

NOLAN COUNTY, TEXAS

FINANCIAL STATEMENTS

AND

**INDEPENDENT AUDITOR'S
REPORT**

YEAR ENDED

SEPTEMBER 30, 2024



Roberts & McGee CPA

NOLAN COUNTY, TEXAS
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INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge and
Members of the Commissioners Court of
Nolan County, Texas:

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of **Nolan 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 basis financial statements as listed in the table of contents.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statement 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 the financial statement 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 our audit.

Required Supplementary Information

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

Supplementary Information

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

Roberts + McGee, CPA
Roberts & McGee, CPA

Abilene, Texas
December 20, 2024

NOLAN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

As management of Nolan County, we offer readers of Nolan County's financial statements this narrative overview and analysis of the financial activities of the Nolan County for the fiscal year ended September 30, 2024.

Financial Highlights

Government-Wide Financial Statements

- The assets of Nolan County exceeded its liabilities at the close of the most recent fiscal year by \$35,799,948 (net position). Of this amount, \$19,956,213 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. \$2,322,207 of the County's equity is restricted for debt service, capital improvement, and special revenue funds, and \$13,521,528 is invested in capital assets, net of related debt.
- The County's total debt outstanding at September 30, 2024 is \$6,252,000.
- The total net position (*equity*) of the County increased by \$2,926,082 during the 2024 fiscal year.

Fund Financial Statements

- As of the close of the current fiscal year, Nolan County's governmental funds reported combined ending fund balances of \$20,954,552. Approximately 71% of the total fund balance amount, \$14,982,075 is unassigned and available for spending at the government's discretion.
- The fund balance in the general fund reflects an increase of \$295,392 from the prior year.
- At the end of the current fiscal year, restricted and assigned fund balance for debt service, capital improvement and special revenue funds was \$5,972,477, which is an increase of \$547,125 from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The government-wide financial statements reflect functions of Nolan County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Nolan County include general government, judicial, legal, financial administration, public facilities, public safety, farm to market, health and welfare, and extension service. The government-wide financial statements can be found on pages 10-11 of this report.

NOLAN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

Fund Financial Statements

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

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

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

Nolan County has four governmental fund types which are the general fund, special revenue funds, debt service funds, and a capital projects fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the farm to market fund, the capital projects fund, and the debt service funds, which are considered to be major funds. Data from the other non-major governmental funds are combined into the aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 12-15 of this report.

Nolan County adopts an annual appropriated budget for its general fund, farm to market fund, and various other special revenue funds. A budgetary comparison statement has been provided for the general fund and the farm to market fund on pages 37-38.

Custodial funds. Custodial funds are used to account for assets held by the County in a trustee capacity or as a custodial for other governmental units. The County's agency funds are custodial funds. Custodial funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's basic programs. The agency fund financial statement can be found on page 16-17.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-36 of this report.

NOLAN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 42-46 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Nolan County, assets exceeded liabilities by \$35,799,948 at the close of the most recent fiscal year.

Nolan County's net position reflect its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is outstanding of \$13,521,528. Nolan County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Nolan County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Nolan County's Net Position

	Governmental Activities	
	2024	2023
Current assets	\$ 20,156,854	\$ 19,525,140
Restricted assets	3,475,401	3,872,420
Capital assets	19,801,196	19,454,314
Deferred outflows of resources	2,809,212	3,771,716
Total assets and deferred outflows of resources	46,242,663	46,623,590
Current liabilities	302,784	152,608
Long-term liabilities	6,442,596	7,744,087
Net pension liability	399,560	1,500,706
Deferred inflows of resources	3,297,775	4,352,323
Total liabilities and deferred inflows of resources	10,442,715	13,749,724
Net investment in capital assets	13,521,528	11,834,705
Restricted	2,322,207	2,188,180
Unrestricted	19,956,213	18,850,981
Total net position	\$ 35,799,948	\$ 32,873,866

The government's net position increased by \$2,926,082 during the current fiscal year.

NOLAN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

Nolan County's Changes in Net Position

	Governmental Activities	
	2024	2023
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,514,241	\$ 2,225,833
Operating Grants and Contributions	834,183	1,506,661
Capital Grants and Contributions	621,139	-
General Revenues		
Property and Other Taxes	14,368,109	13,700,380
Investment Income	1,319,476	1,119,507
Gain (loss) on disposal of assets	(18,487)	1,331
Miscellaneous Income	850,944	-
Total Revenues	19,489,605	18,553,712
Expenses		
General Government	3,030,658	2,236,942
Judicial	1,799,150	1,717,329
Legal	925,358	506,482
Financial Administration	622,269	646,280
Public Facilities	1,263,427	1,052,816
Public Safety	5,218,444	4,711,549
Farm to Market	2,194,284	2,539,965
Health and Welfare	990,301	969,220
Extension Service	191,024	185,888
Interest on Long-term Debt	114,282	131,616
Intergovernmental	214,326	499,317
Total expenditures	16,563,523	15,197,404
Increase in Net Position	2,926,082	3,356,308
Net Position - Beginning of Year	32,873,866	29,517,558
Net Position - End of Year	\$ 35,799,948	\$ 32,873,866

FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS

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

Governmental funds. The focus of Nolan County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Nolan County's

NOLAN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Nolan County's governmental funds reported combined ending fund balances of \$20,954,552. Approximately 71 percent of this total amount, \$14,982,075 constitutes unassigned fund balance in the general fund, which is available for spending at the government's discretion.

Restricted and assigned fund balances are for capital improvements, special revenue, and debt service purposes to indicate that it is not available for new spending because it has already been committed.

Fund Budgetary Highlights

The original budget for the General Fund reflects a deficit of \$109,837 which would draw upon the fund balance. Budget amendments were made during the year which changed the budgeted deficit to \$608,511. The actual expenditures were \$220,373 more than the final budgeted amounts, and actual revenues were \$1,066,745 more than was budgeted. This resulted in a favorable budget variance of \$846,372 before other financing sources and uses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Nolan County's investment in capital assets for its governmental activities as of September 30, 2024, amounts to \$19,801,196 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, and infrastructure.

Nolan County's Capital Assets
(net of depreciation)

	Governmental Activities	
	2024	2023
Land and Construction in progress	\$ 173,156	\$ 676,982
Buildings and improvements	16,730,118	15,959,621
Furniture and equipment	2,874,356	2,793,492
Intangible right of use asset	23,566	24,218
Total	\$ 19,801,196	\$ 19,454,313

Current year additions to capital outlays amounted to \$1,110,543, and \$113,382 of capital assets were disposed of. Depreciation amortization expense was \$1,367,153 for the year ended September 30, 2024.

Debt Administration

Long Term Obligations. At the end of the 2024 fiscal year, Nolan County had approximately \$6.4 million in outstanding long-term obligations.

