

LAVACA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2024



**8 WEST WAY COURT
LAKE JACKSON, TEXAS 77566**

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LAVACA COUNTY, TEXAS

Annual Financial Report

For the Year Ended September 30, 2024

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FINANCIAL SECTION

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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The Honorable County Judge
and Members of Commissioners Court
Lavaca County, Texas

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

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

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

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

The Honorable County Judge
and Members of Commissioners Court
Lavaca County, Texas

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, required pension schedules and required OPEB schedules on pages 11 through 24 and pages 76 through 84 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable County Judge
and Members of Commissioners Court
Lavaca County, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

KM&L, LLC

Lake Jackson, Texas
April 28, 2025

LAVACA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2024

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

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year for governmental and business-type activities by \$ 45,890,719 and \$ 767,394 (net position), respectively. Of this amount, the governmental activities reported an unrestricted net position of \$ 7,902,393, which may be used to meet the government's ongoing obligations to citizens and creditors within the County's fund designations. The business-type activities reported a deficit unrestricted net position of \$ 280,862.
- The County's total net position increased for governmental activities by \$ 7,374,441 and decreased for business-type activities by \$ 509,034.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 29,047,518 and its enterprise fund reported ending net position of \$ 767,394. 33.29% and (36.60%) of these total amounts, \$ 9,669,118 (unassigned fund balance) and \$ 280,862 (deficit unrestricted net position), respectively, were available for use within the County's fund designations.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 9,669,118 or 95.78% of the total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of 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 themselves.

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

The *statement of net position* presents information on all of the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, 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 the County is improving or deteriorating.

LAVACA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2024

The *statement of activities* presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported when 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 the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The *governmental activities* of the County include general administration, judicial and legal, financial administration, public facilities, public safety, public transportation, health and welfare, and conservation. The *business-type activities* of the County include ambulance operations.

The government-wide financial statements can be found on pages 27 through 29 of this report.

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

- **Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses 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 of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances, provides reconciliations to facilitate this comparison between governmental funds and governmental activities.

LAVACA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2024

The County maintains thirty-six (36) individual governmental funds. 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 Road & Bridge Fund and the Capital Courthouse Fund; all of which are considered to be major funds. Data from the other thirty-three (33) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 30 through 33 of this report.

- **Proprietary Funds.** The County maintains two categories of *proprietary funds*. The *enterprise fund* is used to report the same functions presented as *business-type activities* in government-wide financial statements. The County uses an *enterprise fund* to account for its ambulance operations. The second type of proprietary fund is the *internal service fund*. Internal service funds are an accounting device used to accumulate and allocate costs of its self-funded worker's compensation and unemployment insurance internally among various funds and functions. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary funds financial statements can be found on pages 34 through 36 of this report.
- **Fiduciary Funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's operations. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position that can be found on pages 37 and 38.

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 40 through 71 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 74 through 82 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 84 through 123 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 46,658,113 as of September 30, 2024.

LAVACA COUNTY, TEXAS*Management's Discussion and Analysis
For the Year Ended September 30, 2024*

The largest portion of the County's net position, \$ 23,528,055 (50.43%) reflects its investments in capital assets (e.g., land; buildings and improvements; furniture, equipment and vehicles; and construction in progress), less any debt used to acquire those assets that is still outstanding. The County uses capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the 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.

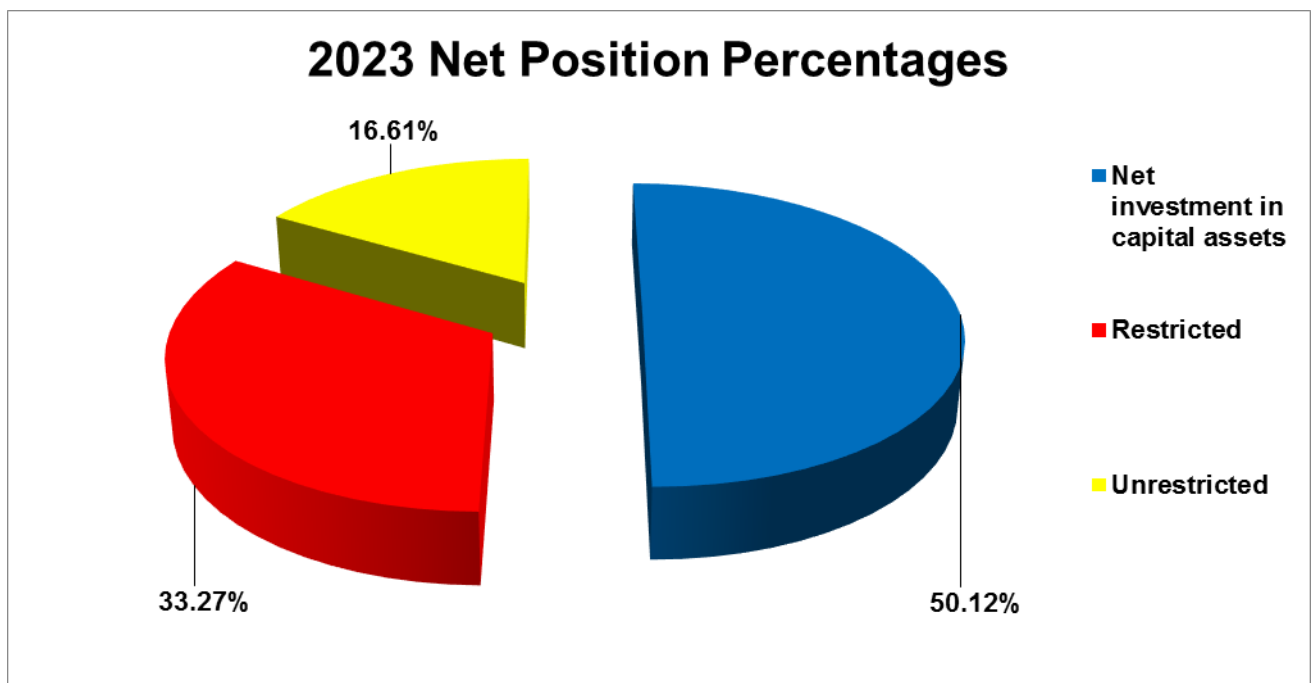
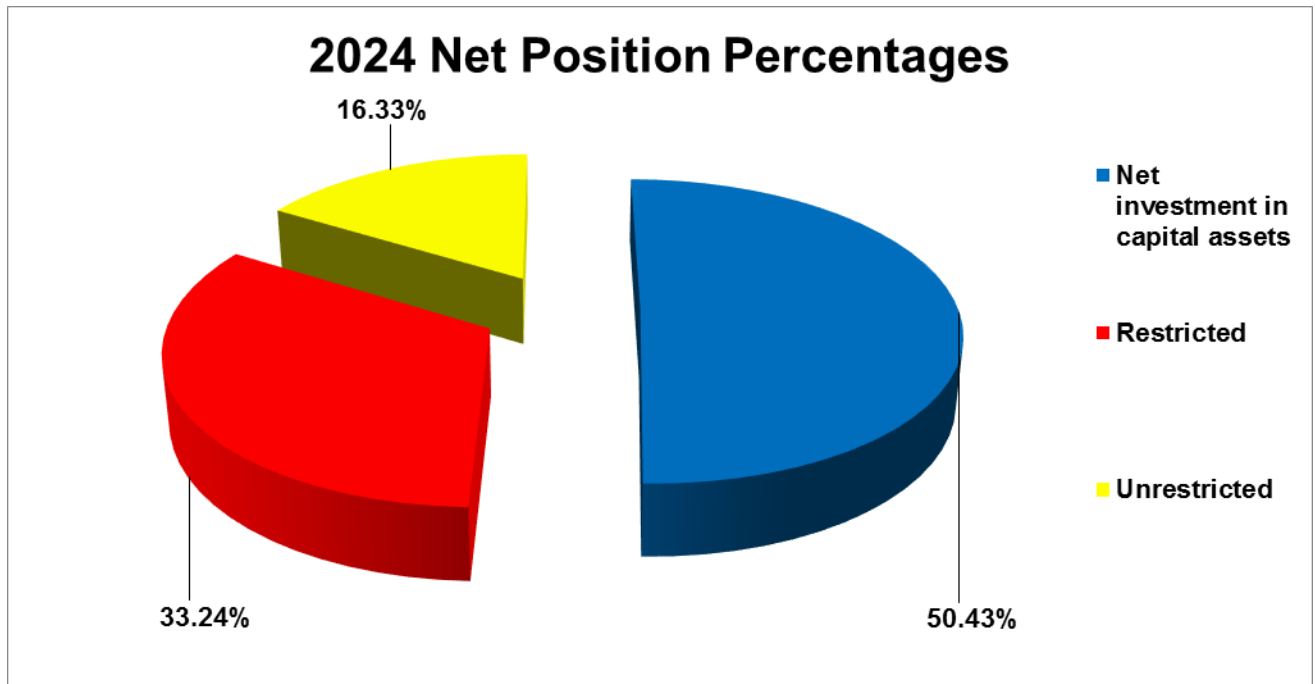
LAVACA COUNTY'S NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 31,607,037	\$ 27,842,613	\$ (49,245)	\$ 433,010	\$ 31,557,792	\$ 28,275,623
Capital assets	<u>19,014,304</u>	<u>17,128,936</u>	<u>1,048,256</u>	<u>1,090,200</u>	<u>20,062,560</u>	<u>18,219,136</u>
Total assets	<u>50,621,341</u>	<u>44,971,549</u>	<u>999,011</u>	<u>1,523,210</u>	<u>51,620,352</u>	<u>46,494,759</u>
Total deferred outflows of resources	<u>1,201,439</u>	<u>1,975,158</u>	<u>382,886</u>	<u>642,573</u>	<u>1,584,325</u>	<u>2,617,731</u>
Liabilities:						
Current and other liabilities	1,682,106	2,629,399	102,510	92,308	1,784,616	2,721,707
Long-term liabilities	<u>4,118,222</u>	<u>5,560,032</u>	<u>476,292</u>	<u>733,982</u>	<u>4,594,514</u>	<u>6,294,014</u>
Total liabilities	<u>5,800,328</u>	<u>8,189,431</u>	<u>578,802</u>	<u>826,290</u>	<u>6,379,130</u>	<u>9,015,721</u>
Total deferred inflows of resources	<u>131,733</u>	<u>240,998</u>	<u>35,701</u>	<u>63,065</u>	<u>167,434</u>	<u>304,063</u>
Net Position:						
Net investment in capital assets	22,479,799	18,853,464	1,048,256	1,090,200	23,528,055	19,943,664
Restricted	15,508,527	13,239,825	-	-	15,508,527	13,239,825
Unrestricted	<u>7,902,393</u>	<u>6,422,989</u>	<u>(280,862)</u>	<u>186,228</u>	<u>7,621,531</u>	<u>6,609,217</u>
Total net position	<u>\$ 45,890,719</u>	<u>\$ 38,516,278</u>	<u>\$ 767,394</u>	<u>\$ 1,276,428</u>	<u>\$ 46,658,113</u>	<u>\$ 39,792,706</u>

LAVACA COUNTY, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2024

An additional portion of the County's net position of \$ 15,508,527 (33.24%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$ 7,621,531 (16.33%) may be used to meet the government's ongoing obligations to citizens and creditors.



LAVACA COUNTY, TEXAS*Management's Discussion and Analysis
For the Year Ended September 30, 2024*

Analysis of the County's Operations. Overall the County had an increase in net position of \$ 6,865,407. Governmental activities reported an increase in net position of \$ 7,374,441, while the business-type activities reported a decrease in net position of \$ 509,034. The reason for the increase of net position in the governmental activities primarily relates to capital assets balances. Net investment in capital assets balances increased by \$ 3,584,391 substantially due to the capital grants and contributions attributable to the COVID Recovery ARP Fund. Unrestricted net position in the governmental activities increased \$ 1,479,404, primarily due to the increases in property taxes. The reason for the decrease of net position in the business-type activities of \$ 509,034 primarily relates to increased expenses.

The following table provides a summary of the County's operations for the years ended September 30, 2024 and 2023:

LAVACA COUNTY'S CHANGES IN NET POSITION

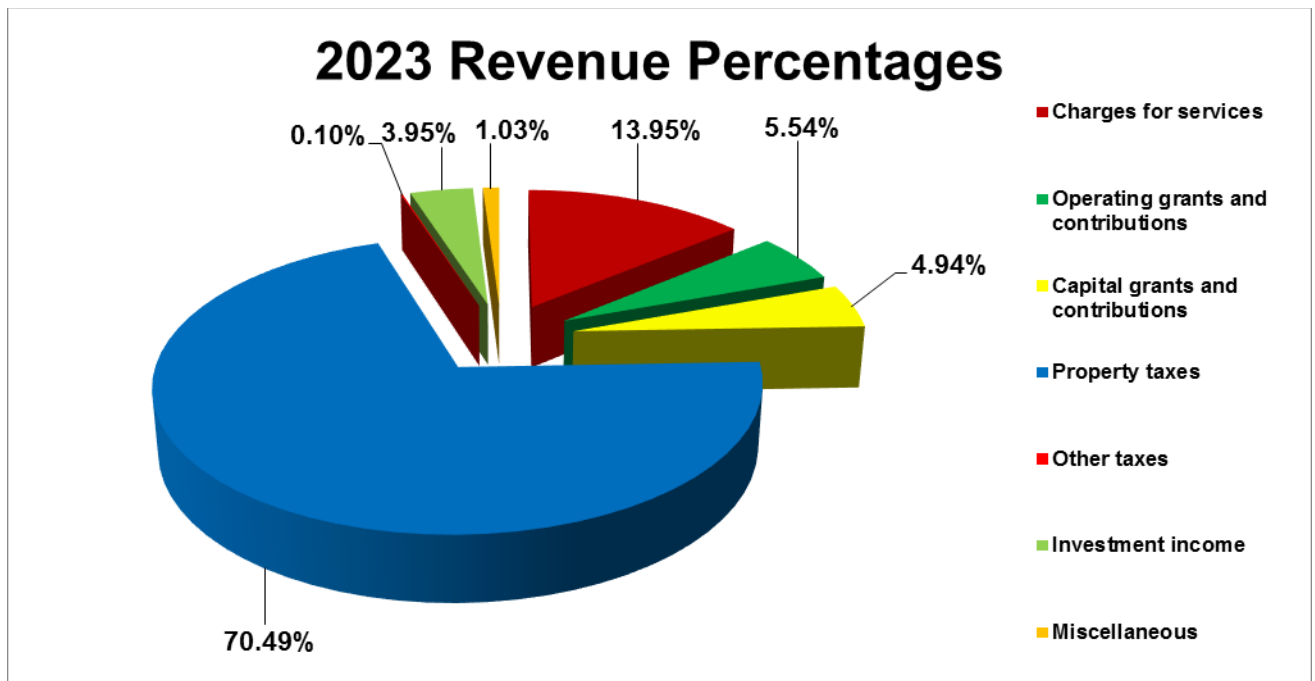
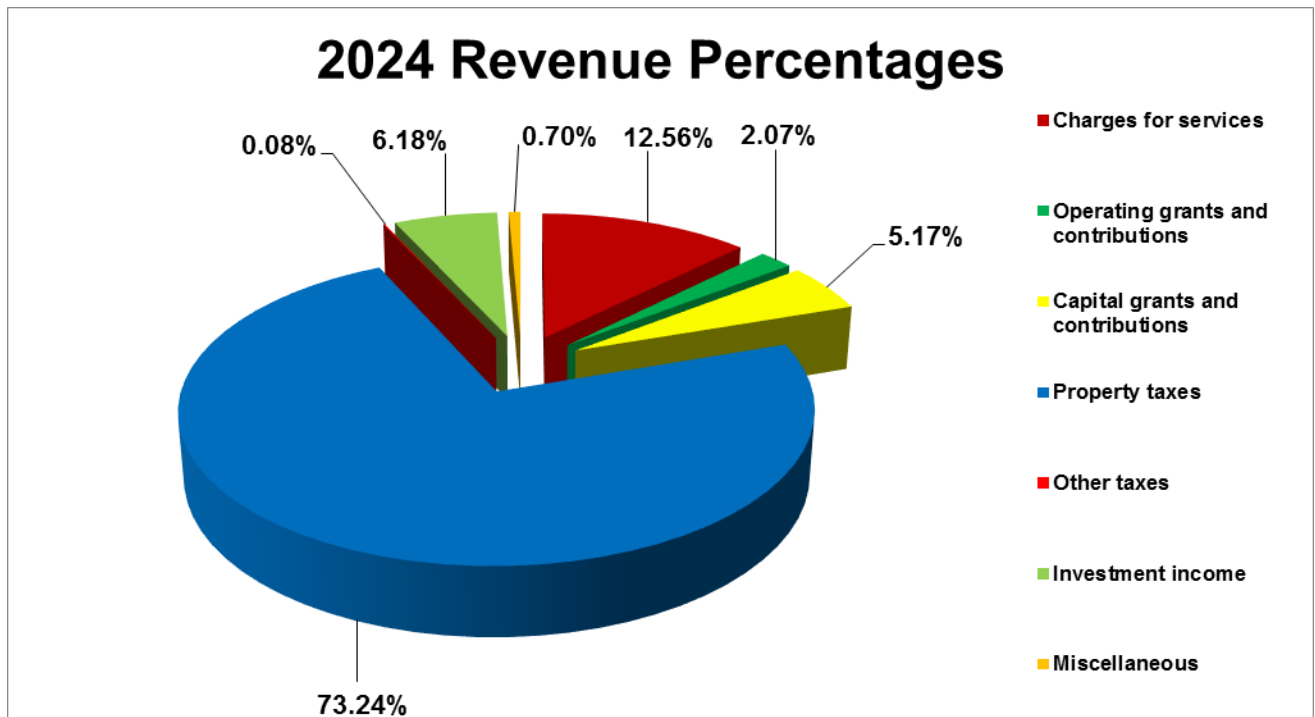
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 2,238,668	\$ 2,366,062	\$ 1,217,750	\$ 1,015,593	\$ 3,456,418	\$ 3,381,655
Operating grants and contributions	569,201	1,341,868	-	-	569,201	1,341,868
Capital grants and contributions	1,424,378	1,197,163	-	-	1,424,378	1,197,163
General Revenues:						
Property taxes	20,164,795	17,083,650	-	-	20,164,795	17,083,650
Other taxes	22,213	24,336	-	-	22,213	24,336
Investment income	1,692,876	953,272	8,772	4,382	1,701,648	957,654
Miscellaneous	193,643	243,149	-	5,395	193,643	248,544
Total revenues	<u>26,305,774</u>	<u>23,209,500</u>	<u>1,226,522</u>	<u>1,025,370</u>	<u>27,532,296</u>	<u>24,234,870</u>

