Total Pension Liability	85.48%

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Benefits Provided:

TCDRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries). The normal service retirement is at age 60 with eight years of credited service, when the sum of the member's age and years of credited service equals 75 or more years, or after 30 years of service regardless of age. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions:

The Plan is funded by monthly contributions from employee deposits and from employer contributions based on the covered payroll of employee members. Under the variable rate plan provisions, the contribution rate of the employer is actuarially determined annually. The required contribution was determined as part of the December 31, 2023 actuarial valuation using the entry age actuarial cost method.

The actuarial assumptions at December 31, 2023 included (a) a 7.50% investment rate of return (net of administrative expenses), and (b) a projected salary increase of 4.70%. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The employer contribution rate was 23.82% and 11.56% for 2024 and 2023, respectively. The deposit rate payable by employee members is the rate of 7.00% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the Texas state statutes governing TCDRS.

	Contribution Rates	
	2024	2023
Member	7.00%	7.00%
Employer	23.82%	11.56%
2024 Employer Contributions	\$	277,192
2024 Member Contributions	\$	92,882

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Actuarial Assumptions:

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Smoothing Period	Five Years
Recognition Method	Non-Asymptotic
Corridor	None
Remaining Amortization Period	14.7 Years
Discount Rate	7.60%
Long-Term Expected Investment	
Rate of Return*	7.60%
Salary Increases*	Varies by age of service
Payroll Growth Rate	2.25%

**Includes Inflation of 2.50%*

The actuarial methods and assumptions are primarily based on a study of the County's workforce and estimate of benefits it will pay its employees. The economic and demographic assumptions have been established based on the 2023 experience study for TCDRS, details of which can be found in the 2023 Investigation and Experience Report on the TCDRS website.

Discount Rate:

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.50%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Best estimates of geometric real rates of return for each major asset class included in the systems target asset allocation as of December 31, 2023 are summarized below:

Asset Class	Target Allocation**	Long-Term Expected Portfolio Real Rate of Return*
U.S. Equities	11.50%	4.75%
Global Equities	2.50%	4.75%
International Equities - Developed	5.00%	4.75%
International Equities - Emerging	6.00%	4.75%
Investment-Grade Bonds	3.00%	2.35%
Strategic Credit	9.00%	3.65%
Direct Lending	16.00%	7.25%
Distressed Debt	4.00%	6.90%
REIT Equities	2.00%	4.10%
Master Limited Partnerships	2.00%	5.20%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.75%
Hedge Funds	6.00%	3.25%
Cash Equivalents	2.00%	0.60%
Total	100.00%	

* - Geometric real rates of return in addition to assumed inflation of 2.20%,
per Cliffwater's 2024 capital market assumptions

** - Target asset allocation adopted at the March 2024 TCDRS Board Meeting

Discount Rate Sensitivity Analysis:

The following schedule shows the impact of the Net Pension Asset if the discount rate used was one percent less than and one percent greater than the discount rate that was used (7.60%) in measuring the 2023 Net Pension Asset.

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total Pension Liability	\$ 7,541,475	\$ 6,823,079	\$ 6,204,626
Fiduciary Net Position	5,832,491	5,832,491	5,832,491
Net Pension Liability/(Asset)	\$ 1,708,984	\$ 990,588	\$ 372,135

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2023, the County reported a liability of \$990,588 for its proportionate share of the TCDRS net pension liability.

The net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period January 1, 2023 through December 31, 2023.

For the plan year ended December 31, 2023, there were no changes in plan provisions.