**NOLAN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

	Governmental Activities	
	2024	2023
Bonds payable	\$ 6,252,000	\$ 7,593,000
Long-term leases	27,668	26,609
Compensated absences	162,928	124,478
 Total	 \$ 6,442,596	 \$ 7,744,087

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The M&O tax rate for the 2024-25 fiscal year remained the same as the prior year rate of \$0.3467399 per \$100 valuation.
- The Farm to Market M&O rate for the 2024-25 fiscal year remained the same as the prior year rate of \$0.0747566 per \$100 valuation.
- The County's 2024-2025 fiscal year general fund revenue budget increased \$1,500,383 or 11.88% from the prior budget.

Requests for Information

This financial report is designed to provide a general overview of Nolan County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Nolan County Auditor, 100 E. 3rd Street, Suite 102, Sweetwater, Texas 79556.

BASIC FINANCIAL STATEMENTS

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

	Primary Government Governmental Activities
ASSETS:	
Cash and cash equivalents	\$ 18,794,872
Investments	6,656
Receivables (net of allowance for uncollectible)	1,355,326
Prepaid expenses	-
Restricted assets:	
Cash and cash equivalents	3,474,080
Investments	1,321
Capital assets net of accumulated depreciation	
Nondepreciable	173,155
Depreciable, net	19,628,041
TOTAL ASSETS	43,433,451
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows - pensions	2,809,212
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	46,242,663
LIABILITIES:	
Accounts payable	296,742
Accrued interest payable	6,042
Net pension liability	399,560
Noncurrent liabilities:	
Due within one year	1,364,129
Due in more than one year	5,078,467
TOTAL LIABILITIES	7,144,940
DEFERRED INFLOWS OF RESOURCES:	
Unearned grant revenue	1,195,673
Pension related	2,102,102
TOTAL DEFERRED INFLOWS OF RESOURCES	3,297,775
NET POSITION:	
Net investment in capital assets	13,521,528
Restricted for debt service	1,430,215
Restricted for other purposes	891,992
Unrestricted	19,956,213
TOTAL NET POSITION	\$ 35,799,948

The accompanying notes are an integral part of these financial statements.

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

Function/Program	Expenses	Program Revenues			Primary
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities:					
General government	\$ 3,030,658	\$ 379,419	\$ 39,666	\$ 621,139	\$ (1,990,434)
Judicial	1,799,150	326,299	189,006		(1,283,845)
Legal	925,358				(925,358)
Financial administration	622,269	56,514			(565,755)
Public facilities	1,263,427	17,206			(1,246,221)
Public safety	5,218,444	266,997	530,762		(4,420,685)
Farm to market	2,194,284	467,806	72,075		(1,654,403)
Health and welfare	990,301		2,674		(987,627)
Extension service	191,024				(191,024)
Intergovernmental	214,326				(214,326)
Debt interest and other	114,282				(114,282)
Total Governmental Activities	16,563,523	1,514,241	834,183	621,139	(13,593,960)
Total Primary Government	\$ 16,563,523	\$ 1,514,241	\$ 834,183	\$ 621,139	(13,593,960)
General revenues:					
Property taxes, levied for general purposes					9,722,490
Property taxes, levied for farm to market					2,085,607
Property taxes, levied for debt service					1,222,488
Hotel/Motel tax					415,327
Other taxes					922,197
Gain (loss) on disposal of assets					(18,487)
Other revenue					850,944
Investment earnings					1,319,476
Total general revenues					16,520,042
Change in net position					2,926,082
Net position - beginning of year (restated)					32,873,866
Net position - end of year					\$ 35,799,948

The accompanying notes are an integral part of these financial statements.

NOLAN COUNTY, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Farm to Market Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	15,329,815	3,573,551	\$ (108,494)	\$ 18,794,872
Investments	3,960	2,696		6,656
Taxes receivable (net of allowance)	263,406	56,856	34,651	354,913
Other receivables (net of allowance)	868,234	29,404	102,775	1,000,413
Prepaid expenses	-			-
Grants receivables				-
Restricted assets				
Cash and cash equivalents			3,474,080	3,474,080
Investments			1,321	1,321
TOTAL ASSETS	\$ 16,465,415	3,662,507	\$ 3,504,333	\$ 23,632,255
LIABILITIES				
Accounts payable	216,692	18,551	\$ 61,499	296,742
TOTAL LIABILITIES	216,692	18,551	61,499	296,742
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	263,406	56,856	34,651	354,913
Unavailable revenue - fines and fees	830,375			830,375
Unavailable revenue - grants	-		1,195,673	1,195,673
TOTAL DEFERRED INFLOWS OF RESOURCE	1,093,781	56,856	1,230,324	2,380,961
FUND BALANCE				
Restricted fund balance		-		
Enabling legislation			891,992	891,992
Retirement of long term debt			1,430,215	1,430,215
Assigned fund balances				
Farm to market		3,587,100		3,587,100
Other purposes			63,170	63,170
Unassigned fund balance	15,154,942		(172,867)	14,982,075
TOTAL FUND BALANCE	15,154,942	3,587,100	2,212,510	20,954,552
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 16,465,415	3,662,507	\$ 3,504,333	\$ 23,632,255

The accompanying notes are an integral part of these financial statements.

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

Total Fund Balances - Governmental Funds \$ 20,954,552

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. The net effect is to increase net position. 19,801,196

Certain assets, such as property taxes receivables, grants and fees, are not available to pay for current-period expenditures and are therefore deferred inflows in the governmental funds. Deferred inflows of resources recognized in the government-wide financial statements result in a net increase in net position. 1,185,288

Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. The net effect is a decrease in net position related to bonds payable (\$6,252,000), compensated absences (\$162,928), long-term lease liability (\$27,668) and accrued interest payable (\$6,042). (6,448,638)

Included in the items related to assets is the recognition of the County's deferred outflows of resources \$2,809,212 less net pension liability (\$399,560) and deferred inflow of resources (\$2,102,102). The net effect is to decrease net position. 307,550

Net Position of Governmental Activities \$ 35,799,948

The accompanying notes are an integral part of these financial statements.