(continued)

LAVACA COUNTY, TEXAS*Management's Discussion and Analysis
For the Year Ended September 30, 2024*

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Expenses:						
General administration	\$ 3,086,211	\$ 2,768,184	\$ -	\$ -	\$ 3,086,211	\$ 2,768,184
Judicial and legal	1,679,383	1,809,084	-	-	1,679,383	1,809,084
Financial administration	1,295,660	1,206,471	-	-	1,295,660	1,206,471
Public facilities	368,932	357,635	-	-	368,932	357,635
Public safety	4,141,923	3,914,237	-	-	4,141,923	3,914,237
Public transportation	6,610,539	7,003,597	-	-	6,610,539	7,003,597
Health and welfare	262,189	171,239	-	-	262,189	171,239
Conservation	144,060	138,021	-	-	144,060	138,021
Ambulance	-	-	3,035,556	2,666,258	3,035,556	2,666,258
Interest and fiscal charges	<u>42,436</u>	<u>39,573</u>	<u>-</u>	<u>-</u>	<u>42,436</u>	<u>39,573</u>
Total expenses	<u>17,631,333</u>	<u>17,408,041</u>	<u>3,035,556</u>	<u>2,666,258</u>	<u>20,666,889</u>	<u>20,074,299</u>
Change in net position before transfers	8,674,441	5,801,459	(1,809,034)	(1,640,888)	6,865,407	4,160,571
Transfers	<u>(1,300,000)</u>	<u>(1,425,335)</u>	<u>1,300,000</u>	<u>1,425,335</u>	<u>-</u>	<u>-</u>
Change in net position	7,374,441	4,376,124	(509,034)	(215,553)	6,865,407	4,160,571
Net position - beginning	<u>38,516,278</u>	<u>34,140,154</u>	<u>1,276,428</u>	<u>1,491,981</u>	<u>39,792,706</u>	<u>35,632,135</u>
Net position - ending	<u>\$ 45,890,719</u>	<u>\$ 38,516,278</u>	<u>\$ 767,394</u>	<u>\$ 1,276,428</u>	<u>\$ 46,658,113</u>	<u>\$ 39,792,706</u>

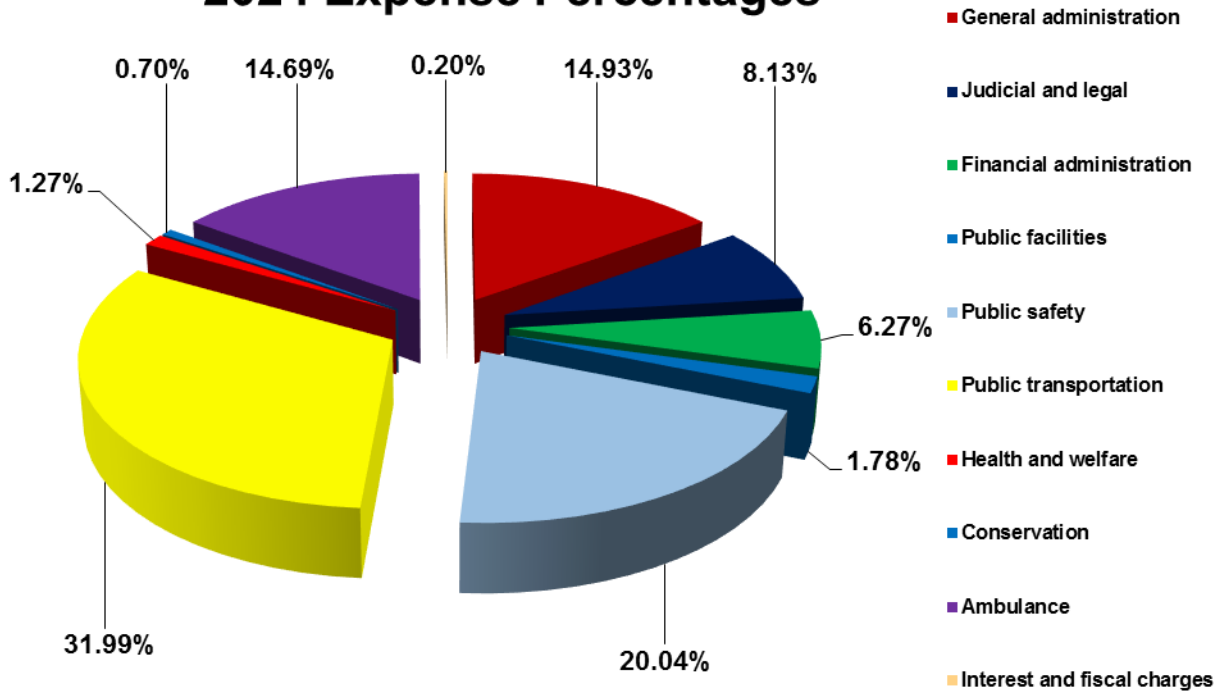
LAVACA COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2024



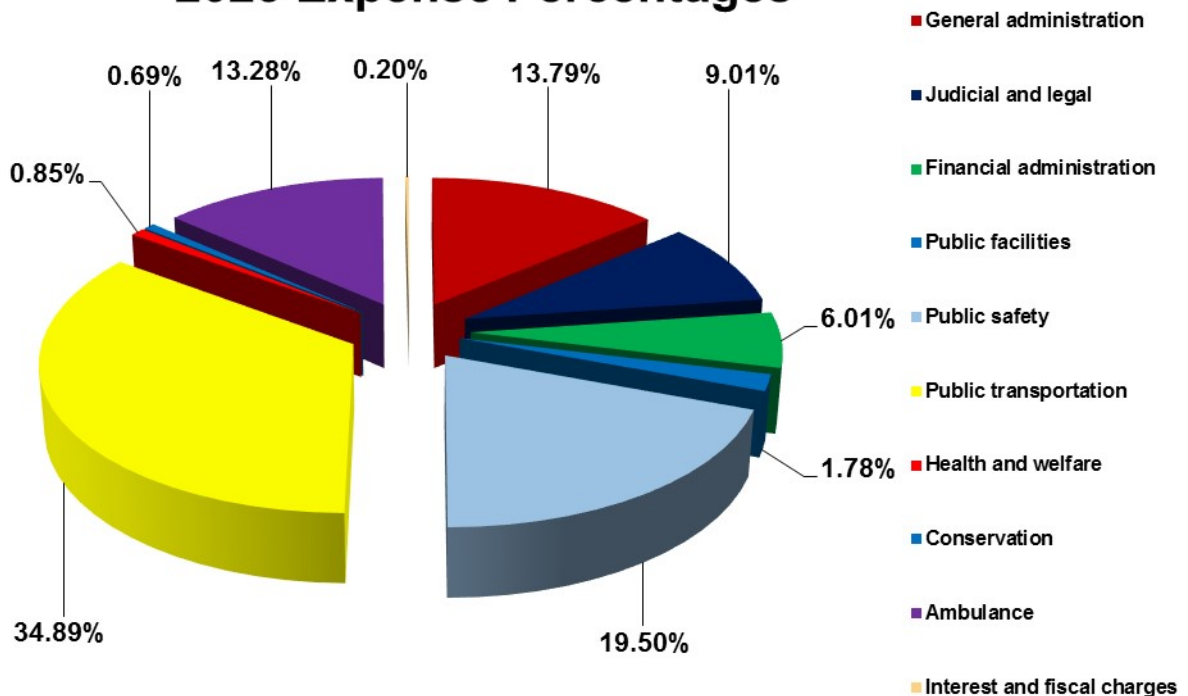
LAVACA COUNTY, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2024

2024 Expense Percentages



2023 Expense Percentages



LAVACA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2024

Financial Analysis of the County's Funds

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. 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, the County's governmental funds reported combined ending fund balances of \$ 29,047,518. The unassigned fund balance of \$ 9,669,118 constitutes 33.29% of ending fund balance. The remainder of the fund balance is categorized as nonspendable and restricted in the amount of \$ 19,378,400.

Fund balance of the General Fund increased by \$ 1,315,035; the Road & Bridge Fund increased by \$ 2,249,549; the Capital Courthouse Fund increased by \$ 1,145,738 and other governmental funds increased by \$ 68,088. The General Fund and Road & Bridge Fund continue to have conservative fiscal oversight related to the budgeted expenditures. For the Capital Courthouse Fund, the County is currently funding for renovations to the courthouse in the future with transfers and investment income.

Proprietary funds. The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The enterprise fund is used to account for ambulance operations. Net position at September 30, 2024 amounted to \$ 767,394. Total net position decreased \$ 509,034 (approximately 39.88%), and the decrease was primarily due to increased operational expenditures.

General Fund Budgetary Highlights. Over the course of the year, the County recommended and the Commissioners approved several revisions to budgeted revenue and appropriations. There was no overall change in revenues or expenditures from budget amendments in the current year. This resulted in actual revenues exceeding budgeted revenues by \$ 1,007,723 and budgeted expenditures exceeding actual expenditures by \$ 929,147.

LAVACA COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2024

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$ 20,062,560 (net of accumulated depreciation). This investment in capital assets includes land; buildings and improvements; furniture, equipment and vehicles; and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Construction of radio tower system
- Acquisition of new vehicles, various road and bridge equipment and technology equipment

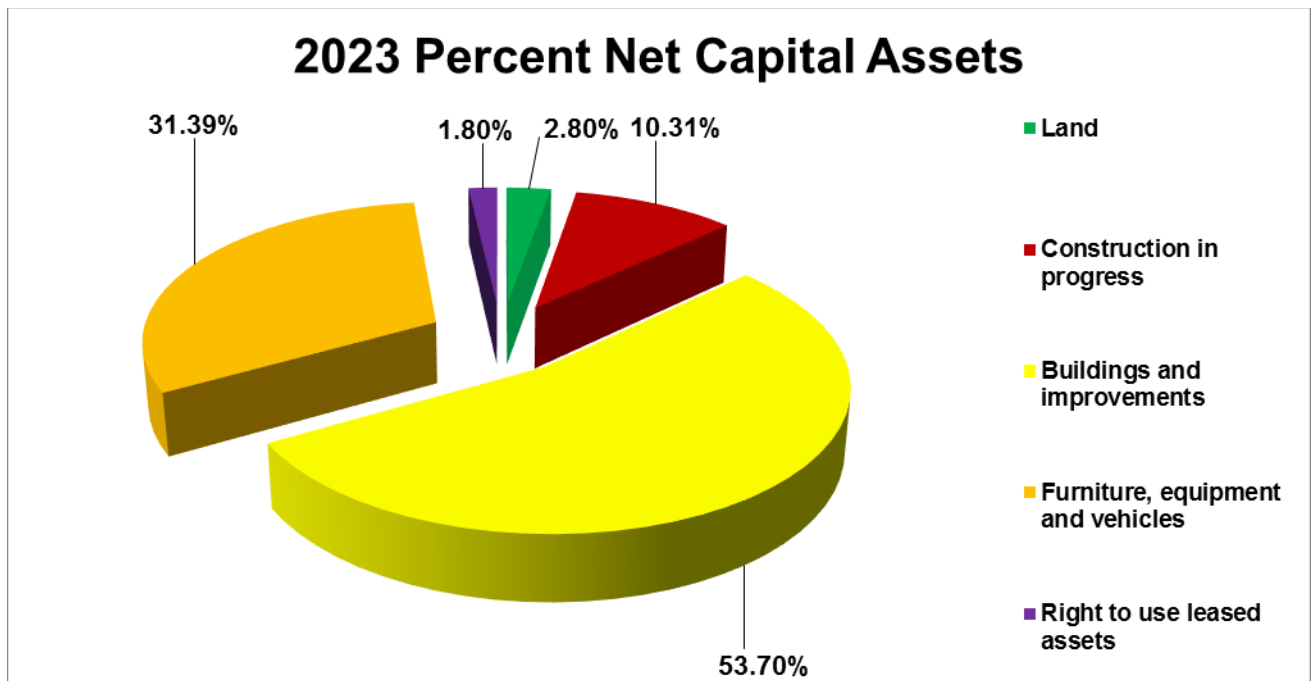
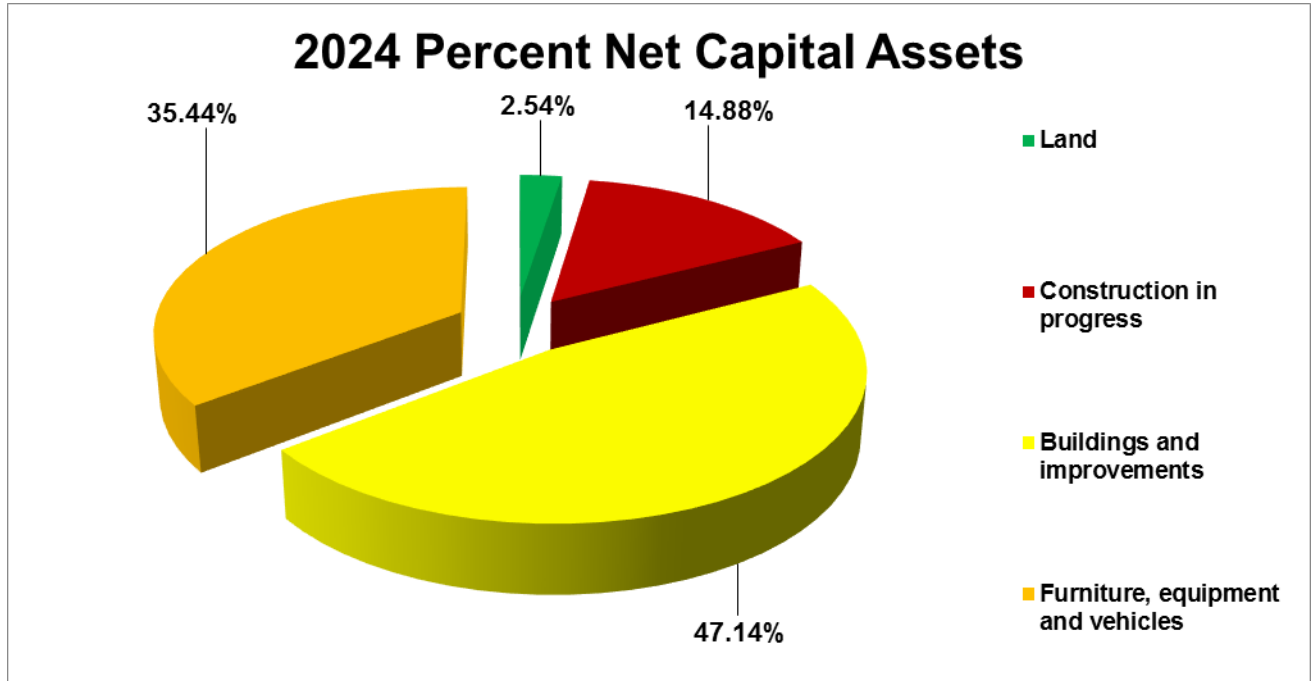
LAVACA COUNTY'S CAPITAL ASSETS Net of Accumulated Depreciation/Amortization

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 487,447	\$ 487,447	\$ 22,609	\$ 22,609	\$ 510,056	\$ 510,056
Construction in progress	2,984,401	1,878,177	-	-	2,984,401	1,878,177
Buildings and improvements	9,054,752	9,381,107	402,155	403,573	9,456,907	9,784,680
Furniture, equipment and vehicles	6,487,704	5,054,484	623,492	664,018	7,111,196	5,718,502
Right to use leased assets	-	327,721	-	-	-	327,721
Total	\$ <u>19,014,304</u>	\$ <u>17,128,936</u>	\$ <u>1,048,256</u>	\$ <u>1,090,200</u>	\$ <u>20,062,560</u>	\$ <u>18,219,136</u>

Additional information on the County's capital assets can be found in Note 5 on pages 57 through 59 of this report.