At December 31, 2023, the County reported its proportionate share of the TCDRS deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 45,358
Changes in Assumptions	
Net Difference Between Projected and Actual Earnings	9,191
Contributions Paid to TCDRS Subsequent to the Measurement Date	<u>240,896</u>
Total	<u>\$ 295,445</u>

The net amounts of the employer's balances of deferred outflows related to pensions will be recognized in pension expense as follows:

	<u>Amortization of Deferred Resources</u>
2024	\$ 216,859
2025	(1,771)
2026	117,843
2027	<u>(37,486)</u>
	<u>\$ 295,445</u>

-35-
DICKENS COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

At December 31, 2023, the County reported deferred resource outflows for the TCDRS pension plan as follows:

	Deferred Outflows/(Inflows) of Resources
Total Net Amounts as of December 31, 2022 Measurement Date	\$ 126,816
Contributions Made Subsequent to the Measurement Date	240,896
Contributions Made Prior to the Measurement Date	(89,663)
Net Deferred (Inflows)/Outflows related to the year ended December 31, 2023	(119,393)
Amortization of Deferred Inflows/(Outflows)	136,789
Total Net Amounts as of December 31, 2023	\$ 295,445

Pension Expense:

Pension expense for the plan for the year ended December 31, 2023 was \$993,300 and was calculated as follows:

	Pension Expense
Service Cost	\$ 128,369
Effect of Plan Changes	1,059,056
Interest on Total Pension Liability	414,970
Administrative Expenses	3,046
Member Contributions	(76,272)
Expected Investment Return Net of Investment Expenses	(404,402)
Amortization of Deferred Inflows and Outflows of Resources	(136,789)
Other	5,322
Total Amount as of December 31, 2023	\$ 993,300

Employees Covered by Benefit Terms:

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	35
Inactive Employees Entitled to but not Yet Receiving Benefits	52
Active Employees	33
Total Plan Employees	120

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

G. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description:

The County participates in the Group Term Life (GTL) program for the TCDRS, which is a statewide, multiple-employer, public employee retirement system. All full-time and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected to participate in the GTL program are included in the OPEB plan.

Benefits Provided:

The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the GTL program. The OPEB benefit is a fixed \$5,000 lump-sum benefit and no future increases are assumed in the benefit amount.

Contributions made to the retiree GTL program are held in the GTL fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown in the changes in the total OPEB liability.

Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 each year. The County's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000.

Employees Covered by Benefit Terms:

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	29
Inactive Employees Entitled to but not Yet Receiving Benefits	10
Active Employees	33
Total Plan Employees	<u>72</u>

Total OPEB Liability:

The County's total OPEB liability of \$142,618 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Actuarial Assumptions:

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains and losses and assumptions changes or inputs	Straight-Line Amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	3.26% 20 Year Bond GO Index published by bondbuyer.com as of December 31, 2023

The TCDRS GTL program is treated as unfunded OPEB plan because the GTL trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 3.26% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2023.

Mortality rates were based on the following criteria:

Depositing Members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service Retirees, Beneficiaries and Non-Depositing Members	135% of Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled Retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total OPEB liability as of December 31, 2023 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Changes in the Total OPEB Liability:

Balance as of December 31, 2022	\$	126,624
Changes for the year:		
Service Cost		4,667
Interest on Total OPEB Liability		4,802
Effect of Economic/Demographic Experience		1,780
Effect of Assumptions Changes or Inputs		9,212
Benefit Payments		<u>(4,467)</u>
Balance as of December 31, 2023	\$	<u>142,618</u>

Changes of assumptions or other inputs reflect a change in the discount rate from 3.72% in 2022 to 3.26% in 2023.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity Analysis:

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

	1% Decrease in Discount Rate (2.26%)	Discount Rate (3.26%)	1% Increase in Discount Rate (4.26%)
Total OPEB Liability	\$ <u>166,194</u>	\$ <u>142,618</u>	\$ <u>123,691</u>

DICKENS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2024, the County recognized OPEB expense of \$6,554. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	\$ 2,387
Changes in Assumptions		11,793
Contributions Made Subsequent to Measurement Date	4,254	
	<u>\$ 4,254</u>	<u>\$ 14,180</u>

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

	Amortization of Deferred Resources
2024	\$ (4,210)
2025	(8,464)
2026	2,748
	<u>\$ (9,926)</u>

DICKENS COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

H. TAX ABATEMENT

The County has entered into a ten-year agreement allowed for under Texas State Law for the abatement of property taxes with a company that constructed a transmission line within the County's jurisdiction. This abatement runs through the 2026 tax year. The tax abatement commenced on January 1, 2017. As part of the agreement, the company will pay the County \$1,500 per mile of transmission line for 10 years in lieu of taxes.