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

	General Fund	Farm to Market Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	9,687,646	2,085,607	\$ 1,222,488	\$ 12,995,741
Hotel/Motel taxes			415,327	415,327
Other taxes	922,197			922,197
Licenses and permits	60,314	352,216		412,530
Intergovernmental	737,802	72,075	631,945	1,441,822
Fines and fees	805,601	115,590	107,361	1,028,552
Contributions	13,500			13,500
Investment earnings	948,985	196,382	174,109	1,319,476
Rents and royalties	73,159			73,159
Other revenue	448,664	-	402,280	850,944
Total Revenues	13,697,868	2,821,870	2,953,510	19,473,248
EXPENDITURES:				
Current:				
General government	2,499,406		404,307	2,903,713
Judicial	1,836,619		34,695	1,871,314
Legal	491,306		462,494	953,800
Financial administration	662,706			662,706
Public facilities	1,063,728		11,431	1,075,159
Public safety	4,769,509		10,728	4,780,237
Farm to market		1,956,241		1,956,241
Health and welfare	990,301			990,301
Extension service	194,803			194,803
Intergovernmental	227,415			227,415
Debt service				
Debt principal	17,649		1,341,000	1,358,649
Interest expense	1,644		113,802	115,446
Capital outlay	668,186	443,197	621,139	1,732,522
Total Expenditures	13,423,272	2,399,438	2,999,596	18,822,306
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	274,596	422,432	(46,086)	650,942
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	2,088	(8,588)	6,500	
Proceeds from the issuance of leases	18,708			18,708
Total Other Financing Sources (Uses)	20,796	(8,588)	6,500	18,708
CHANGE IN FUND BALANCE	295,392	413,844	(39,586)	669,650
FUND BALANCE - BEGINNING	14,859,550	3,173,256	2,252,096	20,284,902
FUND BALANCE - ENDING	15,154,942	\$ 3,587,100	\$ 2,212,510	\$ 20,954,552

The accompanying notes are an integral part of these financial statements.

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

Net Change in Fund Balances - Governmental Funds	\$	669,650
Amounts reported for governmental activities in the statement of net position are different because:		
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays net of disposals is to increase net position.		1,732,522
Depreciation and amortization expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation and amortization. The net effect of current year depreciation and amortization expense is to decrease net position.		(1,367,153)
Proceeds from the sale of capital assets is recorded as other financing sources in the fund financial statements but only the gain or loss from those proceeds is recorded in the government wide financial statement. The net effect of the net book value of these assets is a decrease in net position.		(18,487)
Long term debt principal payments are expenditures in the fund financial statements, but they should be shown as decreases in long term debt in the government-wide financial statements. The net effect of recording the current year principal payments is to increase net position.		1,339,941
Certain expenditures for pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase. The County's unrecognized deferred inflows and outflows for TCDRS as of the measurement date must be amortized and the District's pension expense must be recognized. These cause the change in net position to increase. The net effect is an increase in net position.		572,051
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting:		
Decrease in unavailable revenue - property taxes		34,844
Decrease in unavailable fines and fees		-
Decrease in accrued interest payable		1,164
Increase in compensated absences		(38,450)
		(38,450)
Change in Net Position of Governmental Activities	\$	2,926,082

The accompanying notes are an integral part of these financial statements.

NOLAN COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

ASSETS	<u>Custodial Funds</u>
Cash and cash equivalents	\$ <u>1,892,635</u>
Total Assets	\$ <u><u>1,892,635</u></u>
LIABILITIES	
Accounts payable	\$ 67,505
Due to Others	<u>253,662</u>
Total Liabilities	<u><u>321,167</u></u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>1,571,468</u>
TOTAL NET POSITION	\$ <u><u>1,571,468</u></u>

The accompanying notes are an integral part of these financial statements.

NOLAN COUNTY, TEXAS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Tax and fee collections for other governments	\$ 4,461,396
Bond collections	294,535
Restitution collections	130,670
Inmate funds	317,936
Interest Income	22,164
Change in CD's held by District Court	20,822
Other collections	38,191
Total Additions	<u>5,285,714</u>
DEDUCTIONS	
Payments of tax and fees to others	4,034,330
Distribution of fees	14,900
Restitutions payments	111,792
Inmate funds	325,244
Distribution of bond payments	324,499
Funds held/distributed from forfeiture funds	76,571
Other deductions	46,196
Total Deductions	<u>4,933,532</u>
Change in net position	352,182
Net Position - beginning	
Adjustment to beginning net position	<u>1,219,286</u>
Net Position - ending	<u><u>\$ 1,571,468</u></u>

The accompanying notes are an integral part of these financial statements.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The County's financial statements include the cash accounts of all funds handled by the Office of the County Treasurer. 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 service. The County operates under a county judge/commissioners' court type of government as provided for by state statute. The Commissioners' Court has governance responsibilities over all activities related to the County. The County receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. Because members of the Commissioners' Court are elected by the public; have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters, the County is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board (GASB), Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

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

Basis of Presentation

Government-wide financial statements. The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Elimination have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct 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.

The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs 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.

Fund financial statements. Separate fund financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The county reports the following major governmental funds:

General Fund – 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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Farm to Market Fund – To account for proceeds of specific revenue sources that are legally restricted for expenditures for public transportation for County citizens.

Additionally, the government reports the following nonmajor governmental fund types:

Governmental Funds:

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital project) that are legally restricted to expenditures for specific purposes.

American Rescue Plan Fund – This fund accounts for the American Rescue Plan Grant funds received from the federal government.

Capital Projects Funds – the proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in capital project funds.

Debt Service Funds - These funds account for the accumulation of resources for the, and the payment of general long-term debt principal, interest and related costs.

Fiduciary Funds:

Custodial Funds – To account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments and /or other funds. Custodial funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

Measurement Focus and Basis of Accounting

Government wide and Fiduciary Fund Financial Statements: These financial statements are reported using 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 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: The County prepares its governmental fund financial statements on the modified accrual basis of accounting using the current financial resources measurement focus. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

C: Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

Highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available 1) when they become due or past due and receivable within the current period and 2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas legislature.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental or business-type 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 estimated fair market value at the date of donation.

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

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

Buildings and Improvements	20-30 years
Furniture and Equipment	5-12 years
Vehicles and Heavy Equipment	5-12 years

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Receivables and Payables

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

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue.

Compensated Absences

A liability for accumulated unpaid annual leave for all full-time employees is calculated and reported in the government-wide statements.

Upon termination from employment by the County, accrued vacation leave may be paid but not to exceed the maximum vacation leave accrual which is fifteen days for employees with more than ten years of service. Unused sick leave is cancelable and will not be paid on termination, therefore, vacation time is the only accrued liability recorded.

Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements

In addition to assets, the statement of net position will 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. The County has deferred outflows of resources for the differences between projected and actual earnings for its pension plan and contributions made to the pension plan after the measurement date, but before the end of the fiscal year.

In addition to liabilities, the statement of net position will 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 deferred inflows of resources for unearned grant revenues and for the differences in actual and project earnings and changes in assumptions related to the valuation of the net pension liability.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fund Balance

GASB has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. The fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). The County had no nonspendable funds at September 30,2024.

Restricted fund balance category includes amounts that can be spent for only the specific purposes stipulated by constitution, external resources providers, or through enabling legislation. The County reported the following restricted fund balances at September 30,2024:

Debt Service	\$	1,430,215
Records Management		214,804
Courthouse Security		87,807
Courthouse Technology		102,850
Forfeiture Funds		213,053
American Rescue Grant		208,121
Gifted Funds for Public Safety		65,357
	\$	<u>2,322,207</u>

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Commissioner’s Court (the county’s highest level of decision making authority). The County had no committed funds at year end.