LAVACA COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2024*



LAVACA COUNTY, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2024

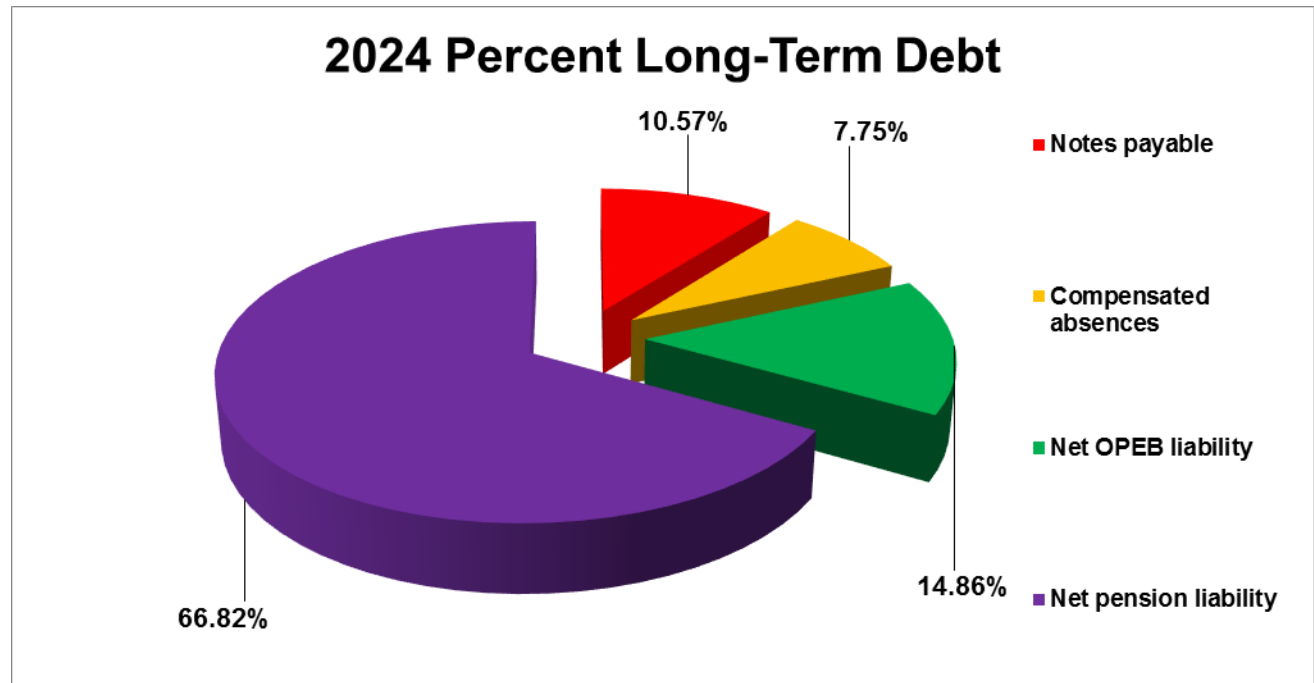
DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total debt of \$ 4,594,514 which, comprises notes payable, compensated absences, total OPEB liability and net pension liability.

LAVACA COUNTY'S LONG-TERM DEBT

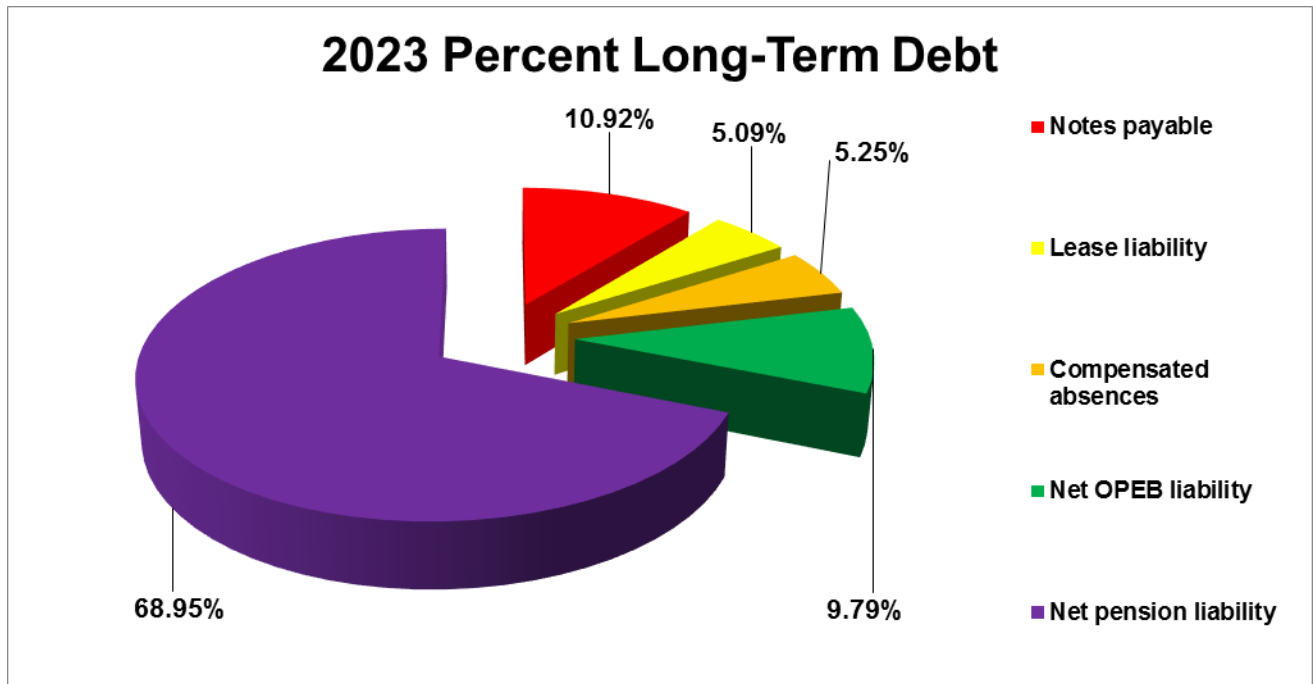
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Notes payable	\$ 485,505	\$ 687,619	\$ -	\$ -	\$ 485,505	\$ 687,619
Lease liability	-	320,361	-	-	-	320,361
Compensated absences	296,122	282,151	60,107	48,079	356,229	330,230
Total OPEB liability	592,710	541,097	89,799	74,885	682,509	615,982
Net pension liability	<u>2,743,885</u>	<u>3,728,804</u>	<u>326,386</u>	<u>611,018</u>	<u>3,070,271</u>	<u>4,339,822</u>
Total	\$ <u>4,118,222</u>	\$ <u>5,560,032</u>	\$ <u>476,292</u>	\$ <u>733,982</u>	\$ <u>4,594,514</u>	\$ <u>6,294,014</u>

During the fiscal year, the County's total debt decreased \$ 1,699,500 or 27.00%. The decrease was due to the reduction of the net pension liability.



LAVACA COUNTY, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2024



Additional information on the County's long-term debt can be found in Note 6 on pages 59 through 60 of this report.

Economic Factors and Next Year's Budgets and Rates

The annual budget is developed to provide efficient, effective and controlled use of the County's resources. Through the budget the County Commissioners set the direction of the County, allocate its resources and establish its priorities. The 2025 budget was adopted August 26, 2024 with General Fund expenditures of \$ 17,715,727 and a revenue budget of \$ 14,945,006.

The Commissioners' Court adopted an overall tax rate of \$ 0.513200 per \$100 assessed valuation.

Request for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Lavaca County Auditor, 109 N. La Grange, Hallettsville, Texas 77964, or call (361) 798-2711.

BASIC FINANCIAL STATEMENTS

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LAVACA COUNTY, TEXAS*Statement of Net Position**September 30, 2024*

Exhibit 1

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and temporary investments	\$ 29,153,024	\$ -	\$ 29,153,024
Receivables (net of allowance for uncollectibles):			
Taxes	240,205	-	240,205
Accounts	623,488	492,020	1,115,508
Due from other governments	34,492	-	34,492
Internal balances	541,265	(541,265)	-
Inventories	1,014,563	-	1,014,563
Capital Assets:			
Land	487,447	22,609	510,056
Construction in progress	2,984,401	-	2,984,401
Buildings and improvements (net)	9,054,752	402,155	9,456,907
Furniture, equipment and vehicles (net)	6,487,704	623,492	7,111,196
Total assets	<u>50,621,341</u>	<u>999,011</u>	<u>51,620,352</u>
Deferred Outflows of Resources:			
Deferred outflows of resources	<u>1,201,439</u>	<u>382,886</u>	<u>1,584,325</u>
Total deferred outflows of resources	<u>1,201,439</u>	<u>382,886</u>	<u>1,584,325</u>
Liabilities:			
Accounts and accrued liabilities payable	1,519,206	102,510	1,621,716
Accrued interest payable	1,838	-	1,838
Due to others	694	-	694
Unearned revenue	160,368	-	160,368
Noncurrent Liabilities:			
Due within one year	288,886	21,900	310,786
Due in more than one year:			
Other long-term liabilities	492,741	38,207	530,948
Net pension liability	2,743,885	326,386	3,070,271
Total OPEB liability	<u>592,710</u>	<u>89,799</u>	<u>682,509</u>
Total liabilities	<u>5,800,328</u>	<u>578,802</u>	<u>6,379,130</u>
Deferred Inflows of Resources:			
Deferred inflows of resources	<u>131,733</u>	<u>35,701</u>	<u>167,434</u>
Total deferred inflows of resources	<u>131,733</u>	<u>35,701</u>	<u>167,434</u>
Net Position:			
Net investment in capital assets	22,479,799	1,048,256	23,528,055
Restricted:			
Public transportation projects	13,875,827	-	13,875,827
Other	1,632,700	-	1,632,700
Unrestricted	<u>7,902,393</u>	<u>(280,862)</u>	<u>7,621,531</u>
Total net position	<u>\$ 45,890,719</u>	<u>\$ 767,394</u>	<u>\$ 46,658,113</u>

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

LAVACA COUNTY, TEXAS*Statement of Activities**For the Year Ended September 30, 2024*

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General administration	\$ 3,086,211	\$ 326,310	\$ 203,766	\$ 792,833
Judicial and legal	1,679,383	68,847	271,977	-
Financial administration	1,295,660	961,507	-	-
Public facilities	368,932	8,923	4,950	-
Public safety	4,141,923	147,817	48,287	631,545
Public transportation	6,610,539	723,444	37,414	-
Health and welfare	262,189	-	2,807	-
Conservation	144,060	1,820	-	-
Interest and fiscal charges	<u>42,436</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	17,631,333	2,238,668	569,201	1,424,378
Business-Type Activities:				
Ambulance	<u>3,035,556</u>	<u>1,217,750</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 20,666,889</u>	<u>\$ 3,456,418</u>	<u>\$ 569,201</u>	<u>\$ 1,424,378</u>
General Revenues:				
Property taxes				
Other taxes				
Investment income				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes In Net Position
Primary Government

<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
\$ (1,763,302)	\$ -	\$ (1,763,302)
(1,338,559)	-	(1,338,559)
(334,153)	-	(334,153)
(355,059)	-	(355,059)
(3,314,274)	-	(3,314,274)
(5,849,681)	-	(5,849,681)
(259,382)	-	(259,382)
(142,240)	-	(142,240)
<u>(42,436)</u>	<u>-</u>	<u>(42,436)</u>
(13,399,086)	-	(13,399,086)
<u>-</u>	<u>(1,817,806)</u>	<u>(1,817,806)</u>
<u>(13,399,086)</u>	<u>(1,817,806)</u>	<u>(15,216,892)</u>
20,164,795	-	20,164,795
22,213	-	22,213
1,692,876	8,772	1,701,648
193,643	-	193,643
<u>(1,300,000)</u>	<u>1,300,000</u>	<u>-</u>
<u>20,773,527</u>	<u>1,308,772</u>	<u>22,082,299</u>
7,374,441	(509,034)	6,865,407
<u>38,516,278</u>	<u>1,276,428</u>	<u>39,792,706</u>
<u>\$ 45,890,719</u>	<u>\$ 767,394</u>	<u>\$ 46,658,113</u>

LAVACA COUNTY, TEXAS
Balance Sheet - Governmental Funds
September 30, 2024

Exhibit 3

	Major Funds			Other	Total
	General	Road &	Capital	Governmental	Governmental
	Fund	Bridge	Courthouse	Funds	Funds
		Fund	Fund		
Assets:					
Cash and temporary investments	\$ 9,457,472	\$ 13,850,808	\$ 3,205,432	\$ 2,557,584	\$ 29,071,296
Receivables (net of allowance for uncollectibles):					
Taxes	140,105	100,100	-	-	240,205
Accounts	1,981	-	-	-	1,981
Due from other governments	-	-	-	34,492	34,492
Due from other funds	573,248	-	-	469	573,717
Inventories	-	1,014,563	-	-	1,014,563
Total assets	<u>\$ 10,172,806</u>	<u>\$ 14,965,471</u>	<u>\$ 3,205,432</u>	<u>\$ 2,592,545</u>	<u>\$ 30,936,254</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Accounts and accrued liabilities payable	\$ 389,419	\$ 1,089,644	\$ -	\$ 21,457	\$ 1,500,520
Due to others	694	-	-	-	694
Due to other funds	-	-	-	32,452	32,452
Unearned revenue	-	-	-	160,368	160,368
Total liabilities	<u>390,113</u>	<u>1,089,644</u>	<u>-</u>	<u>214,277</u>	<u>1,694,034</u>
Deferred Inflows of Resources:					
Deferred inflows of resources	<u>113,575</u>	<u>81,127</u>	<u>-</u>	<u>-</u>	<u>194,702</u>
Total deferred inflows of resources	<u>113,575</u>	<u>81,127</u>	<u>-</u>	<u>-</u>	<u>194,702</u>
Fund Balances:					
Nonspendable	-	1,014,563	-	-	1,014,563
Restricted	-	12,780,137	3,205,432	2,378,268	18,363,837
Unassigned	<u>9,669,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,669,118</u>
Total fund balances	<u>9,669,118</u>	<u>13,794,700</u>	<u>3,205,432</u>	<u>2,378,268</u>	<u>29,047,518</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,172,806</u>	<u>\$ 14,965,471</u>	<u>\$ 3,205,432</u>	<u>\$ 2,592,545</u>	<u>\$ 30,936,254</u>

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

LAVACA COUNTY, TEXAS

Exhibit 3R

*Reconciliation of the Governmental Funds Balance Sheet to the Governmental
Activities Statement of Net Position
September 30, 2024*

Total fund balance - governmental funds balance sheet (Exhibit 3) \$ 29,047,518

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in the governmental funds. Those assets consist of:

Capital assets	\$ 37,652,516	
Accumulated depreciation/amortization	<u>(18,638,212)</u>	19,014,304

Some of the County's assets are not available to pay for the current period's expenditures and therefore, are reported as unavailable revenue in the funds. These assets consist of:

Property taxes receivable	\$ 194,702	
Judicial receivables (net allowance for uncollectibles)	<u>621,507</u>	816,209

Some liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

Deferred outflows - pension	\$ 1,130,721	
Deferred outflows - OPEB	70,718	
Accrued interest on notes payable	(1,838)	
Notes payable	(485,505)	
Compensated absences	(296,122)	
Net pension liability	(2,743,885)	
Total OPEB liability	(592,710)	
Deferred inflows - pension	(29,389)	
Deferred inflows - OPEB	<u>(102,344)</u>	(3,050,354)

Internal service funds are used by the County. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. Internal service net position is:

63,042

Net position of governmental activities - statement of net position (Exhibit 1) \$ 45,890,719

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

LAVACA COUNTY, TEXAS

Exhibit 4

Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Funds
For the Year Ended September 30, 2024