The County has entered into tax abatement agreements with electric battery storage facilities. These agreements are for a ten-year period and will result in payments in lieu of taxes.

I. LITIGATION AND COMMITMENTS

There is no pending litigation against the County at September 30, 2024, that would have a material effect on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

-41-
DICKENS COUNTY, TEXAS

Exhibit B-1

**SCHEDULE OF CHANGES IN NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
TOTAL PENSION LIABILITY										
Service Cost	\$ 119,918	\$ 118,700	\$ 133,444	\$ 128,036	\$ 123,058	\$ 122,633	\$ 133,734	\$ 138,173	\$ 149,119	\$ 128,369
Interest Cost	300,272	313,214	328,758	345,467	356,812	370,606	386,003	393,743	409,235	414,970
Effect of Plan Changes		(8,043)								1,059,056
Effect of Economic/Demographic Losses	(39,761)	(3,869)	(42,872)	(77,415)	(1,457)	15,902	13,350	95,126	(85,083)	68,037
Effect of Assumptions Changes or Inputs		49,580		37,369			230,431	(55,393)		
Benefit Payments/Refunds of Contributions	(228,274)	(253,043)	(276,508)	(274,772)	(302,603)	(312,983)	(348,024)	(356,925)	(401,400)	(351,797)
Net Change in Total Pension Liability	\$ 152,155	\$ 216,539	\$ 142,822	\$ 158,685	\$ 175,810	\$ 196,158	\$ 415,494	\$ 214,724	\$ 71,871	\$ 1,318,635
Total Pension Liability, Beginning	3,760,187	3,912,342	4,128,881	4,271,703	4,430,388	4,606,198	4,802,356	5,217,850	5,432,574	5,504,445
Total Pension Liability, Ending	\$ 3,912,342	\$ 4,128,881	\$ 4,271,703	\$ 4,430,388	\$ 4,606,198	\$ 4,802,356	\$ 5,217,850	\$ 5,432,574	\$ 5,504,445	\$ 6,823,080
FIDUCIARY NET POSITION										
Employer Contributions	\$ 106,274	\$ 111,547	\$ 111,407	\$ 113,938	\$ 113,519	\$ 119,232	\$ 118,365	\$ 131,414	\$ 120,389	\$ 125,959
Member Contributions	64,852	67,545	67,461	68,993	68,740	72,199	71,671	79,575	72,899	76,272
Investment Income, Net of Expenses	244,901	39,105	274,646	566,953	(82,668)	682,580	486,219	1,088,075	(331,999)	591,831
Benefit Payments/Refunds of Contributions	(228,274)	(253,043)	(276,508)	(274,772)	(302,603)	(312,983)	(348,024)	(356,925)	(401,400)	(351,797)
Administrative Expenses	(2,803)	(2,677)	(2,995)	(2,903)	(3,338)	(3,589)	(3,681)	(3,228)	(3,164)	(3,046)
Other	(21,929)	37,161	(2,872)	(1,258)	(3,145)	(3,506)	(4,208)	(2,750)	(24,314)	(5,322)
Net Change in Fiduciary Net Position	\$ 163,021	\$ (362)	\$ 171,139	\$ 470,951	\$ (209,495)	\$ 553,933	\$ 320,342	\$ 936,161	\$ (567,589)	\$ 433,897
Fiduciary Net Position, Beginning	3,560,494	3,723,515	3,723,153	3,894,292	4,365,243	4,155,748	4,709,681	5,030,023	5,966,184	5,398,595
Fiduciary Net Position, Ending	\$ 3,723,515	\$ 3,723,153	\$ 3,894,292	\$ 4,365,243	\$ 4,155,748	\$ 4,709,681	\$ 5,030,023	\$ 5,966,184	\$ 5,398,595	\$ 5,832,492
NET PENSION LIABILITY (ASSET)	<u>\$ 188,827</u>	<u>\$ 405,728</u>	<u>\$ 377,411</u>	<u>\$ 65,145</u>	<u>\$ 450,450</u>	<u>\$ 92,675</u>	<u>\$ 187,827</u>	<u>\$ (533,610)</u>	<u>\$ 105,850</u>	<u>\$ 990,588</u>
Fiduciary Net Position as a % of Total Pension Liability	95.17%	90.17%	91.16%	98.53%	90.22%	98.07%	96.40%	109.82%	98.08%	85.48%
County's Covered-Employee Payroll	\$ 924,619	\$ 964,928	\$ 963,724	\$ 985,621	\$ 981,998	\$ 1,031,413	\$ 1,023,865	\$ 1,136,792	\$ 1,041,415	\$ 1,089,607
Net Pension Liability/Asset as a % of Covered-Employee Payroll	20.42%	42.05%	39.16%	6.61%	45.87%	8.99%	18.34%	-46.94%	10.16%	90.91%