Assigned – This classification includes amounts that are constrained by the County Commissioners’ intent to be used for a specific purpose but does not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Commissioners or through the Commissioners delegating this responsibility to management through the budgetary process. The county reported the following assigned fund balances at September 30,2024:

Jury Fund	\$	37,729
Law Library Fund		10,002
Hot Check Fund		15,360
D.A.R.E. Fund		79
Farm to Market Fund		3,587,100
	\$	<u>3,650,270</u>

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Unassigned fund balance is the residual classification for the County’s general fund and includes all spendable amounts not contained in the other classifications.

The County would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Fund Balance Spending Policy

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classification, the order in which resources will be expended is as follows: 1) Restricted; 2) Committed; 3) Assigned; and 4) Unassigned.

Minimum Fund Balance Policy

The County will maintain General fund unassigned fund balance at a level adequate to provide for unanticipated expenditures of a non-recurring nature and to meet unexpected increases in service delivery costs. The target level for the General Fund unassigned fund balance will be three to six months of budgeted General Fund expenditures.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Loans are reported as interfund receivables and payables as appropriate and subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund, except quasi-external transactions and reimbursements, transactions are treated as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.

All other interfund transfers are reported as operating transfers. Transfers in and transfers out are netted and presented as a single “Transfers” line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single “Intergovernmental” line of the government-wide statement of net position.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from those estimates.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the governmental activities. The long-term debt of the County includes bonds payable and bond premiums.

Pensions

The fiduciary net position of the Texas County & District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Budgetary Information

The County adopts an annual budget for the general fund and the farm to market fund consistent with generally accepted accounting principles. Budgetary control is maintained at the department level. Appropriations lapse at year end for general and special revenue funds.

Fair Value Measurements

GASB Statement No. 72, Fair Value Measurements and Application, defines fair value as the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access. All investments held by the County at year end are Level 1.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

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

NOTE 2: DEPOSITIS 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 within 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.

The County’s deposits as of September 30, 2024 were entirely covered by FDIC insurance or by pledged collateral held by the County’s bank in the County’s name.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the area 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.

The policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the county to invest in (1) obligations of the US 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, (6) bankers acceptance, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (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 with local policies.

TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool’s Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

Investments held by the County at September 30, 2024 consisted of the following:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Maturities Less Than One Year</u>
TexPool-Investments	\$ 6,656	AAAm	\$ 6,656
TexPool-Restricted Investments	1,321	AAAm	1,321
Total Investments	<u>\$ 7,977</u>		<u>\$ 7,977</u>

In compliance with the Public Funds Investment Act, the county adopted a deposit and investment policy that 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 not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2024 were covered by depository insurance or by pledged collateral held by the County’s agent bank in the County’s name.

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

NOTE 2: DEPOSIT AND INVESTMENTS – continued

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 possessions 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, TexPools’ investment policy allows the portfolio’s investment managers to only invest in obligations of the U.S. Governments, 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 AAAM (Standard & Poor’s).

TexPool manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 90 days. TexPool also seeks to maintain a constant dollar objective.

The County’s general policy is to report nonparticipating interest-earning investment contracts using a cost-based measure. The term “nonparticipating” means that the investment’s value does not vary with the market interest rate changes. Negotiable certificates of deposit are examples of nonparticipating interest earning investment contracts.

NOTE 3: RECEIVABLES

Receivables at year end, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Farm to Market Fund	Nonmajor Governmental Funds	Total
Receivables				
Taxes	\$ 468,810	\$ 96,882	\$ 59,322	\$ 625,014
Other	868,234	29,404	102,775	1,000,413
Total Gross Receivables	<u>1,337,044</u>	<u>126,286</u>	<u>162,097</u>	<u>1,625,427</u>
Less: Allowance for Uncollectible Taxes	<u>(205,404)</u>	<u>(40,026)</u>	<u>(24,671)</u>	<u>(270,101)</u>
Net Receivables	<u>\$ 1,131,640</u>	<u>\$ 86,260</u>	<u>\$ 137,426</u>	<u>\$ 1,355,326</u>

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

NOTE 4: CAPITAL ASSETS

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

Governmental Activities	Balance October 1, 2023	Additions	Deletions	Balance September 30, 2024
Capital assets not being depreciated				
Land	\$ 113,975	\$ -	\$ -	\$ 113,975
Construction in progress	563,009	621,977	(1,125,805)	59,181
Total capital assets not being depreciated	<u>676,984</u>	<u>621,977</u>	<u>(1,125,805)</u>	<u>173,156</u>
Capital assets being depreciated and amortized				
Buildings and improvements	25,661,041	1,581,247		27,242,288
Furniture and equipment	9,501,595	636,393	(113,382)	10,024,606
Intangible right of use asset	68,543	18,708		87,251
Total capital assets being depreciated and amortized	<u>35,231,179</u>	<u>2,236,348</u>	<u>(113,382)</u>	<u>37,354,145</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(9,701,420)	(810,750)		(10,512,170)
Furniture and equipment	(6,708,103)	(537,042)	94,895	(7,150,250)
Intangible right of use asset	(44,324)	(19,361)		(63,685)
Total accumulated depreciation and amortization	<u>(16,453,847)</u>	<u>(1,367,153)</u>	<u>94,895</u>	<u>(17,726,105)</u>
Governmental activities capital assets	<u>\$ 19,454,316</u>	<u>\$ 1,491,172</u>	<u>\$ (1,144,292)</u>	<u>\$ 19,801,196</u>

Depreciation and amortization was allocated to the various functions based on the capital assets within each group as follows:

Governmental Activities:	
General government	\$ 134,156
Public facilities	227,716
Public safety	694,609
Farm to Market	310,672
	<u>\$ 1,367,153</u>

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

NOTE 5: LONG-TERM OBLIGATIONS

A summary of changes in long-term obligations at September 30, 2024 is as follows:

	Balance Oct. 1, 2023	Additions	Retirements	Balance Sept. 30, 2024	Due Within One Year
Governmental Activities:					
General obligations bonds	\$7,593,000		\$(1,341,000)	\$ 6,252,000	\$ 1,351,000
Long-term leases	26,609	18,708	(17,649)	27,668	13,129
Other Long-term Liabilities					
Compensated absences	124,478	38,450		162,928	
Total long-term obligation	<u>\$7,744,087</u>	<u>\$ 57,158</u>	<u>\$(1,358,649)</u>	<u>\$ 6,442,596</u>	<u>\$ 1,364,129</u>

A: Bonds Payable

During the year ended September 30, 2017, the County issued refunding bonds of \$3,058,000 General Obligation Refunding Bonds, Series 2016 for the purpose of refunding \$3,000,000 of Tax Notes, Series 2016, in order to lower the overall debt service requirements of the County and to pay costs associated with the issuance of the bonds. In regard to this issue, the County recognized cash flow savings of \$245,680 and an economic gain of \$14,871 with an effective interest rate of 2.29%.