	Major Funds			Other	Total
	General	Road &	Capital	Governmental	Governmental
	Fund	Bridge	Courthouse	Funds	Funds
		Fund	Fund		
Revenues:					
Property taxes	\$ 11,731,039	\$ 8,375,312	\$ -	\$ -	\$ 20,106,351
Other taxes	22,213	-	-	-	22,213
Intergovernmental	249,789	32,316	-	1,415,100	1,697,205
Charges for services	1,321,577	-	-	146,155	1,467,732
Licenses and permits	89,165	723,444	-	-	812,609
Fines and forfeitures	87,099	-	-	6,150	93,249
Investment income	641,829	736,827	145,738	164,639	1,689,033
Miscellaneous	198,424	5,098	-	286,495	490,017
Total revenues	<u>14,341,135</u>	<u>9,872,997</u>	<u>145,738</u>	<u>2,018,539</u>	<u>26,378,409</u>
Expenditures:					
Current:					
General administration	2,512,559	-	-	38,190	2,550,749
Judicial and legal	1,389,959	-	-	322,333	1,712,292
Financial administration	1,313,251	-	-	-	1,313,251
Public facilities	258,711	-	-	17,765	276,476
Public safety	3,915,194	-	-	24,719	3,939,913
Public transportation	-	5,988,649	-	-	5,988,649
Health and welfare	264,915	-	-	-	264,915
Conservation	144,493	-	-	-	144,493
Capital outlay	223,378	1,719,272	-	1,718,309	3,660,959
Debt service:					
Principal	51,161	150,953	-	320,361	522,475
Interest and fiscal charges	21,301	9,249	-	14,774	45,324
Total expenditures	<u>10,094,922</u>	<u>7,868,123</u>	<u>-</u>	<u>2,456,451</u>	<u>20,419,496</u>
Excess (deficiency) of revenues over expenditures	<u>4,246,213</u>	<u>2,004,874</u>	<u>145,738</u>	<u>(437,912)</u>	<u>5,958,913</u>
Other Financing Sources (Uses):					
Proceeds from sale of capital assets	28,822	90,675	-	-	119,497
Transfers in	-	160,000	1,000,000	671,557	1,831,557
Transfers out	<u>(2,960,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>(165,557)</u>	<u>(3,131,557)</u>
Total other financing sources (uses)	<u>(2,931,178)</u>	<u>244,675</u>	<u>1,000,000</u>	<u>506,000</u>	<u>(1,180,503)</u>
Net change in fund balance	1,315,035	2,249,549	1,145,738	68,088	4,778,410
Fund balances - beginning	<u>8,354,083</u>	<u>11,545,151</u>	<u>2,059,694</u>	<u>2,310,180</u>	<u>24,269,108</u>
Fund balances - ending	<u>\$ 9,669,118</u>	<u>\$ 13,794,700</u>	<u>\$ 3,205,432</u>	<u>\$ 2,378,268</u>	<u>\$ 29,047,518</u>

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

LAVACA COUNTY, TEXAS

Exhibit 4R

*Reconciliation of The Statement of Revenues, Expenditures and Change in Fund Balance -
Governmental Funds to the Governmental Activities Statement of Activities
For the Year Ended September 30, 2024*

Net change in fund balance - total governmental funds (Exhibit 4) \$ 4,778,410

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlay	\$	3,660,959	
Depreciation/amortization expense		<u>(1,640,020)</u>	2,020,939

Governmental funds report the entire sales price (proceeds from the sale of an asset as revenue because it provides current resources. In contrast, in the statement of activities, only the gain/loss on the sale of capital assets is reported. Thus, the change in net position differs from the change in the fund balance by the book value of capital assets sold. (135,571)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect on premiums and similar items when debt is issued, whereas these amounts are amortized in the statement of activities.

Principal payments	\$	522,475	
Change in accrued interest		2,888	
Change in compensated absences		<u>(13,971)</u>	511,392

The net change in net pension liability, deferred outflows and deferred inflows is reported in the statement of activities but does not require the use of current resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Net pension liability decreased	\$	984,949	
Deferred outflows decreased		(762,694)	
Deferred inflows decreased		<u>80,259</u>	302,484

The net change in total OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities but does not require the use of current resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Total OPEB liability increased	\$	(51,613)	
Deferred outflows decreased		(11,025)	
Deferred inflows decreased		<u>29,006</u>	(33,632)

Because some property taxes receivable, and judicial receivables will not be collected for several months after the County's fiscal year ends, they are not considered available revenues in the governmental funds. (76,478)

Internal service funds are used by the County. The net revenue of the internal service funds are reported with the governmental activities. 6,897

Change in net position of governmental activities (see Exhibit 2) \$ 7,374,441

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

LAVACA COUNTY, TEXAS*Statement of Net Position - Proprietary Funds**September 30, 2024*

Exhibit 5

	Ambulance Fund	Internal Service Funds
Assets:		
Current Assets:		
Cash and temporary investments	\$ -	\$ 81,728
Accounts receivable	<u>492,020</u>	<u>-</u>
Total current assets	<u>492,020</u>	<u>81,728</u>
Capital Assets:		
Land	22,609	-
Buildings and improvements	691,888	-
Furniture, equipment and vehicles	1,995,759	-
Accumulated depreciation	<u>(1,662,000)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>1,048,256</u>	<u>-</u>
Total assets	<u>1,540,276</u>	<u>81,728</u>
Deferred Outflows of Resources:		
Deferred outflows of resources	<u>382,886</u>	<u>-</u>
Total deferred outflows of resources	<u>382,886</u>	<u>-</u>
Liabilities:		
Current Liabilities:		
Accounts and accrued liabilities payable	102,510	18,686
Due to other funds	541,265	-
Compensated absences	<u>21,900</u>	<u>-</u>
Total current liabilities	<u>665,675</u>	<u>18,686</u>
Noncurrent Liabilities:		
Compensated absences	38,207	-
Net pension liability	326,386	-
Net OPEB liability	<u>89,799</u>	<u>-</u>
Total noncurrent liabilities	<u>454,392</u>	<u>-</u>
Total liabilities	<u>1,120,067</u>	<u>18,686</u>
Deferred Inflows of Resources:		
Deferred inflows of resources	<u>35,701</u>	<u>-</u>
Total deferred inflows of resources	<u>35,701</u>	<u>-</u>
Net Position:		
Net investment in capital assets	1,048,256	-
Unrestricted	<u>(280,862)</u>	<u>63,042</u>
Total net position	<u>\$ 767,394</u>	<u>\$ 63,042</u>

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

LAVACA COUNTY, TEXAS

Exhibit 6

*Statement of Revenues, Expenses and Change in Net Position - Proprietary Funds
For the Year Ended September 30, 2024*

	Ambulance Fund	Internal Service Funds
Operating Revenues:		
Charges for services	\$ 1,217,750	\$ -
Contributions for self insurance	-	73,782
Miscellaneous	<u>-</u>	<u>4,017</u>
Net operating revenue	<u>1,217,750</u>	<u>77,799</u>
Operating Expenses:		
Salaries and wages	1,742,553	-
Employee benefits	699,311	-
Supplies	87,248	-
Other charges	266,871	74,745
Depreciation	<u>239,573</u>	<u>-</u>
Total operating expenses	<u>3,035,556</u>	<u>74,745</u>
Operating income (loss)	<u>(1,817,806)</u>	<u>3,054</u>
Nonoperating Revenues:		
Investment income	<u>8,772</u>	<u>3,843</u>
Total nonoperating revenues	<u>8,772</u>	<u>3,843</u>
Net income (loss) before transfers	(1,809,034)	6,897
Transfers in	<u>1,300,000</u>	<u>-</u>
Change in net position	(509,034)	6,897
Net position - beginning	<u>1,276,428</u>	<u>56,145</u>
Net position - ending	<u>\$ 767,394</u>	<u>\$ 63,042</u>

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

LAVACA COUNTY, TEXAS**Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2024**

Exhibit 7

	Ambulance Fund	Internal Service Funds
Cash Flows From Operating Activities:		
Cash flows received from customers and others	\$ 1,170,866	\$ -
Cash receipts from interfund services provided	-	77,799
Cash received from other funds	529,139	-
Cash paid to and on behalf of employees	(2,454,326)	-
Cash paid to suppliers and others	<u>(356,822)</u>	<u>(56,059)</u>
Net cash provided (used) by operating activities	<u>(1,111,143)</u>	<u>21,740</u>
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds	<u>1,300,000</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>1,300,000</u>	<u>-</u>
Cash Flows From Capital and Financing Activities:		
Acquisition of capital assets	<u>(197,629)</u>	<u>-</u>
Net cash used by capital financing activities	<u>(197,629)</u>	<u>-</u>
Cash Flows From Investing Activities:		
Investment income	<u>8,772</u>	<u>3,843</u>
Net cash provided by investing activities	<u>8,772</u>	<u>3,843</u>
Net change in cash and temporary investments	-	25,583
Cash and temporary investments - beginning	<u>-</u>	<u>56,145</u>
Cash and temporary investments - ending	<u>\$ -</u>	<u>\$ 81,728</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Activities:		
Operating income (loss)	\$ (1,817,806)	\$ 3,054
Depreciation	239,573	-
Changes in Assets and Liabilities:		
(Increase) Decrease In:		
Accounts receivable	(46,884)	-
Pension and OPEB deferred outflows	259,687	-
Increase (Decrease) In:		
Accounts and accrued liabilities payable	10,202	18,686
Due to other funds	529,139	-
Compensated absences	12,028	-
Total OPEB liability	14,914	-
Net pension liability	(284,632)	-
Pension and OPEB deferred inflows	<u>(27,364)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (1,111,143)</u>	<u>\$ 21,740</u>

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

LAVACA COUNTY, TEXAS*Statement of Net Position - Fiduciary Funds**September 30, 2024*

Exhibit 8

	Private- Purpose Trust Fund	Custodial Funds
Assets :		
Cash and temporary investments	\$ <u>85,060</u>	\$ <u>867,488</u>
Total assets	<u>85,060</u>	<u>867,488</u>
Liabilities:		
Held for others	<u>2,495</u>	<u>-</u>
Total liabilities	<u>2,495</u>	<u>-</u>
Net Position:		
Held in trust for historical commission	82,565	-
Individuals, organizations and other governments	<u>-</u>	<u>867,488</u>
Total net position	\$ <u><u>82,565</u></u>	\$ <u><u>867,488</u></u>

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

LAVACA COUNTY, TEXAS

Exhibit 9

*Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended September 30, 2024*

	Private- Purpose Trust Fund	Custodial Funds
Additions:		
Held for others	\$ 13,030	\$ 61,105,009
Investment income	<u>4,165</u>	<u>-</u>
Total additions	<u>17,195</u>	<u>61,105,009</u>
Deductions:		
Distribution to others	15,041	761,844
Payments to other governments	<u>-</u>	<u>60,826,940</u>
Total deductions	<u>15,041</u>	<u>61,588,784</u>
Change in net position	2,154	(483,775)
Net position - beginning	<u>80,411</u>	<u>1,351,263</u>
Net position - ending	<u>\$ 82,565</u>	<u>\$ 867,488</u>

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

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024*

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LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Lavaca County, Texas (the "County") was established in 1846 by the Republic of Texas. Commissioners Court is the level of government which has oversight responsibility and control over all activities of the County. The Commissioners Court is composed of four commissioners, each elected from the four precincts in the County and the County Judge elected from the entire County. The members are elected by the public and have decision making authority, the power to designate management, the ability to influence operations and primary accountability for fiscal matters.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted account principles. Based upon the application of these criteria, the following is a brief review addressed in defining the County's reporting entity.

Financial accountability - The primary government is deemed to be financially accountable if it appoints a voting majority of an Organization's governing body and 1) is able to impose its will on that Organization or 2) there is a potential for the Organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an Organization is fiscally dependent on the primary government, regardless of whether the Organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board. There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The County has one enterprise fund.

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary funds financial statements. 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 are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are 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 judgments, are recorded only when payment is due.

Revenues from property and other taxes, grants and contracts, fees (charges for services), fines (including forfeitures), and interest associated with the current fiscal period are all considered to be susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Revenue from investments, including governmental external investment pools, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

The County has presented the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

The *Road & Bridge Fund* is a special revenue fund that accounts for property taxes, fees from auto registration, certificates of title, and gross weight and axle fees, and approved expenditures for public transportation projects.

The *Capital Courthouse Fund* is the County's fund used to account for the courthouse renovations.

The County has presented the following major proprietary fund:

The *Ambulance Fund* is an enterprise fund used to account for the emergency medical services operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing services be financed primarily through user charges, or where periodic determination of net income is appropriate. Activities of the fund include administration, operations and maintenance for the emergency medical services and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest. All costs are financed through charges to emergency medical services customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

The County reports the following fiduciary funds:

The *Historical Commission Fund* is a private purpose trust fund, which accounts for revenues, publication sales, and private donations used by the Historical Commission Board of Directors to preserve Lavaca County's heritage.

The *custodial funds* account for assets that the government holds on behalf of others as their agent. The County's custodial funds include County Attorney, County Clerk, District Clerk, Sheriff, and Tax Collector funds.

New Pronouncements

GASB issues statements on a routine basis with the intent to provide authoritative guidance on the preparation of financial statements and to improve governmental accounting and financial reporting of governmental entities. Management reviews these statements to ensure that preparation of its financial statements are in conformity with generally accepted accounting principles and to anticipate changes in those requirements. The following recent GASB Statements reflect the action and consideration of management regarding these requirements:

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements - Continued

GASB Statement No. 100 "Accounting Changes and Error Corrections - an amendment to GASB Statement No. 62" was issued in June 2022. The statement was implemented and did not have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 101 "Compensated Absences" was issued in June 2022. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102 "Certain Risk Disclosures" was issued in December 2023. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2024.

GASB Statement No. 103 "Financial Reporting Model Improvements" was issued in April 2024. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104 "Disclosure of Certain Capital Assets" was issued in September 2024. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

Budgetary Data

The budget law of the State of Texas provides that amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in the funds, plus the anticipated revenues for the current year as estimated by the County Auditor. The legal level of budgetary control is at the category or line item level (salaries and wages and employee benefits, and operating expenditures) within departments of each fund. Any expenditure, which alters the total budgeted amounts of a fund must be approved by Commissioners Court, and the budget amended. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Annual appropriated budgets are adopted for the General Fund and certain special revenue funds (Road & Bridge Fund, Appellate Judicial System Fee Fund, County Attorney Pretrial Fee Fund, Task Force Indigent Defense Fund, Justice Court Building Security Fund, County Clerk Digital Preserve Fund, District Clerk Digital Preserve Fund, County Clerk Technology Fund, District Clerk Technology Fund, District Clerk Archive Fund, Justice Court Technology Fund, County Clerk Records Management Fund, District Clerk Records Management Fund, Jury Service Fund, Courthouse Records Management Fund, Courthouse Security Fund, Records Archive Fund, Law Library Fund and Attorney Hot Check Collection Fund).

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Data - Continued

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budget procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings as necessary. Before September 1, a proposed budget is presented to the Commissioners Court. A public hearing is then held, and the Commissioners Court acts on the proposed budget. Before determining the final budget, the Commissioners Court may increase or decrease the amounts requested by the various departments. Amounts budgeted may not exceed the estimate of revenues and available cash.

Once the budget has been adopted by Commissioners Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding appropriations and for keeping members of Commissioners Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund, department and category. Any transfers of appropriations are first approved by the Commissioners Court. Department heads may approve line item transfers for expenditures of their respective department. However, no amendments for the personnel services category may be made without Commissioners Court approval to the total budget. Thus, the legal level of budgetary control is at the personnel services category level within each department and the department level overall. Expenditures can exceed appropriations as long as they do not exceed the available revenues and cash balances.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized. Encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. As of September 30, 2024, the County had no encumbrances outstanding.

Cash and Investments

Cash and temporary investments include amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the County. For purposes of the cash flow statement, cash and temporary investments are considered cash equivalents. In accordance with GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are stated at fair value.

The County maintains cash that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and temporary investments under each fund's caption. Funds are allowed to exceed the amount of their equity in the pooled cash account. Funds with overdrawn accounts are disclosed as an interfund payable in the liability section of the balance sheet.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes

Property taxes are levied as of October 1st of each year with statements prepared and mailed at that date or soon thereafter. The tax levy is based upon appraised property values as of each previous January 1st for all taxable property within the County. Payments are due and payable when taxes are levied and may be timely paid through January 31st. On February 1st, taxes become delinquent and subject to penalty and interest charges. After June 30th, any uncollected taxes are subject to tax suit and additional charges to offset related legal costs. The lien date for property taxes is July 1st.

The appraisal of property within the County is the responsibility of the Lavaca County Appraisal District. The Texas Legislature established the Appraisal District and the related Appraisal Review Board in 1979 through the adoption of a comprehensive Property Tax Code. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Real property is reappraised at least every four years. Under certain circumstances, taxpayers and taxing units including the County, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Under the Code, the Commissioners Court will continue to set annual tax rates on the property. The Code also provides that, if approved by the qualified voters in the Appraisal District, collection functions may be placed with the Appraisal District. The County bills and collects its property taxes and those of certain other taxing entities. Collections of those taxes pending distribution are accounted for in a custodial fund.

The County is permitted by Article VIII, Section 9 of the State of Texas Constitution to levy taxes up to \$ 0.80 per \$ 100 assessed valuation for general governmental services including payment of principal and interest on general long-term debt and maintenance of roads and bridges. Article 6790 of Vernon's Civil Statutes permits the County to collect an additional \$ 0.15 per \$ 100 valuation for road and bridge purposes. Article 7048a of Vernon's Civil Statutes permits the County to collect \$ 0.30 per \$ 100 valuation for road, bridge and flood control purposes.

The County's 2023 tax levy, supporting the 2024 fiscal period budget, totaled \$ 0.5132 per \$ 100 valuation and was comprised as follows:

General Fund	\$	0.2998
Road and Bridge Funds		<u>0.2134</u>
Combined tax rate	\$	<u><u>0.5132</u></u>

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All outstanding balances between funds are reported as "due to/from other funds". The County had no advances between funds. All activity between funds was for short-term cash flow requirements.