The accompanying notes are an integral part of this statement.

-42-
DICKENS COUNTY, TEXAS

Exhibit B-2

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2015	\$ 110,611	\$ 110,611	\$ 0	\$ 958,009	11.55%
2016	111,546	111,546	0	964,926	11.56%
2017	113,153	113,153	0	978,930	11.56%
2018	113,602	113,602	0	982,721	11.56%
2019	115,740	115,740	0	1,001,215	11.56%
2020	117,473	117,473	0	1,016,156	11.56%
2021	129,240	129,240	0	1,117,994	11.56%
2022	121,840	121,840	0	1,054,782	11.55%
2023	122,201	122,201	0	1,057,103	11.56%
2024	277,192	277,192	0	1,326,879	20.89%

The accompanying notes are an integral part of this statement.

DICKENS COUNTY, TEXAS
SUPPLEMENTAL DEATH BENEFIT FUND

Exhibit B-3

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 4,667	\$ 6,887	\$ 6,639	\$ 5,587	\$ 3,730	\$ 4,588	\$ 4,527
Interest	4,802	3,512	3,404	3,805	4,715	4,095	4,489
Benefit Payments	(4,467)	(4,999)	(4,775)	(5,119)	(5,363)	(5,401)	(5,914)
Differences between Expected and Actual Experience	1,780	(7,444)	1,137	779	(7,392)	5,500	(6,987)
Changes in Assumptions	<u>9,212</u>	<u>(37,404)</u>	<u>3,350</u>	<u>15,446</u>	<u>26,216</u>	<u>(11,995)</u>	<u>3,841</u>
Net Change	\$ 15,994	\$ (39,448)	\$ 9,755	\$ 20,498	\$ 21,906	\$ (3,213)	\$ (44)
Beginning Balance	<u>126,624</u>	<u>166,072</u>	<u>156,317</u>	<u>135,819</u>	<u>113,913</u>	<u>117,126</u>	<u>117,170</u>
Ending Balance	\$ <u>142,618</u>	\$ <u>126,624</u>	\$ <u>166,072</u>	\$ <u>156,317</u>	\$ <u>135,819</u>	\$ <u>113,913</u>	\$ <u>117,126</u>
Total OPEB Liability	\$ <u>142,618</u>	\$ <u>126,624</u>	\$ <u>166,072</u>	\$ <u>156,317</u>	\$ <u>135,819</u>	\$ <u>113,913</u>	\$ <u>117,126</u>
Covered Employee Payroll	\$ 1,089,607	\$ 1,041,415	\$ 1,136,792	\$ 1,023,865	\$ 1,031,413	\$ 981,998	\$ 985,621
Total OPEB Liability as a Percentage of Covered Employee Payroll	13.09%	12.16%	14.61%	15.27%	13.17%	11.60%	11.88%

Note: Only seven years of GASB 75 Data Available as of 12/31/2023. The remaining three years of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