During the year ended September 30 2022, the County issued refunding bonds of \$7,070,000 General Obligation Refunding Bond Series 2021 for the purposes of refunding \$4,285,000, General Obligation Bonds 2012 series and \$2,595,000, General Obligation Bonds Series 2013.

The following are Certificates of Obligation bond issues outstanding at September 30, 2024:

	Interest Rate	Date of Issue	Date of Maturity	Bonds Outstanding
GO Refunding 2016	3%	2017	2031	1,591,000
GO Refunding 2021	3%	2021	2028	4,661,000

Debt service requirements are as follows:

Year Ended September 30	Total Principal	Total Interest	Total Requirements
2025	\$ 1,351,000	\$ 91,649	\$ 1,442,649
2026	1,377,000	72,068	1,449,068
2027	1,386,000	52,167	1,438,167
2028	1,415,000	31,926	1,446,926
2029	234,000	18,180	252,180
2030-2031	489,000	14,775	503,775
Total	<u>\$ 6,252,000</u>	<u>\$ 280,765</u>	<u>\$ 6,532,765</u>

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

NOTE 5: LONG-TERM OBLIGATIONS – continued

B: Long-term lease liabilities

Lease agreements under GASB 87 are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Imputed Interest Rate	Total Lease Liability	Balance at September 30, 2024
Copiers - Collections	8/15/2022	36 months	\$ 165	7.20%	5,331	\$ 1,752
Copier - Main Contract	5/11/2020	60 months	\$ 854	7.20%	42,906	6,648
Copier - Sheriff	2/28/2022	36 months	\$ 279	7.20%	8,998	1,369
Pitney Bowes Mail Machine	7/8/2024	20 quarters	\$ 1,090	6.00%	18,708	17,899
Total Liabilities for Leased Assets						\$ <u>27,668</u>

The copiers and postage machine were all leased for the various offices, each for a term of three to five years with no fixed interest rate. The County can purchase the equipment for the fair market value of the equipment at the lease termination date.

Annual requirements to amortize long-term obligations and related interest are as follows

Year Ending September 30	Principal	Interest
2025	\$ 13,129	\$ 1,268
2026	3,566	793
2027	3,784	574
2028	4,017	342
2029	3,172	96
	\$ <u>27,668</u>	\$ <u>3,073</u>

NOTE 6: RETIREMENT PLAN

Plan Description

The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of approximately 800 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

Benefits Provided

The plan provisions are adopted by the governing body of the employer, within the options available in the state statutes governing the TCDRS (TCDRS Act). Members can retire at age 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 employment but must leave their accumulated contributions in the plan to receive any employer-financed benefits.

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

NOTE 6: RETIREMENT PLAN – continued

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 County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes; including automatic COLA’s. Ad hoc post-employment benefit changes, including ad hoc COLA’s, can be granted by the County Commissioners within certain guidelines.

Membership

County membership in the TCDRS plan at December 31, 2023 consisted of the following:

Inactive Employees Receiving Benefits	81
Inactive Employees Not Yet Receiving Benefits	68
Current Employee's Accounts	149
 Active Employee Accounts	 133

Contributions

The County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the county is actuarially determined annually. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

The rate the County contributed for the months of the accounting year in 2023 and 2024 were:

	Contribution Rates and Amounts	
	2023	2024
Member	7.00%	7.00%
Employer	11.00%	11.00%
 Member Contributions	 \$ 137,798	 \$ 355,814
Employer Contributions	\$ 216,539	\$ 559,136

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

NOTE 6: RETIREMENT PLAN - continued

Actuarial Assumptions

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

	Actuarially determined contributions rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Valuation Timing	
Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level of payroll, closed
Remaining Amortization Period	7.4 years (based on contribution rate calculated in 12/31/23 valuation)
Asset Valuation Method	5 year smoothed market
Discount Rate	7.60%
Inflation	2.50%
Salary Increases	4.7% average
Investment Rate of Return	7.50%
Payroll Growth Rate	3.00%

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2022. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Discount Rate

The discount rate used to measure the total pension asset was 7.60%. This discount rate used for the December 31, 2023 calculation the same as the prior year calculations.

In order to determine the discount rate to be used, we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under our funding policy and the legal requirements under the TCDRS Act:

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

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

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

NOTE 6: RETIREMENT PLAN - continued

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future year, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by .10% to be gross of administrative expenses.

Long Term Expected Rate of Return

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

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

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized below:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus inflation)
US Equities	Dow Jones US Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities – Developed	MSCI Work (net) Index Ex USA	5.00%	4.75%
International Equities – Emerging	MSCI EM Standard (net) index	6.00%	4.75%
Investment Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.65%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REIT's Index + 33% FRSE EPRA/NAREIT	2.00%	4.10%

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

NOTE 6: RETIREMENT PLAN - continued

Asset Class	Benchmark	Target Allocation	Real Rate of Return
Master Limited Partnerships (MLP's)	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

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

At September 30, 2024, the County reported a net pension liability of \$399,560 measured at December 31, 2023. For the year ended September 30, 2024 the County recognized pension expense of \$203,625.

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

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

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

NOTE 6: RETIREMENT PLAN – continued

Changes in the net pension liability/(asset) for the County year ended December 31, 2023 are as follows:

	Increases (Decreases)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Changes in Net Pension Liability	<u>\$ 26,587,009</u>	<u>\$ 25,086,303</u>	<u>\$ 1,500,706</u>
Balance at December 31, 2022			
Changes for the year:			
Service Cost	739,445		739,445
Interest on total pension liability	2,019,912		2,019,912
Effect of plan changes			-
Effect of economic/demographic gains or losses	71,258		71,258
Effect of assumptions changes or inputs	-		-
Refunds of contributions	(122,286)	(122,286)	-
Benefit payments	(1,402,978)	(1,402,978)	-
Administrative expenses		(14,356)	14,356
Member contributions		466,133	(466,133)
Net investment income		2,753,779	(2,753,779)
Employer contributions		732,494	(732,494)
Other		(6,289)	6,289
Balance as of December 31, 2023	<u><u>\$ 27,892,360</u></u>	<u><u>\$ 27,492,800</u></u>	<u><u>\$ 399,560</u></u>

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total Pension Liability	\$ 31,221,404	\$ 27,892,360	\$ 25,069,841
Fiduciary Net Position	27,492,800	27,492,800	27,492,800
Net Pension Liability/ (Asset)	<u><u>\$ 3,728,604</u></u>	<u><u>\$ 399,560</u></u>	<u><u>\$ (2,422,959)</u></u>

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

NOTE 6: RETIREMENT PLAN – continued

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

	<u>Deferred Outflows of Recourses</u>	<u>Deferred Inflows of Recourses</u>
Differences between expected and actual economic experience	\$ 92,684	\$ -
Changes in actuarial assumptions	-	34,283
Differences between projected and actual investment earnings	2,157,392	2,067,819
Contributions subsequent to the measurement date	<u>559,136</u>	
Total	<u>\$ 2,809,212</u>	<u>\$ 2,102,102</u>

\$559,136 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:

	2024	\$	(185,583)
	2025		(59,318)
	2026		564,910
	2027		(172,035)
	2028		-
	Thereafter		-
		<u>\$</u>	<u>147,974</u>

NOTE 7: RISK MANAGEMENT

The County is exposed to various risks of loss related to group health coverage and torts (theft of, damage of assets; errors and omission; injuries to employee; and natural disasters).