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Inventories and Prepaid Items

The County utilizes the consumption method to account for inventory and prepaid expenditures. Under this method, inventory and prepaid expenditures are considered an expenditure when used rather than when purchased. Significant inventories are reported on the balance sheet at cost, using the first-in, first-out method, with an offsetting reservation of fund balance in the governmental fund financial statements since they do not constitute "available spendable resources" even though they are a component of current assets. Inventories in the governmental funds are comprised of road materials, bulk fuel, parts, and chemicals. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide and prepaid expenditures in the fund financial statements.

Capital Assets

Capital assets, which include land, construction in progress, vehicles and equipment, buildings and improvements, and right to use leased assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their acquisition value on the date of donation. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended September 30, 2024, no capitalized interest was included in the cost of capital assets under construction.

Assets capitalized have an original cost of \$ 5,000 or more and over two years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Leased assets are depreciated over the lesser of the term of the related lease or the estimated useful lives of the assets. Estimated useful lives are as follows:

Buildings and improvements	20-40 Years
Furniture, equipment and vehicles	3-10 Years
Right to use leased assets	3 Years

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability is matured as a result of employee resignation or retirement.

Accumulated sick leave lapses when employees leave the employ of the county and, upon separation from service, no monetary obligation exists.

The liability for compensated absences disclosed in the financial statements represents accumulated vacation and compensatory time at September 30, 2024, computed at pay rates in effect at that time was \$ 296,122 for governmental activities and \$ 60,107 for business-type activities.

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Outflows and Inflows of Resources

Guidance for deferred outflows of resources and deferred inflows of resources is provided by GASB No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Further, GASB No. 65, "Items Previously Reported as Assets and Liabilities", had an objective to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

Leases

Lessee: The county is a lessee for noncancellable leases. The County recognizes a lease liability and a right to use leased asset in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$ 5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for the leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pension Plans

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

Other Post-Employment Benefits

The County has a defined benefit group-term life insurance plan administered by TCDRS. Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to total OPEB liability, and total OPEB expense have been determined on the same basis as they are reported by the plans. For this purpose, the plans recognize benefit payments when due and payable in accordance with the benefit terms.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as interest and fiscal charge expenses.

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

Fund Balance

The County's Commissioners Court meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. The County's unassigned General Fund Balance is maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned General Fund Balance may only be appropriated by resolution of the County's Commissioners Court. Fund Balance of the County may be committed for a specific source by formal action of the County's Commissioners Court. Amendments or modifications of the committed fund balance must also be approved by formal action by the County's Commissioners Court. When it is appropriate for fund balance to be assigned, the County's Commissioners Court has delegated authority to the County Judge or the County Auditor. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended are as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balance - Continued

The *nonspendable* fund balance includes a portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include inventories, prepaid expenditures and long-term receivables.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, and contributors), laws and regulations of other governments, or through enabling legislation. The enabling legislation authorizes the County to access, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation. The County's fee revenue generated through enabling legislations include auto registration fees, birth/death certificate fees, adult bond supervision fees, child abuse protection fees, court technology fees, election service fees, family protection fees, financial security fees, juvenile case management fees, law library fees, records archive fees, and records management and preservation fees reported under Non-Major Special Revenue Funds, and auto registration fees, certificates of title, and gross weight and axle fees reported under the Road & Bridge Precinct Funds.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by formal Commissioners Court actions, no later than the close of the fiscal year. These actions must be in the form of a resolution approved by Commissioners Court. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources. At September 30, 2024, there are no committed fund balances.

The *assigned* fund balance includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by Commissioners Court or its designated officials to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Commissioners Court actions. At September 30, 2024, there are no assignments of fund balance.

The *unassigned* Fund Balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount.

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued****Fund Balance - Continued**

The following schedule presents details of fund balance components at September 30, 2024:

	<u>Major Funds</u>			<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Road &</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Bridge</u>	<u>Courthouse</u>	<u>Funds</u>	<u>Funds</u>
Fund Balance:					
Nonspendable:					
Inventories	\$ -	\$ 1,014,563	\$ -	\$ -	\$ 1,014,563
Restricted:					
Capital projects	-	-	3,205,432	745,568	3,951,000
Court improvements and operations	-	-	-	45,625	45,625
Family protection services	-	-	-	20,573	20,573
Legal services	-	-	-	143,753	143,753
Library services	-	-	-	126,285	126,285
Public safety	-	-	-	623,769	623,769
Public transportation projects	-	12,780,137	-	-	12,780,137
Records management	-	-	-	634,110	634,110
State grants and appropriations	-	-	-	38,585	38,585
Unassigned	<u>9,669,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,669,118</u>
Total fund balance	<u>\$ 9,669,118</u>	<u>\$ 13,794,700</u>	<u>\$ 3,205,432</u>	<u>\$ 2,378,268</u>	<u>\$ 29,047,518</u>

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net investment in capital assets	\$ 22,479,799	\$ 1,048,256	\$ 23,528,055
Restricted:			
Court improvements and operations	45,625	-	45,625
Family protection services	20,573	-	20,573
Legal services	143,753	-	143,753
Library services	126,285	-	126,285
Public safety	623,769	-	623,769
Public transportation projects	13,875,827	-	13,875,827
Records management	634,110	-	634,110
State grants and appropriations	38,585	-	38,585
Unrestricted	<u>7,902,393</u>	<u>(280,862)</u>	<u>7,621,531</u>
Total net position	\$ <u>45,890,719</u>	\$ <u>767,394</u>	\$ <u>46,658,113</u>

NOTE 2 - DEPOSITS AND INVESTMENTS

The County classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investment is one that when purchased had a maturity date of three months or less. Investments are classified as either short-term investments or investments. Short-term investments have a maturity of one year or less and investments are those that have a maturity of one year or more. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures.

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to them. The County requires that all deposits with financial institutions be collateralized in an amount equal to 110 percent of uninsured balances.

At year-end, the carrying amount of the County's financial institution deposits, was \$ 30,105,572, while the financial institution balances totaled \$ 30,801,974. Of these balances, \$ 250,000 was covered by federal depository insurance coverage and \$ 30,551,974 was covered by collateral held by the County's agent in the County's name.

Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under a written investment policy. The investment policy primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and also addresses the quality and capability of investment personnel. This investment policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain instruments allowed under the Public Funds Investment Act.

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

The County's investment policy authorizes the County to invest in 1) obligations of the United States or its agencies and instrumentalities; 2) direct obligations of the State of Texas or its agencies; 3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; 4) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; 5) certificates of deposit by state and national banks domiciled in the state that are guaranteed or insured by the Federal Deposit Insurance Corporation or secured by obligations that are described in 1) through 4); 6) money market mutual funds regulated by the Securities and Exchange Commission with a dollar weighted average portfolio maturity of 90 days or less; 7) eligible investment pools organized and operating in compliance with the Public Funds Investment Act that have been authorized by Commissioners Court, and whose investment philosophy and strategy are consistent with the Policy and the County's ongoing investment strategy.

The County's Investment Officer submits an investment report quarterly to Commissioners Court. The report details the investment position and transactions of the County and the compliance of the investment portfolio as it relates to both the adopted investment strategy and Texas state law.

For the year ending September 30, 2024, the County did not have any investments.

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES

Receivables and Allowances

Receivables as of September 30, 2024, for the government's individual governmental major and nonmajor funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds			Total
	General Fund	Road & Bridge Fund	Other Governmental Funds	Governmental Funds
Receivables:				
Property taxes	\$ 343,267	\$ 234,250	\$ -	\$ 577,517
Due from other governments	-	-	34,492	34,492
Gross receivables	343,267	234,250	34,492	612,009
Less Allowance for Uncollectible:				
Property taxes	(203,162)	(134,150)	-	(337,312)
Net total receivables	\$ 140,105	\$ 100,100	\$ 34,492	\$ 274,697

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued**Receivables and Allowances - Continued

	Proprietary Funds Ambulance Fund
Receivables:	
Accounts	\$ <u>1,125,706</u>
Gross receivables	1,125,706
Less Allowance for Uncollectibles:	
Accounts	<u>(633,686)</u>
Net total receivables	\$ <u><u>492,020</u></u>

Receivables From Other Governments

The County participates in a variety of federal and state programs from which it receives grants to, partially or fully, finance certain activities. In addition, the County receives entitlements from the State through the legislative actions and taxes collected by the State on behalf of the County (other taxes). All federal grants shown below are either direct or passed through state or local agencies and are reported on the financial statements as due from other governments.

Amounts due from federal and state as of September 30, 2024 are summarized below:

	State Grants	Total
Non-major governmental funds	\$ <u>34,492</u>	\$ <u>34,492</u>
Total	\$ <u><u>34,492</u></u>	\$ <u><u>34,492</u></u>

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued**Judicial Receivables

Judicial receivables are reported in the governmental activities statement of net position. Since these receivables do not represent current available resources, they are not reported in the governmental funds balance sheet. The allowance for uncollectible receivables related to the County's various court assessments is determined based on historical experience and evaluation of collectability in relation to the aging of customer accounts. The following is a summary of the receivable and allowance for uncollectible as of September 30, 2024:

	Governmental Activities		
	Judicial Receivable	Allowance for Uncollectible Accounts	Net Receivable
Judicial Receivables:			
Justice of the peace	\$ 879,942	\$ (439,971)	\$ 439,971
County courts	166,772	(83,386)	83,386
District courts	<u>196,300</u>	<u>(98,150)</u>	<u>98,150</u>
Total	<u>\$ 1,243,014</u>	<u>\$ (621,507)</u>	<u>\$ 621,507</u>

Governmental Funds

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2024, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Major Funds			Total
	General Fund	Road & Bridge Fund	Other Governmental Funds	
Deferred Inflows of Resources:				
Delinquent property taxes receivable	\$ <u>113,575</u>	\$ <u>81,127</u>	\$ -	\$ <u>194,702</u>
	\$ <u>113,575</u>	\$ <u>81,127</u>	\$ -	\$ <u>194,702</u>
Unearned Revenue:				
Federal grants	\$ -	\$ -	\$ <u>160,368</u>	\$ <u>160,368</u>
	\$ -	\$ -	\$ <u>160,368</u>	\$ <u>160,368</u>

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued**Governmental Activities

Governmental activities defer the recognition of pension expense for contributions made from the measurement date to the current year-end of September 30, 2024 and report these as deferred outflows of resources. Governmental activities also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. Further, for governmental activities, like governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

	Proprietary Fund Ambulance Fund
Deferred Outflows of Resources:	
Pension Related:	
Differences between expected and actual experience	\$ 72,835
Net difference between expected and actual investment earnings	66,737
Subsequent contributions	225,406
OPEB Related:	
Changes in assumptions	11,969
Differences between expected and actual experience	3,552
Subsequent contributions	<u>2,387</u>
	<u>\$ 382,886</u>
Deferred Inflows of Resources:	
Pension Related:	
Difference between expected and actual experience	\$ 8,025
OPEB Related:	
Changes in assumptions	25,901
Difference between expected and actual experience	<u>1,775</u>
	<u>\$ 35,701</u>

As of September 30, 2024, the various components of deferred inflows and outflows of resources reported in the governmental and business-type activities were as follows:

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued**Deferred Outflows and Inflows of Resources and Unearned Revenue - Continued

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Unearned Revenue</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Related:					
Differences between expected and actual experience	\$ 252,032	\$ 29,389	\$ -	\$ 72,835	\$ 8,025
Net difference between expected and actual investment earnings	98,715	-	-	66,737	-
Subsequent contributions	779,974	-	-	225,406	-
OPEB Related:					
Changes in assumptions	49,337	94,850	-	11,969	25,901
Differences between expected and actual experience	13,123	7,494	-	3,552	1,775
Subsequent contributions	8,258	-	-	2,387	-
Unearned Revenue:					
State grants	-	-	160,368	-	-
	<u>\$ 1,201,439</u>	<u>\$ 131,733</u>	<u>\$ 160,368</u>	<u>\$ 382,886</u>	<u>\$ 35,701</u>

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at September 30, 2024 consisted of the following individual fund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>9-30-24</u>
General Fund	Other Governmental Funds	\$ 31,983
General Fund	Ambulance Fund	541,265
Other Governmental Funds	Other Governmental Funds	<u>469</u>
Total		<u>\$ 573,717</u>

Interfund transfers for the year ended September 30, 2024 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>9-30-24</u>
General Fund	Road & Bridge Fund	\$ 160,000
General Fund	Capital Courthouse Fund	1,000,000
General Fund	Other Governmental Funds	500,000
General Fund	Ambulance Fund	1,300,000
Road & Bridge Fund	Other Governmental Funds	6,000
Other Governmental Funds	Other Governmental Funds	<u>165,557</u>
Total		<u>\$ 3,131,557</u>

The Commissioners Court approved these transfers, as transfers of operational funds to cover planned expenditures/expenses.

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 5 - CAPITAL ASSETS**Capital Transactions

	Balance 10-01-23	Additions	Retirements	Balance 09-30-24
Governmental Activities:				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 487,447	\$ -	\$ -	\$ 487,447
Construction in progress	<u>1,878,177</u>	<u>1,106,224</u>	<u>-</u>	<u>2,984,401</u>
Total capital assets not being depreciated/amortized	<u>2,365,624</u>	<u>1,106,224</u>	<u>-</u>	<u>3,471,848</u>
Capital Assets, Being Depreciated/Amortized:				
Buildings and improvements	14,725,426	42,939	-	14,768,365
Furniture, equipment and vehicles	13,619,445	2,511,796	(682,610)	15,448,631
Infrastructure	2,980,510	-	-	2,980,510
Right to use leased assets	<u>983,162</u>	<u>-</u>	<u>-</u>	<u>983,162</u>
Total capital assets being depreciated/amortized	<u>32,308,543</u>	<u>2,554,735</u>	<u>(682,610)</u>	<u>34,180,668</u>
Less Accumulated Depreciation/Amortization For:				
Buildings and improvements	5,344,319	369,294	-	5,713,613
Furniture, equipment and vehicles	8,564,961	943,005	(547,039)	8,960,927
Infrastructure	2,980,510	-	-	2,980,510
Right to use leased assets	<u>655,441</u>	<u>327,721</u>	<u>-</u>	<u>983,162</u>
Total accumulated depreciation/amortization	<u>17,545,231</u>	<u>1,640,020</u>	<u>(547,039)</u>	<u>18,638,212</u>
Total capital assets being depreciated/amortized, net	<u>14,763,312</u>	<u>914,715</u>	<u>(135,571)</u>	<u>15,542,456</u>
Governmental activities capital assets, net	<u>\$ 17,128,936</u>	<u>\$ 2,020,939</u>	<u>\$ (135,571)</u>	<u>\$ 19,014,304</u>

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 5 - CAPITAL ASSETS - Continued**Capital Transactions - Continued

	Balance 10-01-23	Additions	Retirements	Balance 09-30-24
Business-Type Activities:				
Ambulance Fund:				
Capital Assets, Not Being Depreciated:				
Land	\$ 22,609	\$ -	\$ -	\$ 22,609
Total capital assets not being depreciated	22,609	-	-	22,609
Capital Assets, Being Depreciated:				
Buildings and improvements	675,942	15,946	-	691,888
Furniture, equipment and vehicles	1,828,649	181,683	(14,573)	1,995,759
Total capital assets being depreciated	2,504,591	197,629	(14,573)	2,687,647
Less Accumulated Depreciation For:				
Buildings and improvements	272,369	17,364	-	289,733
Furniture, equipment and vehicles	1,164,631	222,209	(14,573)	1,372,267
Total accumulated depreciation	1,437,000	239,573	(14,573)	1,662,000
Total capital assets being depreciated, net	1,067,591	(41,944)	-	1,025,647
Ambulance capital assets, net	\$ 1,090,200	\$ (41,944)	\$ -	\$ 1,048,256

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 5 - CAPITAL ASSETS - Continued

Depreciation/Amortization

Depreciation/amortization expense was charged as direct expense to functional categories of the County as follows:

	<u>09-30-24</u>
Governmental Activities:	
General administration	\$ 565,039
Judicial and legal	3,013
Financial administration	11,196
Public facilities	92,456
Public safety	297,293
Public transportation	669,843
Conservation	<u>1,180</u>
	<u>\$ 1,640,020</u>
Business-Type Activities:	
Ambulance	<u>\$ 239,573</u>

Construction Commitments

As of September 30, 2024, the County did not have any construction commitments.

NOTE 6 - LONG-TERM DEBT

Notes Payable

On March 24, 2015, the County entered into an Emergency Conservation Project in the amount of \$ 733,029. This note provided funds to acquire, construct, and equip additions, improvements, extensions and equipment for the County's Emergency Conservation Project. The note will yield an interest rate of 4.39% with a maturity of March 24, 2030.

On April 1, 2020, the County entered in a note payable in the amount of \$ 241,027. The proceeds of this note were used to purchase equipment. This note will yield an interest rate of 3.35% with a maturity of April 8, 2025.