DICKENS COUNTY, TEXAS

Exhibit B-4

**BUDGETARY COMPARISON - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	(Unaudited) Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenue:				
Taxes:				
Property Taxes	\$ 2,911,052	\$ 2,911,052	\$ 2,951,845	\$ 40,793
Other Taxes	129,700	129,700	448,920	319,220
Payments in Lieu of Taxes	15,000	15,000	140,135	125,135
Intergovernmental Revenue and Grants	348,638	698,638	454,026	(244,612)
Charges for Services	177,050	177,050	171,183	(5,867)
Fines and Fees	7,425	7,425	11,705	4,280
Investment Earnings	75,000	75,000	348,745	273,745
Rents and Royalties	250	250	34	(216)
Other Revenue	15,084	15,084	61,487	46,403
Total Revenues	<u>\$ 3,679,199</u>	<u>\$ 4,029,199</u>	<u>\$ 4,588,080</u>	<u>\$ 558,881</u>
Expenditures:				
Current:				
County Judge	\$ 94,051	\$ 94,051	\$ 88,327	\$ 5,724
County Clerk	108,760	108,760	103,750	5,010
County Treasurer	62,829	62,829	63,392	(563)
Tax Assessor and Collector	98,153	98,153	95,250	2,903
County Sheriff	404,563	404,563	557,091	(152,528)
County Attorney	49,846	49,846	74,755	(24,909)
Justice of Peace	56,359	56,359	51,184	5,175
Extension Office	74,344	74,344	47,710	26,634
Building Maintenance	211,880	211,880	124,578	87,302
County Court	32,050	32,050	4,385	27,665
District Court	105,303	105,303	75,975	29,328
Emergency Management Office	27,232	27,232	25,804	1,428
Indigent Health	231,736	231,736	24,359	207,377
General Administration	1,660,011	1,660,011	1,391,517	268,494
Total Expenditures	<u>\$ 3,217,117</u>	<u>\$ 3,217,117</u>	<u>\$ 2,728,077</u>	<u>\$ 489,040</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 462,082</u>	<u>\$ 812,082</u>	<u>\$ 1,860,003</u>	<u>\$ 1,047,921</u>
Other Financing Sources (Uses):				
Transfers Out	<u>\$ (462,079)</u>	<u>\$ (462,079)</u>	<u>\$ (811,213)</u>	<u>\$ (349,134)</u>
Total Other Financing Sources (Uses)	<u>\$ (462,079)</u>	<u>\$ (462,079)</u>	<u>\$ (811,213)</u>	<u>\$ (349,134)</u>
Net Change in Fund Balances	\$ 3	\$ 350,003	\$ 1,048,790	<u>\$ 698,787</u>
Fund Balances - Beginning	<u>6,355,130</u>	<u>6,355,130</u>	<u>6,355,130</u>	
Fund Balances - Ending	<u>\$ 6,355,133</u>	<u>\$ 6,705,133</u>	<u>\$ 7,403,920</u>	

DICKENS COUNTY, TEXAS

Exhibit B-5

**BUDGETARY COMPARISON - ROAD & BRIDGE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	(Unaudited) Budgeted Amounts		Actual	Variance with Final Budget Positive or (Negative)
	Original	Final	Amounts	
Revenue:				
Taxes:				
Property Taxes	\$ 707,871	\$ 707,871	\$ 716,086	\$ 8,215
License and Permits	140,000	140,000	131,195	(8,805)
Intergovernmental Revenue and Grants	15,000	15,000	13,807	(1,193)
Charges for Services	29,000	29,000	28,996	(4)
Fines and Fees	32,000	32,000	34,174	2,174
Investment Earnings	2,000	2,000	10,704	8,704
Other Revenue	500	500	0	(500)
Total Revenues	<u>\$ 926,371</u>	<u>\$ 926,371</u>	<u>\$ 934,962</u>	<u>\$ 8,591</u>
Expenditures:				
Current:				
Road & Bridge	\$ 1,081,075	\$ 1,081,075	\$ 1,636,221	\$ (555,146)
Special Road & Bridge	307,375	307,375	273,181	34,194
Total Expenditures	<u>\$ 1,388,450</u>	<u>\$ 1,388,450</u>	<u>\$ 1,909,402</u>	<u>\$ (520,952)</u>
Deficiency of Revenues Under Expenditures	<u>\$ (462,079)</u>	<u>\$ (462,079)</u>	<u>\$ (974,440)</u>	<u>\$ (512,361)</u>
Other Financing Sources:				
Transfers In	\$ 462,079	\$ 462,079	\$ 811,213	\$
Sale of Real and Personal Property	0	0	165,000	165,000
Total Other Financing Sources	<u>\$ 462,079</u>	<u>\$ 462,079</u>	<u>\$ 976,213</u>	<u>\$ 165,000</u>
Net Change in Fund Balances	\$ 0	\$ 0	\$ 1,773	<u>\$ 1,773</u>
Fund Balances - Beginning	<u>420,140</u>	<u>420,140</u>	<u>420,140</u>	
Fund Balances - Ending	<u>\$ 420,140</u>	<u>\$ 420,140</u>	<u>\$ 421,913</u>	