Commercial insurance is purchased to cover liabilities associated with risks associated with torts whenever possible. There were no significant changes in coverage, retention, or limits during the year.

NOTE 8: FINANCIAL INSTRUMENTS

The County has estimated that the fair value of all financial instruments (none of which is held for trading purposes) at September 30, 2024, does not differ materially from their aggregate carrying values recorded in the accompanying statement of financial position. The estimate is based on the assumption that fair value approximates carrying values due to short initial maturities. Financial instruments consist of cash, accounts receivables, prepaid expenses, accounts payable, and payroll liabilities.

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

NOTE 9: COMMITMENTS AND CONTINGENCIES

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

Litigation. The County Attorney has indicated that there are various lawsuits filed and pending against the County, but in the County's opinion, none will result in a material effect on the County's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

NOLAN COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2024

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
REVENUES:				
Property taxes	\$ 9,672,036	\$ 9,672,036	\$ 9,687,646	\$ 15,610
Other taxes	879,408	879,408	922,197	42,789
Licenses and permits	59,300	59,300	60,314	1,014
Intergovernmental	624,533	624,533	737,802	113,269
Fines and fees	803,400	803,400	805,601	2,201
Contribution		-	13,500	13,500
Investment earnings	400,000	400,000	948,985	548,985
Rent and royalties	74,720	74,720	73,159	(1,561)
Other revenue	383,070	117,726	448,664	330,938
Total Revenues	<u>12,896,467</u>	<u>12,631,123</u>	<u>13,697,868</u>	<u>1,066,745</u>
EXPENDITURES:				
Current:				
General government	2,342,923	2,369,923	2,499,406	(129,483)
Judicial	1,830,653	1,830,653	1,836,619	(5,966)
Legal	499,460	499,460	491,306	8,154
Financial administration	695,927	695,927	662,706	33,221
Public facilities	1,041,961	1,185,795	1,063,728	122,067
Public safety	4,768,475	4,768,475	4,769,509	(1,034)
Health and welfare	745,700	745,700	990,301	(244,601)
Extension service	198,114	198,114	194,803	3,311
Intergovernmental	246,575	246,575	227,415	19,160
Capital outlay	624,781	662,277	668,186	(5,909)
Debt Service		-	19,293	(19,293)
Total Expenditures	<u>12,994,569</u>	<u>13,202,899</u>	<u>13,423,272</u>	<u>(220,373)</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(98,102)	(571,776)	274,596	846,372
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	(11,735)	(36,735)	2,088	38,823
Proceeds from the issuance of bonds/leases			18,708	18,708
Total Other Financing Sources (Uses)	<u>(11,735)</u>	<u>(36,735)</u>	<u>20,796</u>	<u>57,531</u>
CHANGE IN FUND BALANCE	(109,837)	(608,511)	295,392	903,903
FUND BALANCE - BEGINNING OF YEAR	<u>14,859,550</u>	<u>14,859,550</u>	<u>14,859,550</u>	
FUND BALANCE - END OF YEAR	<u>\$ 14,749,713</u>	<u>\$ 14,251,039</u>	<u>\$ 15,154,942</u>	<u>\$ 903,903</u>

NOLAN COUNTY, TEXAS
FARM TO MARKET FUND
BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2024

	Budget			Variance Favorable (Unfavorable)
	Original	Amended	Actual	
REVENUES:				
Property taxes	\$ 1,844,645	\$ 1,844,645	\$ 2,085,607	\$ 240,962
Licenses and permits	350,000	350,000	352,216	2,216
Intergovernmental revenue and grants	61,000	61,000	72,075	11,075
Fines and fees	125,000	125,000	115,590	(9,410)
Investment earnings	100,000	100,000	196,382	96,382
Total Revenues	2,480,645	2,480,645	2,821,870	341,225
EXPENDITURES:				
Current				
Farm to market	2,450,087	2,450,087	1,956,241	493,846
Capital outlay	350,000	350,000	443,197	(93,197)
Total Expenditures	2,800,087	2,800,087	2,399,438	400,649
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(319,442)	(319,442)	422,432	741,874
OTHER FINANCING SOURCES (USES):				
Transfers in (out)			(8,588)	(8,588)
Proceeds from the issuance of leases	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(8,588)	(8,588)
CHANGE IN FUND BALANCE	(319,442)	(319,442)	413,844	733,286
FUND BALANCE - BEGINNING OF YEAR	3,173,256	3,173,256	3,173,256	-
FUND BALANCE - END OF YEAR	\$ 2,853,814	\$ 2,853,814	\$ 3,587,100	\$ 733,286

NOLAN COUNTY, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR FISCAL YEAR 2024

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a Percentage of Covered Payroll
2014	\$ 440,451	\$ 440,451	\$ -	\$ 4,059,437	10.9%
2015	481,086	481,147	(61)	4,401,516	10.9%
2016	515,270	515,270	-	4,663,081	11.0%
2017	477,157	477,157	-	4,715,021	10.1%
2018	514,986	514,986	-	5,053,839	10.2%
2019	564,394	564,394	-	5,463,637	10.3%
2020	589,515	589,515	-	5,690,313	10.4%
2021	591,070	656,744	(65,674)	5,970,403	11.0%
2022	610,938	678,135	(67,197)	6,164,689	11.0%
2023	579,336	732,494	(153,158)	6,659,038	11.0%

NOLAN COUNTY, TEXAS
NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net Pension Liability - Texas County & District Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contributions rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	7.4 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.7%, average over career, including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement age assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the RP-2014 Healthy Annuitant Mortality Table for males and 120% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changed in Assumptions and Methods Reflected in the Schedule of Employer Contributions. *	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected 2019: New Inflation, mortality and other assumptions were reflected 2022: New investment return and inflation assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule 2017: New Annuity Purchase Rates were reflected for benefits under after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule. 2023: No changes in plan provisions were reflected in the Schedule.