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 6 - LONG-TERM DEBT - Continued**

Aggregate maturities of this note payable for the years subsequent to September 30, 2024 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2025	\$ 108,057	\$ 20,778	\$ 128,835
2026	62,421	16,570	78,991
2027	68,572	13,830	82,402
2028	75,098	10,819	85,917
2029	82,014	7,523	89,537
2030	<u>89,343</u>	<u>3,922</u>	<u>93,265</u>
	<u>\$ 485,505</u>	<u>\$ 73,442</u>	<u>\$ 558,947</u>

Changes in Long-Term Debt

Transactions for the year ended September 30, 2024 are summarized as follows:

	<u>Balance 10-01-23</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance 09-30-24</u>	<u>Due Within One Year</u>
Governmental Activities:					
Notes payable	\$ 687,619	\$ -	\$ (202,114)	\$ 485,505	\$ 108,057
Lease liability	320,361	-	(320,361)	-	-
Net pension liability	3,728,804	5,133,072	(6,117,991)	2,743,885	-
Total OPEB liability	541,097	68,939	(17,326)	592,710	-
Compensated absences	<u>282,151</u>	<u>198,592</u>	<u>(184,621)</u>	<u>296,122</u>	<u>180,829</u>
Total governmental activities	<u>\$ 5,560,032</u>	<u>\$ 5,400,603</u>	<u>\$ (6,842,413)</u>	<u>\$ 4,118,222</u>	<u>\$ 288,886</u>
Business-Type Activities:					
Net pension liability	\$ 611,018	\$ 1,483,417	\$ (1,768,049)	\$ 326,386	\$ -
Total OPEB liability	74,885	19,922	(5,008)	89,799	-
Compensated absences	<u>48,079</u>	<u>33,927</u>	<u>(21,899)</u>	<u>60,107</u>	<u>21,900</u>
Total business-type activities	<u>\$ 733,982</u>	<u>\$ 1,537,266</u>	<u>\$ (1,794,956)</u>	<u>\$ 476,292</u>	<u>\$ 21,900</u>

Compensated absences, net pension liability and total OPEB liability are payable by the fund in which the individual positions are budgeted.

LAVACA COUNTY, TEXAS

*Notes to the Financial Statements
For The Year Ended September 30, 2024*

NOTE 7 - LEASES

In July 2021, the County entered into a three year lease agreement for the lease of radio equipment. Based on this agreement, the County is required to make annual payments of \$ 335,136. There are no renewal options included in this lease agreement and the County will not purchased the radio equipment at the end of the lease term. An initial lease liability was recorded in the amount of \$ 983,162 using 2.28% discount rate during the current fiscal year. During the year ended September 30, 2024, the lease was paid off.

NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN

Plan Description - The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 870 non-traditional defined benefit plans. TCDRS in the aggregate issues a annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 79768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 8 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 8 years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

All eligible employees of the County are required to participate in TCDRS.

The plan provisions are adopted by Commissioner’s Court of the County, within the options available in the state statutes governing TCDRS. Plan provisions for the County were as follows:

	<u>Plan Year 2024</u>	<u>Plan Year 2023</u>
Employee deposit rate	7.00%	7.00%
Employer deposit rate	13.27%	17.00%
Matching ratio (County to employee)	2 to 1	2 to 1
Years required for vesting	8	8
Service retirement eligibility (expressed as age/years of service)	60/8, 0/30	60/8, 0/30

LAVACA COUNTY, TEXAS

*Notes to the Financial Statements
For The Year Ended September 30, 2024*

NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Employees Covered by Benefit Terms:

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

Inactive employees or beneficiaries currently receiving benefits	173
Inactive employees entitled to but not yet receiving benefits	197
Active employees	<u>206</u>
	<u>576</u>

Contributions - The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee compensation, and the employer matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the employer. Under the state laws governing TCDRS, the contribution rate for each employer is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. Participating employers are required to contribute at the actuarially determined rates to ensure adequate funding for each employer’s plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

Employees of the County were required to contribute 7.00% of their annual compensation during the fiscal year. The County’s required contribution rates of 15.47% and 15.28% in calendar years 2024 and 2023, respectively. The County’s contributions to TCDRS for the year ended September 30, 2024 were \$ 1,302,143.

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

Actuarial Assumptions:

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

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

LAVACA COUNTY, TEXAS

*Notes to the Financial Statements
For The Year Ended September 30, 2024*

NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Except where indicated in the section of this GASB 68 report entitled “Actuarial Methods and Assumptions Used for GASB Calculations”, the assumptions used in this analysis for the December 31, 2023 financial reporting metrics are the same as those used in the December 31, 2023 actuarial valuation analysis for the County.

Following is a description of the assumptions used in the December 31, 2023 actuarial valuation analysis for the County. This information may also be found in the Johnson County December 31, 2023 Summary Valuation Report.

Economic Assumptions:

TCDRS System-Wide Economic Assumptions

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The assumed long-term investment return of 7.50% is net after investment and administrative expenses and is expected to enable the system to credit each employer’s Subdivison Accumulation Fund (SAF) with a nominal annual rate of 7.50% on the combined Employee Savings Fund (ESF) and SAF funds, less the amount credited to the County’s ESF. Under the TCDRS Act, the ESF is credited with a nominal annual rate of 7.00%. It is assumed interest will be credited at the nominal annual rate of 7.50% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.70% per year for a career employee.

Employer Specific Economic Assumptions

Growth in membership	0.00%
Payroll growth	3.00%

The payroll growth assumption is for the aggregate covered payroll of an employer.

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

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

The valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years, and is set 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 target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	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%

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

⁽²⁾ Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.20%, per Cliffwater's 2024 capital market assumptions

⁽³⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

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

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

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

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

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer 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 for GASB 68 purposes. 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 0.10% to be gross of administrative expenses.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance as of December 31, 2022	\$ 56,393,957	\$ 52,054,135	\$ 4,339,822
Changes for the Year:			
Service cost	1,240,455	-	1,240,455
Interest on total pension liability ⁽¹⁾	4,250,387	-	4,250,387
Effect of plan changes ⁽²⁾	618,741	-	618,741
Effect of economic/demographic gains or losses	433,156	-	433,156
Effect of assumptions changes or inputs	-	-	-
Refunds of contributions	(160,709)	(160,709)	-
Employer contributions	-	1,542,834	(1,542,834)
Member contributions	-	635,286	(635,286)
Net investment income	-	5,707,920	(5,707,920)
Benefit payment,	(3,319,563)	(3,319,563)	-
Administrative expense	-	(29,443)	29,443
Other changes ⁽³⁾	-	(44,307)	44,307
Balance as of December 31, 2023	<u>\$ 59,456,424</u>	<u>\$ 56,386,153</u>	<u>\$ 3,070,271</u>

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

⁽²⁾ No plan changes valued.

⁽³⁾ Relates to allocation of system-wide items.

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

Sensitivity Analysis - The following presents the net pension liability of the county, calculated using the discount rate of 7.60%, as well as what the County's net pension liability would be if it were calculated using a discount rate of 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	\$ 66,379,497	\$ 59,456,424	\$ 53,597,705
Fiduciary net position	<u>56,386,153</u>	<u>56,386,153</u>	<u>56,386,153</u>
Net pension liability / (asset)	\$ <u>9,993,344</u>	\$ <u>3,070,271</u>	\$ <u>(2,788,448)</u>

<i>Pension Expense:</i>	Year Ended 12-31-23
Service cost	\$ 1,240,455
Interest on total pension liability ⁽¹⁾	4,250,387
Effect of plan changes	618,741
Administrative expenses	29,443
Member contributions	(635,286)
Expected investment return net of investment expenses	(3,904,787)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	87,330
Recognition of assumption changes or inputs	611,421
Recognition of investment gains or losses	(1,033,588)
Other ⁽²⁾	<u>44,307</u>
Pension expense	\$ <u>1,308,423</u>

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

⁽²⁾ Related to allocation of system-wide items.

Deferred Inflows and Outflows - At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 324,867	\$ 37,414
Net difference between projected and actual investment earnings	165,452	-
Contributions subsequent to the measurement date ⁽³⁾	<u>1,005,380</u>	<u>-</u>
Totals	\$ <u>1,495,699</u>	\$ <u>37,414</u>

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 8 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

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

Year Ended September 30,	
2025	\$ (312,617)
2026	(114,012)
2027	1,240,162
2028	(3,60,628)
2029	-
Thereafter ⁽⁴⁾	-

⁽³⁾ Any eligible employer contributions were made subsequent to the measurement date through the employer's fiscal year end, the employer should reflect these contributions, adjusted as outlined in GASB No. 71.

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

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description - The County participates in the retiree Group Term Life program (GTL) for the Texas County & District Retirement System (TCDRS), which is a defined benefits group term life insurance plan. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 each year. As the GTL program covers both active and retiree participants, with no segregation of asset, the GTL program is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75).

Benefits Provided - The plan provides a \$ 5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program. The death benefit for retirees is considered an other post-employment benefit and is a fixed amount of \$ 5,000.

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

Inactive employees or beneficiaries currently receiving benefits	149
Inactive employees entitled to but not yet receiving benefits	51
Active employees	<u>206</u>
	<u>406</u>

Contributions - For GASB 75 purposes, the TCDRS GTL plan is not a cost sharing plan as the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions. Employers in the TCDRS GTL program make a combined contribution for both the active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only the contribution associated with retiree coverage are included under GASB 75.

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

The County's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$ 5,000. Actuarially determined contribution 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.

The retiree portion of contribution rates to the TCDRS GTL plan for the County was 0.18% and 0.16% in calendar years 2024 and 2023, respectively. The County's contributions to the TCDRS GTL plan for the year ended September 30, 2024 were \$ 13,438.

Total OPEB Liability - The County's total OPEB liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

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

The discount rate used to measure the TCDRS OPEB liability was 3.26% and was based on the 20 year bond GO index published by bondbuyer.com as of December 28, 2023.

Mortality rates for depositing members were 135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. Mortality rates for service retirees, beneficiaries and non-depositing members were 135% of Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table for males and 120% Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. Mortality rates for disabled retirees were 160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actual experience study for the period January 1, 2017 through December 31, 2020.

Changes in the Total OPEB Liability

Balance as of December 31, 2022	\$ 615,982
Changes for the Year:	
Service cost	16,651
Interest on total OPEB liability ⁽¹⁾	23,266
Changes of benefit terms ⁽²⁾	-
Effect of economic/demographic experience	(7,813)
Effect of assumptions changes or inputs ⁽³⁾	48,944
Benefit payments	(14,521)
Other	-
Balance as of December 31, 2023	<u>\$ 682,509</u>

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

⁽²⁾ No plan changes valued.

⁽³⁾ Reflects change in discount rate.

LAVACA COUNTY, TEXAS*Notes to the Financial Statements**For The Year Ended September 30, 2024***NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued**

Sensitivity Analysis - The following presents the total OPEB liability of the County, calculated using the discount rate of 3.26%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate of 1 percentage-point lower (2.26%) or 1 percentage-point higher (4.26%) than the current rate:

	1% Decrease In Discount Rate (2.26%)	Discount Rate (3.26%)	1% Increase In Discount Rate (4.26%)
Total OPEB Liability	\$ <u>810,456</u>	\$ <u>682,509</u>	\$ <u>582,599</u>
<i>OPEB Expense:</i>			Year Ended 12-31-23
Service cost			\$ 16,651
Interest on total pension liability ⁽¹⁾			23,266
Effect of plan changes			-
Recognition of deferred inflows/outflows of resources:			
Recognition of economic/demographic gains or losses			4,003
Recognition of assumption changes or inputs			11,063
Other			-
OPEB expense			\$ <u>54,983</u>

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

Deferred Inflows and Outflows - At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 16,675	\$ 9,269
Changes in assumptions	61,306	120,751
Contributions subsequent to the measurement date	<u>10,645</u>	<u>-</u>
Totals	\$ <u>88,626</u>	\$ <u>130,020</u>

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

Year Ended September 30,	
2025	\$ (12,344)
2026	(24,817)
2027	(28,589)
2028	6,855
2029	6,856
Thereafter	-

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 10 - SELF INSURANCE

Workers Compensation

The County replaced their workers' compensation insurance policy with a self-insured plan that is managed by an independent third party administrator. Claims are evaluated and administered by this third party administrator and paid by the County. Claims administration has been provided by Texas Association of Counties Risk Management Pool during the year ended September 30, 2024.

The accrued liability for Workers' Compensation self-insurance of \$ 18,686 includes estimated incurred but not reported claims. This liability reported in the fund at September 30, 2024, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount.

Changes in the workers' compensation claims liability amounts in fiscal 2022-2023 and 2023-2024 are represented below:

	Beginning of Fiscal-Year/ Period Liability	Current-Year/ Period Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year/ Period-End
2022-2023 Workers Compensation	\$ -	\$ 63,803	\$ 63,803	\$ -
2023-2024 Workers Compensation	-	74,745	56,059	18,686

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, business interruption, errors and omissions, injuries to employees, employee health benefits and other claims of various natures. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (the "Pool") which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported from unsettled or incurred but not reported, are believed to be insignificant to the County's basic financial statement. For the year ended September 30, 2024, there were no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage. Any losses reported but unsettled or incurred and not reported are believed to be insignificant to the County's basic financial statements.

LAVACA COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2024

NOTE 12 - GRANTS, ENTITLEMENTS AND SHARED REVENUES

During the year ended September 30, 2024, the County applied for and received federal and state grants related to various activities. The operations of these grants are reported in the general fund and various special revenue funds. For the most part, these grants are reimbursement type grants and, therefore, revenues equal expenditures. Grant revenues are classified as intergovernmental revenues. The federal financial assistance programs are covered by the requires of the Single Audit Act and the Uniform Guidance.

The state financial assistance programs are covered by the State of Texas Grant Management Standards. A single audit was performed on the federal financial assistance programs as the federal financial assistance programs met the \$ 750,000 threshold. A single audit was not performed on the state financial assistance programs as the state financial assistance programs did not meet the \$ 750,000 threshold.

NOTE 13 - CONTINGENCIES

The County is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. Such lawsuits include various civil claims that are currently between the stages of discovery and pleadings. The outcome of these lawsuits and other claims are not presently determinable and the resolutions of these matters are not expected to have a material effect on the financial condition of the County. The County does not have any contingent estimated liability as of September 30, 2024.

NOTE 14 - EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through April 28, 2025, the date which the financial statements were available to be issued.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

LAVACA COUNTY, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget And Actual - General Fund and Road & Bridge Fund For the Year Ended September 30, 2024

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Property taxes	\$ 11,859,637	\$ 11,859,637	\$ 11,731,039	\$ (128,598)
Other taxes	-	-	22,213	22,213
Intergovernmental	104,900	104,900	249,789	144,889
Charges for services	1,061,300	1,061,300	1,321,577	260,277
Licenses and permits	43,500	43,500	89,165	45,665
Fines and forfeitures	150,700	150,700	87,099	(63,601)
Investment income	32,150	32,150	641,829	609,679
Miscellaneous	81,225	81,225	198,424	117,199
Total revenues	<u>13,333,412</u>	<u>13,333,412</u>	<u>14,341,135</u>	<u>1,007,723</u>
Expenditures:				
Current:				
General administration	2,728,217	2,733,456	2,512,559	220,897
Judicial and legal	1,717,394	1,671,064	1,389,959	281,105
Financial administration	1,326,740	1,335,130	1,313,251	21,879
Public facilities	263,300	263,300	258,711	4,589
Public safety	4,055,341	4,058,341	3,915,194	143,147
Public transportation	-	-	-	-
Health and welfare	278,610	278,610	264,915	13,695
Conservation	147,271	147,271	144,493	2,778
Capital outlay	429,196	464,397	223,378	241,019
Debt Service:				
Principal	55,070	51,187	51,161	26
Interest and fiscal charges	22,930	21,313	21,301	12
Total expenditures	<u>11,024,069</u>	<u>11,024,069</u>	<u>10,094,922</u>	<u>929,147</u>
Excess (deficiency) of revenues over expenditures	<u>2,309,343</u>	<u>2,309,343</u>	<u>4,246,213</u>	<u>1,936,870</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	-	28,822	28,822
Transfers in	-	-	-	-
Transfers out	(2,960,000)	(2,960,000)	(2,960,000)	-
Total other financing sources (uses)	<u>(2,960,000)</u>	<u>(2,960,000)</u>	<u>(2,931,178)</u>	<u>28,822</u>
Net change in fund balance	<u>(650,657)</u>	<u>(650,657)</u>	<u>1,315,035</u>	<u>1,965,692</u>
Fund balance - beginning	<u>8,354,083</u>	<u>8,354,083</u>	<u>8,354,083</u>	<u>-</u>
Fund balance - ending	<u>\$ 7,703,426</u>	<u>\$ 7,703,426</u>	<u>\$ 9,669,118</u>	<u>\$ 1,965,692</u>