DICKENS COUNTY, TEXAS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

A. PENSION PLAN

CHANGES OF BENEFIT TERMS

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

CHANGES OF ASSUMPTIONS

There were no assumptions changes that affected the measurement of the total pension liability during the measurement period.

B. BUDGETARY DATA

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

1. The County Judge, as budget officer, prepares a budget to cover all proposed expenditures and the means of financing them, for the succeeding year and delivers the proposed budget to Commissioners' Court.
2. Commissioners' Court holds budget sessions with each department head.
3. Commissioners' Court holds budget hearings for the public at which all interested persons' comments concerning the budget are heard.
4. Commissioners' Court formally adopts the budget in the open court meeting.
5. The adopted budget becomes the authorization for all legal expenditures for the County for the fiscal year. Appropriations lapse at the end of the fiscal year.
6. The formally adopted budget may legally be amended by Commissioners' in accordance with article 689A-11 or 689A-20 of Vernon's Annotated Civil Statutes.

An appropriate resolution (the appropriated budget) to control the level of expenditures must be legally enacted on or about September 1. The County maintains its legal level of budgetary control at the department level. Amendments to the 2023-2024 budget were approved by the Commissioners' Court as provided by law.

All expenditures in excess of appropriations are covered by unrestricted general fund balances.

COMBINING STATEMENTS

DICKENS COUNTY, TEXAS

Exhibit C-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Public Facility Corporation Fund	Payroll Fund	Caprock Regional Defender Grant Fund	Total Nonmajor Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$	\$ 171,686	\$ 906	\$ 172,592
Investments - Held by Trustee	63,548			63,548
Due from Other Funds		(171,686)		(171,686)
Total Assets	<u>\$ 63,548</u>	<u>\$ 0</u>	<u>\$ 906</u>	<u>\$ 64,454</u>
FUND BALANCES:				
Restricted for:				
Prison Operations	\$ 63,548	\$	\$	\$ 63,548
Enabling Legislation			906	906
Total Fund Balances	<u>\$ 63,548</u>	<u>\$ 0</u>	<u>\$ 906</u>	<u>\$ 64,454</u>

DICKENS COUNTY, TEXAS

Exhibit C-2

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

	Public Facility Corporation Fund	Caprock Regional Defender Grant Fund	Total Nonmajor Governmental Funds
Revenue:			
Investment Earnings	\$ 3,078	\$	\$ 3,078
Total Revenues	\$ 3,078	\$ 0	\$ 3,078
Expenditures:			
Current:			
Prison Facility	\$ 750	\$	\$ 750
Total Expenditures	\$ 750	\$ 0	\$ 750
Deficiency of Revenues Under Expenditures	\$ 2,328	\$ 0	\$ 2,328
Net Change in Fund Balances	\$ 2,328	\$ 0	\$ 2,328
Fund Balances - Beginning	61,220	906	62,126
Fund Balances - Ending	\$ 63,548	\$ 906	\$ 64,454

OTHER INFORMATION REQUIRED BY GOVERNMENT AUDITING STANDARDS

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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LUBBOCK, TEXAS 79423-1954

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

To the Honorable Judge and
Members of the Commissioners' Court of
Dickens 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, each major fund, and the aggregate remaining fund information of Dickens County, Texas (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 Dickens County, Texas' internal control.

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

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

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

February 10, 2025