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

NOLAN COUNTY, TEXAS
SCHEDULE OF NET CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 739,445	\$ 732,928	\$ 719,111	\$ 658,278	\$ 610,614	\$ 559,794	\$ 607,981	\$ 591,084	\$ 501,502	\$ 481,148
Interest (on the Total Pension Liability)	2,019,912	1,926,739	1,851,453	1,792,488	1,705,461	1,630,768	1,552,529	1,447,414	1,379,775	1,299,143
Effect of plan changes	-	-	-	-	-	-	-	-	(75,868)	-
Effect of assumption changes or inputs	-	-	(137,138)	1,263,837	-	-	135,863	9,215	221,937	-
Effect of economic/demographic (gains) losses	71,258	72,444	12,082	(178,671)	14,534	(78,355)	(137,976)	(36,740)	(147,149)	87,402
Benefit payments, including refunds of employee contributions	(1,525,264)	(1,500,521)	(1,438,080)	(1,293,125)	(1,314,181)	(1,170,408)	(1,119,160)	(982,435)	(1,015,794)	(894,249)
Net Change in Total Pension Liability	1,305,351	1,231,590	1,007,428	2,242,807	1,016,428	941,799	1,039,237	1,028,538	864,403	973,444
Total Pension Liability - Beginning	26,587,008	25,355,418	24,347,990	22,105,183	21,088,755	20,146,956	19,107,719	18,079,181	17,214,778	16,241,334
Total Pension Liability - Ending (a)	\$ 27,892,359	\$ 26,587,008	\$ 25,355,418	\$ 24,347,990	\$ 22,105,183	\$ 21,088,755	\$ 20,146,956	\$ 19,107,719	\$ 18,079,181	\$ 17,214,778
Plan Fiduciary Net Position										
Contributions - Employer	\$ 732,494	\$ 678,135	\$ 656,744	\$ 589,515	\$ 564,394	\$ 514,986	\$ 477,157	\$ 515,270	\$ 481,147	\$ 440,451
Contributions - Employee	466,133	431,541	417,928	398,322	382,455	353,769	330,051	326,416	308,106	284,161
Net Investment Income	2,753,779	(1,554,040)	4,911,184	2,141,582	2,980,714	(354,092)	2,435,409	1,166,505	119,480	1,034,882
Benefit payments, including refunds of employee contributions	(1,525,264)	(1,500,521)	(1,438,080)	(1,293,125)	(1,314,181)	(1,170,408)	(1,119,160)	(1,019,175)	(1,015,794)	(894,249)
Administrative Expense	(14,356)	(14,701)	(14,650)	(16,500)	(15,802)	(14,577)	(12,520)	(12,687)	(11,365)	(11,850)
Other	(6,289)	(32,398)	(4,020)	(6,978)	(9,688)	(7,096)	(4,297)	(34,395)	79,880	13,866
Net Change in Plan Fiduciary Net Position	2,406,497	(1,991,984)	4,529,106	1,812,816	2,587,892	(677,418)	2,106,640	941,934	(38,546)	867,261
Plan Fiduciary Net Position - Beginning	25,086,302	27,078,286	22,549,180	20,736,364	18,148,472	18,825,890	16,719,250	15,777,316	15,815,862	14,948,601
Plan Fiduciary Net Position - Ending (b)	\$ 27,492,799	\$ 25,086,302	\$ 27,078,286	\$ 22,549,180	\$ 20,736,364	\$ 18,148,472	\$ 18,825,890	\$ 16,719,250	\$ 15,777,316	\$ 15,815,862
Net Pension Liability - Ending (a)-(b)	\$ 399,560	\$ 1,500,706	\$ (1,722,868)	\$ 1,798,810	\$ 1,368,819	\$ 2,940,283	\$ 1,321,066	\$ 2,388,469	\$ 2,301,865	\$ 1,398,916
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.57%	94.36%	106.79%	92.61%	93.81%	86.06%	93.44%	87.50%	87.27%	91.87%
Covered Employee Payroll	\$ 6,659,038	\$ 6,164,689	\$ 5,970,403	\$ 5,690,313	\$ 5,463,637	\$ 5,053,839	\$ 4,715,021	\$ 4,663,081	\$ 4,401,516	\$ 4,059,437

OTHER SUPPLEMENTARY INFORMATION

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

	Jury Fund	Law Library Fund	Hot Check Fund	D.A.R.E Fund	County Records Management	County Clerk Records Management	District Clerk Records Management
ASSETS							
Cash and cash equivalents	\$ 37,729	\$ 11,205	\$ 15,360	\$ 79	\$	\$	\$
Taxes receivable (net of allowance)							
Other receivables (net of allowance)		70					
Restricted assets							
Cash and equivalents					32,761	168,821	69,677
Investments							
Total Assets	<u>\$ 37,729</u>	<u>\$ 11,275</u>	<u>\$ 15,360</u>	<u>\$ 79</u>	<u>\$ 32,761</u>	<u>\$ 168,821</u>	<u>\$ 69,677</u>
LIABILITIES							
Accounts payable	\$	\$ 1,273	\$	\$	\$	\$ 56,455	\$
Total Liabilities	<u>-</u>	<u>1,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,455</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes							
Unavailable revenue - grants							
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted fund balances					32,761	112,366	69,677
Assigned fund balance	37,729	10,002	15,360	79			
Unassigned fund balances							
Total Fund Balance	<u>37,729</u>	<u>10,002</u>	<u>15,360</u>	<u>79</u>	<u>32,761</u>	<u>112,366</u>	<u>69,677</u>
Total Liabilities and Fund Balance	<u>\$ 37,729</u>	<u>\$ 11,275</u>	<u>\$ 15,360</u>	<u>\$ 79</u>	<u>\$ 32,761</u>	<u>\$ 168,821</u>	<u>\$ 69,677</u>

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

	Courthouse Security Fund	Court Technology Fund	District Attorney Forfeiture Fund	District Attorney Federal Forfeiture Fund	Sheriff Forfeiture Fund	Sheriff Federal Forfeiture Fund	Gifted Bank Shares
ASSETS							
Cash and cash investments	\$	\$	\$	\$	\$	\$	\$
Taxes receivable (net of allowance)							
Other receivables (net of allowance)							
Restricted assets							
Cash and equivalents	88,338	102,850	171,140	259	41,634	20	68,597
Investments	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 88,338</u>	<u>\$ 102,850</u>	<u>\$ 171,140</u>	<u>\$ 259</u>	<u>\$ 41,634</u>	<u>\$ 20</u>	<u>\$ 68,597</u>
LIABILITIES							
Accounts payable	<u>\$ 531</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,240</u>
Total Liabilities	<u>531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,240</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes							
Unavailable revenue - grants	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted fund balances	87,807	102,850	171,140	259	41,634	20	65,357
Assigned fund balance							
Unassigned fund balances	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>87,807</u>	<u>102,850</u>	<u>171,140</u>	<u>259</u>	<u>41,634</u>	<u>20</u>	<u>65,357</u>
Total Liabilities and Fund Balance	<u>\$ 88,338</u>	<u>\$ 102,850</u>	<u>\$ 171,140</u>	<u>\$ 259</u>	<u>\$ 41,634</u>	<u>\$ 20</u>	<u>\$ 68,597</u>