Road & Bridge Fund			
Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 8,478,911	\$ 8,478,911	\$ 8,375,312	\$ (103,599)
-	-	-	-
34,000	34,000	32,316	(1,684)
-	-	-	-
677,000	677,000	723,444	46,444
-	-	-	-
40,440	40,440	736,827	696,387
-	-	5,098	5,098
<u>9,230,351</u>	<u>9,230,351</u>	<u>9,872,997</u>	<u>642,646</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,567,425	5,683,238	5,988,649	(305,411)
-	-	-	-
-	-	-	-
8,705,416	8,589,603	1,719,272	6,870,331
84,802	84,802	150,953	(66,151)
8,854	8,854	9,249	(395)
<u>14,366,497</u>	<u>14,366,497</u>	<u>7,868,123</u>	<u>6,498,374</u>
<u>(5,136,146)</u>	<u>(5,136,146)</u>	<u>2,004,874</u>	<u>7,141,020</u>
-	-	90,675	90,675
160,000	160,000	160,000	-
<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
<u>154,000</u>	<u>154,000</u>	<u>244,675</u>	<u>90,675</u>
(4,982,146)	(4,982,146)	2,249,549	7,231,695
<u>11,545,151</u>	<u>11,545,151</u>	<u>11,545,151</u>	<u>-</u>
<u>\$ 6,563,005</u>	<u>\$ 6,563,005</u>	<u>\$ 13,794,700</u>	<u>\$ 7,231,695</u>

LAVACA COUNTY, TEXAS*Texas County and District Retirement System**Schedule of Changes In Net Pension Liability/(Asset) And Related Ratios**With a Measurement Date of December 31,*

	2023	2022	2021	2020
Total Pension Liability:				
Service cost	\$ 1,240,455	\$ 1,242,286	\$ 1,198,407	\$ 1,068,865
Interest on the Total Pension Liability	4,250,387	4,096,732	3,938,884	3,794,547
Effect of plan changes	618,741	-	-	-
Effect of assumption changes or inputs	-	-	(212,993)	2,729,669
Effect of economic/demographic (gains) or losses	433,156	(74,828)	24,530	(41,715)
Benefit payments/refunds of contributions	<u>(3,480,272)</u>	<u>(3,009,536)</u>	<u>(2,825,336)</u>	<u>(2,575,764)</u>
Net Change in Total Pension Liability	3,062,467	2,254,654	2,123,492	4,975,602
Total Pension Liability - Beginning	<u>56,393,957</u>	<u>54,139,303</u>	<u>52,015,811</u>	<u>47,040,209</u>
Total Pension Liability - Ending (a)	<u>\$ 59,456,424</u>	<u>\$ 56,393,957</u>	<u>\$ 54,139,303</u>	<u>\$ 52,015,811</u>
Fiduciary Net Position:				
Employer contributions	\$ 1,542,834	\$ 1,510,614	\$ 1,414,086	\$ 1,309,698
Member contributions	635,286	622,019	582,272	552,617
Investment Income net of investment expenses	5,707,920	(3,223,344)	10,210,839	4,463,610
Benefit payments/refunds of contributions	(3,480,272)	(3,009,536)	(2,825,336)	(2,575,764)
Administrative expense	(29,443)	(30,505)	(30,438)	(34,333)
Other	<u>(44,307)</u>	<u>(76,443)</u>	<u>(10,564)</u>	<u>(16,828)</u>
Net Change in Fiduciary Net Position	4,332,018	(4,207,195)	9,340,859	3,699,000
Fiduciary Net Position - Beginning	<u>52,054,135</u>	<u>56,261,330</u>	<u>46,920,471</u>	<u>43,221,471</u>
Fiduciary Net Position - Ending (b)	<u>\$ 56,386,153</u>	<u>\$ 52,054,135</u>	<u>\$ 56,261,330</u>	<u>\$ 46,920,471</u>
Net Pension Liability/(Asset) (a-b)	<u>\$ 3,070,271</u>	<u>\$ 4,339,822</u>	<u>\$ (2,122,027)</u>	<u>\$ 5,095,340</u>
Fiduciary Net Position as a Percentage of				
Total Pension Liability	94.84%	92.30%	103.92%	90.20%
Pensionable Covered Payroll	\$ 9,075,517	\$ 8,885,985	\$ 8,318,168	\$ 7,894,524
Net Pension Liability/(Asset) as a Percentage of				
Covered Payroll	33.83%	48.84%	(25.51%)	64.54%

2019	2018	2017	2016	2015	2014
\$ 1,032,869	\$ 1,035,558	\$ 977,342	\$ 1,009,498	\$ 915,700	\$ 890,878
3,633,203	3,434,113	3,229,946	3,024,593	2,869,126	2,733,053
-	-	-	-	(145,397)	-
-	-	180,215	-	404,986	-
(257,214)	199,542	140,102	13,008	(213,650)	(400,781)
<u>(2,334,815)</u>	<u>(2,087,252)</u>	<u>(2,044,089)</u>	<u>(1,946,383)</u>	<u>(1,718,343)</u>	<u>(1,648,618)</u>
2,074,043	2,581,961	2,483,516	2,100,716	2,112,422	1,574,532
<u>44,966,166</u>	<u>42,384,205</u>	<u>39,900,689</u>	<u>37,799,973</u>	<u>35,687,551</u>	<u>34,113,019</u>
<u>\$ 47,040,209</u>	<u>\$ 44,966,166</u>	<u>\$ 42,384,205</u>	<u>\$ 39,900,689</u>	<u>\$ 37,799,973</u>	<u>\$ 35,687,551</u>
\$ 1,240,479	\$ 1,215,722	\$ 1,130,673	\$ 1,072,639	\$ 1,073,260	\$ 1,000,610
538,669	529,306	494,068	465,788	466,056	434,509
6,181,982	(725,643)	4,986,690	2,382,190	93,944	2,093,326
(2,334,815)	(2,087,252)	(2,044,089)	(1,946,383)	(1,718,343)	(1,648,618)
(32,936)	(30,233)	(25,767)	(25,854)	(23,176)	(24,240)
<u>(13,003)</u>	<u>(6,304)</u>	<u>(5,863)</u>	<u>135,107</u>	<u>(21,463)</u>	<u>(242,952)</u>
5,580,376	(1,104,404)	4,535,712	2,083,487	(129,722)	1,612,635
<u>37,641,095</u>	<u>38,745,499</u>	<u>34,209,787</u>	<u>32,126,300</u>	<u>32,256,022</u>	<u>30,643,387</u>
<u>\$ 43,221,471</u>	<u>\$ 37,641,095</u>	<u>\$ 38,745,499</u>	<u>\$ 34,209,787</u>	<u>\$ 32,126,300</u>	<u>\$ 32,256,022</u>
<u>\$ 3,818,738</u>	<u>\$ 7,325,071</u>	<u>\$ 3,638,706</u>	<u>\$ 5,690,902</u>	<u>\$ 5,673,673</u>	<u>\$ 3,431,529</u>
91.88%	83.71%	91.41%	85.74%	84.99%	90.38%
\$ 7,695,273	\$ 7,561,508	\$ 7,014,127	\$ 6,654,111	\$ 6,657,948	\$ 6,207,264
49.62%	96.87%	51.88%	85.52%	85.22%	55.28%

LAVACA COUNTY, TEXAS

*Texas County and District Retirement System
Schedule of Employer Contributions
For the Ten Years Ended September 30,*

Exhibit 12

	<u>Actuarially Determined Contribution⁽¹⁾</u>	<u>Actual Employer Contribution⁽¹⁾</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll⁽²⁾</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 1,059,945	\$ 1,073,260	\$ (13,315)	\$ 6,657,948	16.1%
2016	1,045,361	1,072,639	(27,278)	6,654,111	16.1%
2017	1,072,460	1,130,673	(58,213)	7,014,127	16.1%
2018	1,196,987	1,215,722	(18,735)	7,561,508	16.1%
2019	1,195,076	1,240,479	(45,403)	7,695,273	16.1%
2020	1,309,698	1,309,698	-	7,894,524	16.6%
2021	1,349,207	1,414,086	(64,879)	8,318,168	17.0%
2022	1,083,358	1,182,411	(99,053)	6,955,357	17.0%
2023	1,064,320	1,164,074	(99,754)	6,847,493	17.0%
2024	1,181,633	1,302,143	(120,510)	7,659,663	17.0%

⁽¹⁾ TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

⁽²⁾ Payroll is calculated based on contributions as reported to TCDRS.

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LAVACA COUNTY, TEXAS*Schedule of Changes in Total OPEB Liability and Related Ratios
For the Last Ten Years Ended December 31,*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability:				
Service cost	\$ 16,651	\$ 28,094	\$ 28,214	\$ 25,615
Interest	23,266	16,191	15,725	17,841
Effect of assumption changes or inputs	48,944	(201,253)	13,211	76,178
Effect of economic/demographic (gains) or losses	(7,813)	24,021	5,652	(13,786)
Benefit payments	<u>(14,521)</u>	<u>(17,772)</u>	<u>(19,132)</u>	<u>(16,579)</u>
Net Change in Total OPEB Liability	66,527	(150,719)	43,670	89,269
Total OPEB Liability - Beginning	<u>615,982</u>	<u>766,701</u>	<u>723,031</u>	<u>633,762</u>
Total OPEB Liability - Ending (a)	<u>\$ 682,509</u>	<u>\$ 615,982</u>	<u>\$ 766,701</u>	<u>\$ 723,031</u>
Covered Payroll	\$ 9,075,517	\$ 8,885,985	\$ 8,318,168	\$ 7,894,524
Total OPEB Liability as a Percentage of Covered Payroll	7.52%	6.93%	9.22%	9.16%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 16,395	\$ 20,331	\$ 17,194
19,854	17,548	17,941
126,399	(53,027)	20,461
10,644	7,324	(9,787)
<u>(14,621)</u>	<u>(13,611)</u>	<u>(13,327)</u>
158,671	(21,435)	32,482
<u>475,091</u>	<u>496,526</u>	<u>464,044</u>
\$ <u>633,762</u>	\$ <u>475,091</u>	\$ <u>496,526</u>
\$ 7,695,273	\$ 7,561,508	\$ 7,014,127
8.24%	6.28%	7.08%

LAVACA COUNTY, TEXAS

Notes to the Required Supplementary Information
For The Year Ended September 30, 2024

NOTE 1 - SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.1 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumption 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 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 earned after 2017 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule. 2023: No charges in plan provisions were reflected in the Schedule.

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

LAVACA COUNTY, TEXAS

*Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2024*

	County Attorney Seizure Fund	Sheriff's Contraband Fund	Special Abandoned Motor Vehicle Fund
Assets:			
Cash and temporary investments	\$ 11,072	\$ 5,803	\$ 22,252
Receivables (net of allowance for uncollectibles):			
Due from other governments	-	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 11,072</u>	<u>\$ 5,803</u>	<u>\$ 22,252</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
Fund Balance:			
Restricted	<u>11,072</u>	<u>5,803</u>	<u>22,252</u>
Total fund balance	<u>11,072</u>	<u>5,803</u>	<u>22,252</u>
Total liabilities and fund balance	<u>\$ 11,072</u>	<u>\$ 5,803</u>	<u>\$ 22,252</u>

Revenue Funds

Appellate Judicial System Fee Fund	County Attorney Pretrial Fee Fund	Task Force Indigent Defense Fund	Opioid Settlement Fund	Justice County Building Security Fund	County Clerk Digital Preserve Fund
\$ 2,771	\$ 105,942	\$ -	\$ 18,255	\$ 21,659	\$ 5,248
-	-	34,492	-	-	-
-	-	-	-	-	-
<u>\$ 2,771</u>	<u>\$ 105,942</u>	<u>\$ 34,492</u>	<u>\$ 18,255</u>	<u>\$ 21,659</u>	<u>\$ 5,248</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	31,983	-	-	-
-	-	-	-	-	-
-	-	31,983	-	-	-
<u>2,771</u>	<u>105,942</u>	<u>2,509</u>	<u>18,255</u>	<u>21,659</u>	<u>5,248</u>
<u>2,771</u>	<u>105,942</u>	<u>2,509</u>	<u>18,255</u>	<u>21,659</u>	<u>5,248</u>
<u>\$ 2,771</u>	<u>\$ 105,942</u>	<u>\$ 34,492</u>	<u>\$ 18,255</u>	<u>\$ 21,659</u>	<u>\$ 5,248</u>

(continued)

LAVACA COUNTY, TEXAS

*Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2024*

	<u>Special</u>		
	<u>District Clerk Digital Preserve Fund</u>	<u>County Clerk Technology Fund</u>	<u>District Clerk Technology Fund</u>
Assets:			
Cash and temporary investments	\$ 28,887	\$ 122	\$ 2,677
Receivables (net of allowance for uncollectibles):			
Due from other governments	-	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 28,887</u>	<u>\$ 122</u>	<u>\$ 2,677</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Restricted	<u>28,887</u>	<u>122</u>	<u>2,677</u>
Total fund balance	<u>28,887</u>	<u>122</u>	<u>2,677</u>
Total liabilities and fund balance	<u>\$ 28,887</u>	<u>\$ 122</u>	<u>\$ 2,677</u>

Revenue Funds

District Clerk Archive Fund	Justice Court Technology Fund	County Clerk Records Management Fund	District Clerk Records Management Fund	Jury Service Fund	Family Protection Fund
\$ 22,637	\$ 21,167	\$ 275,099	\$ 33,977	\$ 9,333	\$ 18,631
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 22,637</u>	<u>\$ 21,167</u>	<u>\$ 275,099</u>	<u>\$ 33,977</u>	<u>\$ 9,333</u>	<u>\$ 18,631</u>
\$ -	\$ -	\$ 796	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	796	-	-	-
<u>22,637</u>	<u>21,167</u>	<u>274,303</u>	<u>33,977</u>	<u>9,333</u>	<u>18,631</u>
<u>22,637</u>	<u>21,167</u>	<u>274,303</u>	<u>33,977</u>	<u>9,333</u>	<u>18,631</u>
<u>\$ 22,637</u>	<u>\$ 21,167</u>	<u>\$ 275,099</u>	<u>\$ 33,977</u>	<u>\$ 9,333</u>	<u>\$ 18,631</u>

(continued)

LAVACA COUNTY, TEXAS*Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2024*

	<u>Special</u>		
	<u>Child Abusive Prevention Fund</u>	<u>Courthouse Records Management Fund</u>	<u>Courthouse Security Fund</u>
Assets:			
Cash and temporary investments	\$ 1,942	\$ 25,102	\$ 129,605
Receivables (net of allowance for uncollectibles):			
Due from other governments	-	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 1,942</u>	<u>\$ 25,102</u>	<u>\$ 129,605</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
Fund Balance:			
Restricted	<u>1,942</u>	<u>25,102</u>	<u>129,605</u>
Total fund balance	<u>1,942</u>	<u>25,102</u>	<u>129,605</u>
Total liabilities and fund balance	<u>\$ 1,942</u>	<u>\$ 25,102</u>	<u>\$ 129,605</u>

Revenue Funds

Records Archive Fund	Law Enforcement Training Fund	Emergency Appropriation Fund	Ambulance Service Grant Fund	SB 22 Rural LE Grant Fund	Tobacco Settlement Fund
\$ 244,407	\$ 37,773	\$ 183,206	\$ 246,334	\$ 169,008	\$ 20,330
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 244,407</u>	<u>\$ 37,773</u>	<u>\$ 183,206</u>	<u>\$ 246,334</u>	<u>\$ 169,008</u>	<u>\$ 20,330</u>
\$ 451	\$ -	\$ -	\$ 1,204	\$ 8,640	\$ -
-	-	-	-	-	-
-	-	-	-	160,368	-
<u>451</u>	<u>-</u>	<u>-</u>	<u>1,204</u>	<u>169,008</u>	<u>-</u>
<u>243,956</u>	<u>37,773</u>	<u>183,206</u>	<u>245,130</u>	<u>-</u>	<u>20,330</u>
<u>243,956</u>	<u>37,773</u>	<u>183,206</u>	<u>245,130</u>	<u>-</u>	<u>20,330</u>
<u>\$ 244,407</u>	<u>\$ 37,773</u>	<u>\$ 183,206</u>	<u>\$ 246,334</u>	<u>\$ 169,008</u>	<u>\$ 20,330</u>

(continued)

LAVACA COUNTY, TEXAS

*Combining Balance Sheet -
Nonmajor Governmental Funds
September 30, 2024*

	<u>Special Revenue</u>		
	<u>Special Reserve Fund</u>	<u>Law Library Fund</u>	<u>Attorney Hot Check Collection Fund</u>
Assets:			
Cash and temporary investments	\$ 407,944	\$ 127,909	\$ 11,974
Receivables (net of allowance for uncollectibles):			
Due from other governments	-	-	-
Due from other funds	<u>469</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 408,413</u>	<u>\$ 127,909</u>	<u>\$ 11,974</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	\$ -	\$ 1,624	\$ -
Due to other funds	-	-	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>1,624</u>	<u>-</u>
Fund Balance:			
Restricted	<u>408,413</u>	<u>126,285</u>	<u>11,974</u>
Total fund balance	<u>408,413</u>	<u>126,285</u>	<u>11,974</u>
Total liabilities and fund balance	<u>\$ 408,413</u>	<u>\$ 127,909</u>	<u>\$ 11,974</u>