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

	American Rescue Plan Fund	Debt Service Fund	Coliseum Debt Service Fund	SB22 Salary Supplements	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash investments	\$	\$	\$	\$ (172,867)	\$ (108,494)
Taxes receivable (net of allowance)		34,651			34,651
Other receivables (net of allowance)		2,444	100,261		102,775
Restricted assets					
Cash and equivalents	1,403,794	435,823	890,366		3,474,080
Investments	<u> </u>	<u> </u>	<u>1,321</u>	<u> </u>	<u>1,321</u>
Total Assets	\$ <u>1,403,794</u>	\$ <u>472,918</u>	\$ <u>991,948</u>	\$ <u>(172,867)</u>	\$ <u>3,504,333</u>
LIABILITIES					
Accounts payable	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u>61,499</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,499</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes		34,651			34,651
Unavailable revenue - grants	<u>1,195,673</u>	<u> </u>	<u> </u>	<u> </u>	<u>1,195,673</u>
Total Deferred Inflows of Resources	<u>1,195,673</u>	<u>34,651</u>	<u>-</u>	<u>-</u>	<u>1,230,324</u>
FUND BALANCES					
Restricted fund balances	208,121	438,267	991,948		2,322,207
Assigned fund balance					63,170
Unassigned fund balances	<u> </u>	<u> </u>	<u> </u>	<u>(172,867)</u>	<u>(172,867)</u>
Total Fund Balance	<u>208,121</u>	<u>438,267</u>	<u>991,948</u>	<u>(172,867)</u>	<u>2,212,510</u>
Total Liabilities and Fund Balance	\$ <u>1,403,794</u>	\$ <u>472,918</u>	\$ <u>991,948</u>	\$ <u>(172,867)</u>	\$ <u>3,504,333</u>

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

	Jury Fund	Law Library Fund	Hot Check Fund	D.A.R.E Fund	County Records Management	County Clerk Records Management	District Clerk Records Management
REVENUES:							
Property taxes	\$	\$	\$	\$	\$	\$	\$
Hotel/Motel taxes							
Intergovernmental	10,806						
Fines and Fees	3,403	10,839	522		785	56,049	10,650
Investment earnings	2,154					11,395	
Other revenue							
Total Revenues	<u>16,363</u>	<u>10,839</u>	<u>522</u>		<u>785</u>	<u>67,444</u>	<u>10,650</u>
EXPENDITURES:							
Current:							
General government						230,133	
Judicial	19,800	14,895					
Legal			275				
Public facilities							
Public safety							
Debt service							
Debt principal							
Interest expense							
Capital outlay							
Total Expenditures	<u>19,800</u>	<u>14,895</u>	<u>275</u>			<u>230,133</u>	
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(3,437)	(4,056)	247		785	(162,689)	10,650
OTHER FINANCING SOURCES (USES):							
Transfers in (out)		6,500					
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,500</u>					
NET CHANGE IN FUND BALANCE	(3,437)	2,444	247		785	(162,689)	10,650
FUND BALANCE - BEGINNING	41,166	7,558	15,113	79	31,976	275,055	59,027
FUND BALANCE - ENDING	<u>\$ 37,729</u>	<u>\$ 10,002</u>	<u>\$ 15,360</u>	<u>\$ 79</u>	<u>\$ 32,761</u>	<u>\$ 112,366</u>	<u>\$ 69,677</u>

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

	Courthouse Security Fund	Court Technology Fund	District Attorney Forfeiture Fund	District Attorney Federal Forfeiture Fund	Sheriff Forfeiture Fund	Sheriff Federal Forfeiture Fund	Gifted Bank Shares
REVENUES:							
Property taxes	\$	\$	\$	\$	\$	\$	\$
Hotel/Motel taxes							
Intergovernmental							
Fines and Fees	17,207	7,906					
Investment earnings			3,042	13	1,268		
Other miscellaneous			379,559		19,471		3,250
Total Revenues	<u>17,207</u>	<u>7,906</u>	<u>382,601</u>	<u>13</u>	<u>20,739</u>	<u>-</u>	<u>3,250</u>
EXPENDITURES:							
Current:							
General government							
Judicial							
Legal			212,248				77,104
Public facilities	11,431						
Public safety		7,339			3,389		
Debt service							
Debt principal							
Interest expense							
Capital outlay							
Total Expenditures	<u>11,431</u>	<u>7,339</u>	<u>212,248</u>	<u>-</u>	<u>3,389</u>	<u>-</u>	<u>77,104</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	5,776	567	170,353	13	17,350	-	(73,854)
OTHER FINANCING SOURCES (USES):							
Transfers in (out)			-				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	5,776	567	170,353	13	17,350	-	(73,854)
FUND BALANCE - BEGINNING	82,031	102,283	787	246	24,284	20	139,211
FUND BALANCE - ENDING	<u>\$ 87,807</u>	<u>\$ 102,850</u>	<u>\$ 171,140</u>	<u>\$ 259</u>	<u>\$ 41,634</u>	<u>\$ 20</u>	<u>\$ 65,357</u>

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

	American Rescue Plan Fund	Debt Service Fund	Coliseum Debt Service Fund	SB22 Salary Supplements	Total Nonmajor Special Revenue Funds
REVENUES:					
Property taxes	\$	\$ \$ 1,222,488	\$	\$	\$ 1,222,488
Hotel/Motel taxes			415,327		415,327
Intergovernmental	621,139				631,945
Fines and Fees					107,361
Investment earnings	87,785	25,069	43,383		174,109
Other miscellaneous					402,280
Total Revenues	708,924	1,247,557	458,710	-	2,953,510
EXPENDITURES:					
Current:					
General government			174,174		404,307
Judicial					34,695
Legal				172,867	462,494
Public facilities					11,431
Public safety					10,728
Debt service					
Debt principal		1,140,000	201,000		1,341,000
Interest expense		63,057	50,745		113,802
Capital outlay	621,139				621,139
Total Expenditures	621,139	1,203,057	425,919	172,867	2,999,596
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	87,785	44,500	32,791	(172,867)	(46,086)
OTHER FINANCING SOURCES (USES):					
Transfers in (out)					6,500
Total Other Financing Sources (Uses)	-	-	-	-	6,500
NET CHANGE IN FUND BALANCE	87,785	44,500	32,791	(172,867)	(39,586)
FUND BALANCE - BEGINNING	120,336	393,767	959,157	-	2,252,096
FUND BALANCE - ENDING	\$ 208,121	\$ 438,267	\$ 991,948	\$ (172,867)	\$ 2,212,510