Funds			Capital Projects Fund	
County Attorney Judicial Funds	COVID Recovery ARP Fund	Total Special Revenue Funds	Capital Improvement Fund	Total Other Governmental Funds
\$ 1,362	\$ 469	\$ 2,212,897	\$ 344,687	\$ 2,557,584
-	-	34,492	-	34,492
-	-	469	-	469
<u>\$ 1,362</u>	<u>\$ 469</u>	<u>\$ 2,247,858</u>	<u>\$ 344,687</u>	<u>\$ 2,592,545</u>
\$ 1,210	\$ -	\$ 13,925	\$ 7,532	\$ 21,457
-	469	32,452	-	32,452
-	-	160,368	-	160,368
<u>1,210</u>	<u>469</u>	<u>206,745</u>	<u>7,532</u>	<u>214,277</u>
<u>152</u>	<u>-</u>	<u>2,041,113</u>	<u>337,155</u>	<u>2,378,268</u>
<u>152</u>	<u>-</u>	<u>2,041,113</u>	<u>337,155</u>	<u>2,378,268</u>
<u>\$ 1,362</u>	<u>\$ 469</u>	<u>\$ 2,247,858</u>	<u>\$ 344,687</u>	<u>\$ 2,592,545</u>

LAVACA COUNTY, TEXAS

*Combining Statement of Revenues, Expenditures And Change
in Fund Balance - Nonmajor Governmental Funds
For the Year Ended September 30, 2024*

	County Attorney Seizure Fund	Sheriff's Contraband Fund	Special Abandoned Motor Vehicle Fund
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fines and forfeitures	5,653	-	-
Investment income	340	271	1,040
Miscellaneous	-	-	-
Total revenues	<u>5,993</u>	<u>271</u>	<u>1,040</u>
Expenditures:			
Current:			
General administration	-	-	-
Judicial and legal	1,000	-	-
Public facilities	-	-	-
Public safety	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>4,993</u>	<u>271</u>	<u>1,040</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	4,993	271	1,040
Fund balance - beginning	<u>6,079</u>	<u>5,532</u>	<u>21,212</u>
Fund balance - ending	<u>\$ 11,072</u>	<u>\$ 5,803</u>	<u>\$ 22,252</u>

Revenue Funds

Appellate Judicial System Fee Fund	County Attorney Pretrial Fee Fund	Task Force Indigent Defense Fund	Opioid Settlement Fund	Justice Court Building Security Fund	County Clerk Digital Preserve Fund
\$ 1,458	\$ -	\$ 215,602	\$ 2,807	\$ -	\$ -
-	3,340	-	-	-	-
-	-	-	-	497	-
-	4,898	48	777	1,000	245
-	-	-	-	-	-
<u>1,458</u>	<u>8,238</u>	<u>215,650</u>	<u>3,584</u>	<u>1,497</u>	<u>245</u>
-	-	-	-	-	-
-	-	255,487	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	255,487	-	-	-
<u>1,458</u>	<u>8,238</u>	<u>(39,837)</u>	<u>3,584</u>	<u>1,497</u>	<u>245</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,458	8,238	(39,837)	3,584	1,497	245
<u>1,313</u>	<u>97,704</u>	<u>42,346</u>	<u>14,671</u>	<u>20,162</u>	<u>5,003</u>
<u>\$ 2,771</u>	<u>\$ 105,942</u>	<u>\$ 2,509</u>	<u>\$ 18,255</u>	<u>\$ 21,659</u>	<u>\$ 5,248</u>

(continued)

LAVACA COUNTY, TEXAS

*Combining Statement of Revenues, Expenditures and Change
in Fund Balance - Nonmajor Governmental Funds
For the Year Ended September 30, 2024*

	Special		
	District Clerk Digital Preserve Fund	County Clerk Technology Fund	District Clerk Technology Fund
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	100	106	92
Fines and forfeitures	-	-	-
Investment income	1,348	3	123
Miscellaneous	-	-	-
Total revenues	<u>1,448</u>	<u>109</u>	<u>215</u>
Expenditures:			
Current:			
General administration	-	-	-
Judicial and legal	-	-	-
Public facilities	-	-	-
Public safety	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>1,448</u>	<u>109</u>	<u>215</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,448	109	215
Fund balance - beginning	<u>27,439</u>	<u>13</u>	<u>2,462</u>
Fund balance - ending	<u>\$ 28,887</u>	<u>\$ 122</u>	<u>\$ 2,677</u>

Revenue Funds

District Clerk Archive Fund	Justice Court Technology Fund	County Clerk Records Management Fund	District Clerk Records Management Fund	Jury Service Fund	Family Protection Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95	1,656	58,697	6,783	135	-
-	-	-	-	-	-
1,056	947	12,111	1,427	-	871
-	-	-	-	-	-
1,151	2,603	70,808	8,210	135	871
-	-	27,344	-	-	-
-	-	-	-	102	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	27,344	-	102	-
1,151	2,603	43,464	8,210	33	871
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,151	2,603	43,464	8,210	33	871
21,486	18,564	230,839	25,767	9,300	17,760
\$ 22,637	\$ 21,167	\$ 274,303	\$ 33,977	\$ 9,333	\$ 18,631

(continued)

LAVACA COUNTY, TEXAS

*Combining Statement of Revenues, Expenditures and Change
in Fund Balance - Nonmajor Governmental Funds
For the Year Ended September 30, 2024*

			Special
	Child Abuse Prevention Fund	Courthouse Records Management Fund	Courthouse Security Fund
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	200	55	8,868
Fines and forfeitures	-	-	-
Investment income	88	1,172	5,875
Miscellaneous	-	-	-
Total revenues	<u>288</u>	<u>1,227</u>	<u>14,743</u>
Expenditures:			
Current:			
General administration	-	-	-
Judicial and legal	-	-	-
Public facilities	-	-	-
Public safety	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>288</u>	<u>1,227</u>	<u>14,743</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	288	1,227	14,743
Fund balance - beginning	<u>1,654</u>	<u>23,875</u>	<u>114,862</u>
Fund balance - ending	<u>\$ 1,942</u>	<u>\$ 25,102</u>	<u>\$ 129,605</u>

Revenue Funds

Records Archive Fund	Law Enforcement Training Fund	Emergency Appropriation Fund	Ambulance Service Grant Fund	SB 22 Rural LE Grant Fund	Tobacco Settlement Fund
\$ -	\$ 9,621	\$ -	\$ -	\$ 364,632	\$ 647
55,050	-	-	-	-	-
-	-	-	-	-	-
10,424	1,641	8,538	19,664	13,056	932
-	-	-	281,545	-	-
65,474	11,262	8,538	301,209	377,688	1,579
10,846	-	-	-	-	-
-	-	-	-	27,688	-
-	-	-	-	-	-
-	3,672	-	21,047	-	-
-	-	-	344,235	350,000	-
-	-	-	-	-	-
-	-	-	-	-	-
10,846	3,672	-	365,282	377,688	-
54,628	7,590	8,538	(64,073)	-	1,579
-	-	6,000	-	-	-
-	-	-	-	-	-
-	-	6,000	-	-	-
54,628	7,590	14,538	(64,073)	-	1,579
189,328	30,183	168,668	309,203	-	18,751
\$ 243,956	\$ 37,773	\$ 183,206	\$ 245,130	\$ -	\$ 20,330

(continued)

LAVACA COUNTY, TEXAS

*Combining Statement of Revenues, Expenditures and Change
in Fund Balance - Nonmajor Governmental Funds
For the Year Ended September 30, 2024*

	Special Revenue		
	Special Reserve Fund	Law Library Fund	Attorney Hot Check Collection Funds
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	9,813	1,165
Fines and forfeitures	-	-	-
Investment income	24,878	5,913	-
Miscellaneous	-	-	-
Total revenues	<u>24,878</u>	<u>15,726</u>	<u>1,165</u>
Expenditures:			
Current:			
General administration	-	-	-
Judicial and legal	-	8,575	1,338
Public facilities	-	-	-
Public safety	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>8,575</u>	<u>1,338</u>
Excess (deficiency) of revenue over expenditures	<u>24,878</u>	<u>7,151</u>	<u>(173)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	<u>(165,557)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(165,557)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(140,679)</u>	<u>7,151</u>	<u>(173)</u>
Fund balance - beginning	<u>549,092</u>	<u>119,134</u>	<u>12,147</u>
Fund balance - ending	<u>\$ 408,413</u>	<u>\$ 126,285</u>	<u>\$ 11,974</u>

Funds			Capital Projects Fund	
County Attorney Judicial Funds	COVID Recovery ARP Fund	Total Special Revenue Funds	Capital Improvement Fund	Total Other Governmental Funds
\$ 27,500	\$ 792,833	\$ 1,415,100	\$ -	\$ 1,415,100
-	-	146,155	-	146,155
-	-	6,150	-	6,150
359	23,964	143,009	21,630	164,639
-	-	281,545	4,950	286,495
<u>27,859</u>	<u>816,797</u>	<u>1,991,959</u>	<u>26,580</u>	<u>2,018,539</u>
-	-	38,190	-	38,190
28,143	-	322,333	-	322,333
-	-	-	17,765	17,765
-	-	24,719	-	24,719
-	728,692	1,422,927	295,382	1,718,309
-	320,361	320,361	-	320,361
-	14,774	14,774	-	14,774
<u>28,143</u>	<u>1,063,827</u>	<u>2,143,304</u>	<u>313,147</u>	<u>2,456,451</u>
<u>(284)</u>	<u>(247,030)</u>	<u>(151,345)</u>	<u>(286,567)</u>	<u>(437,912)</u>
-	165,557	171,557	500,000	671,557
-	-	(165,557)	-	(165,557)
-	165,557	6,000	500,000	506,000
(284)	(81,473)	(145,345)	213,433	68,088
<u>436</u>	<u>81,473</u>	<u>2,186,458</u>	<u>123,722</u>	<u>2,310,180</u>
<u>\$ 152</u>	<u>\$ -</u>	<u>\$ 2,041,113</u>	<u>\$ 337,155</u>	<u>\$ 2,378,268</u>

LAVACA COUNTY, TEXAS*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund
For the Year Ended September 30, 2024*

Exhibit 16

Page 1 of 4

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
General Administration:				
County Judge:				
Salaries and wages, and employee benefits	\$ 519,505	\$ 521,439	\$ 505,060	\$ 16,379
Operating expenditures	46,600	47,113	42,733	4,380
Capital outlay expenditures	12,000	55,883	50,137	5,746
Total County Judge	578,105	624,435	597,930	26,505
County Clerk:				
Salaries and wages, and employee benefits	489,734	489,734	493,603	(3,869)
Operating expenditures	114,826	114,826	104,311	10,515
Capital outlay expenditures	18,350	18,350	-	18,350
Total County Clerk	622,910	622,910	597,914	24,996
Elections:				
Salaries and wages, and employee benefits	260,260	260,260	155,734	104,526
Operating expenditures	163,487	163,487	123,826	39,661
Capital outlay expenditures	13,150	13,150	-	13,150
Total Elections	436,897	436,897	279,560	157,337
Non-Departmental:				
Salaries and wages, and employee benefits	40,665	40,665	37,904	2,761
Operating expenditures	949,300	952,092	924,199	27,893
Debt service expenditures	78,000	72,500	72,462	38
Total Non-Departmental	1,067,965	1,065,257	1,034,565	30,692
Records Management:				
Salaries and wages, and employee benefits	63,094	63,094	62,483	611
Operating expenditures	5,150	5,150	16,449	(11,299)
Capital outlay expenditures	77,600	77,600	-	77,600
Total Records Management	145,844	145,844	78,932	66,912
Courthouse Security:				
Salaries and wages, and employee benefits	75,596	75,596	46,257	29,339
Total Courthouse Security	75,596	75,596	46,257	29,339
Total General Administration	2,927,317	2,970,939	2,635,158	335,781
Judicial and Legal:				
Jury:				
Salaries and wages, and employee benefits	16,184	16,184	14,855	1,329
Operating expenditures	469,522	423,192	320,723	102,469
Total Jury	485,706	439,376	335,578	103,798

(continued)

LAVACA COUNTY, TEXAS**Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund - Continued
For the Year Ended September 30, 2024**

Exhibit 16

Page 2 of 4

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Judicial and Legal - Continued:				
District Clerk:				
Salaries and wages, and employee benefits	\$ 287,924	\$ 287,930	\$ 279,328	\$ 8,602
Operating expenditures	37,050	37,044	31,554	5,490
Capital outlay expenditures	8,000	8,000	-	8,000
Total District Clerk	332,974	332,974	310,882	22,092
Justice of the Peace 1:				
Salaries and wages, and employee benefits	143,329	143,742	129,752	13,990
Operating expenditures	20,150	19,737	13,547	6,190
Total Justice of the Peace 1	163,479	163,479	143,299	20,180
Justice of the Peace 2:				
Salaries and wages, and employee benefits	61,128	61,204	61,466	(262)
Operating expenditures	16,250	16,174	14,076	2,098
Total Justice of the Peace 2	77,378	77,378	75,542	1,836
Justice of the Peace 3:				
Salaries and wages, and employee benefits	60,032	60,042	48,965	11,077
Operating expenditures	19,020	19,010	13,126	5,884
Total Justice of the Peace 3	79,052	79,052	62,091	16,961
Justice of the Peace 4:				
Salaries and wages, and employee benefits	146,301	146,301	146,930	(629)
Operating expenditures	35,450	35,450	28,406	7,044
Total Justice of the Peace 4	181,751	181,751	175,336	6,415
County Attorney:				
Salaries and wages, and employee benefits	348,354	348,354	253,653	94,701
Operating expenditures	56,700	56,700	33,578	23,122
Capital outlay expenditures	5,000	5,000	-	5,000
Total County Attorney	410,054	410,054	287,231	122,823
Total Judicial and Legal	1,730,394	1,684,064	1,389,959	294,105
Financial Administration:				
County Auditor:				
Salaries and wages, and employee benefits	380,730	385,938	385,244	694
Operating expenditures	40,950	40,208	41,833	(1,625)
Capital outlay expenditures	9,000	7,242	5,650	1,592
Total County Auditor	430,680	433,388	432,727	661

(continued)

LAVACA COUNTY, TEXAS***Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund - Continued
For the Year Ended September 30, 2024***

Exhibit 16

Page 3 of 4

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Financial Administration - Continued:				
County Treasurer:				
Salaries and wages, and employee benefits	\$ 156,333	\$ 158,243	\$ 154,245	\$ 3,998
Operating expenditures	14,455	14,551	9,988	4,563
Capital outlay expenditures	4,000	1,994	-	1,994
Total County Treasurer	174,788	174,788	164,233	10,555
Tax Assessor-Collector:				
Salaries and wages, and employee benefits	575,052	582,637	581,807	830
Operating expenditures	159,220	153,553	140,134	13,419
Capital outlay expenditures	10,518	8,600	-	8,600
Total Tax Assessor-Collector	744,790	744,790	721,941	22,849
Total Financial Administration	1,350,258	1,352,966	1,318,901	34,065
Public Facilities:				
Courthouse Annex:				
Operating expenditures	86,600	86,600	86,484	116
Total Courthouse Annex	86,600	86,600	86,484	116
Courthouse:				
Operating expenditures	163,000	163,000	160,730	2,270
Total Courthouse	163,000	163,000	160,730	2,270
Office Buildings:				
Operating expenditures	13,700	13,700	11,497	2,203
Total Office Buildings	13,700	13,700	11,497	2,203
Total Public Facilities	263,300	263,300	258,711	4,589
Public Safety:				
County Jail:				
Operating expenditures	472,000	475,000	492,987	(17,987)
Capital outlay expenditures	26,500	23,500	10,791	12,709
Total County Jail	498,500	498,500	503,778	(5,278)
Constable - Precinct 1:				
Salaries and wages, and employee benefits	58,108	58,259	58,496	(237)
Operating expenditures	10,985	10,834	6,813	4,021
Total Constable - Precinct 1	69,093	69,093	65,309	3,784
Constable - Precinct 2:				
Salaries and wages, and employee benefits	58,057	58,207	58,445	(238)
Operating expenditures	12,400	12,250	158	12,092
Total Constable - Precinct 2	70,457	70,457	58,603	11,854

(continued)

LAVACA COUNTY, TEXAS*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - General Fund - Continued
For the Year Ended September 30, 2024*

Exhibit 16

Page 4 of 4

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Public Safety - Continued:				
Constable - Precinct 3:				
Salaries and wages, and employee benefits	\$ 59,112	\$ 59,276	\$ 58,478	\$ 798
Operating expenditures	8,750	8,586	4,240	4,346
Total Constable - Precinct 3	67,862	67,862	62,718	5,144
Constable - Precinct 4:				
Salaries and wages, and employee benefits	57,497	57,634	57,868	(234)
Operating expenditures	7,850	7,713	3,464	4,249
Total Constable - Precinct 4	65,347	65,347	61,332	4,015
County Sheriff:				
Salaries and wages, and employee benefits	2,906,182	2,901,182	2,878,605	22,577
Operating expenditures	404,400	409,400	295,640	113,760
Capital outlay expenditures	216,453	216,453	156,800	59,653
Total County Sheriff	3,527,035	3,527,035	3,331,045	195,990
Total Public Safety	4,298,294	4,298,294	4,082,785	215,509
Health and Welfare:				
Public Welfare:				
Salaries and wages, and employee benefits	66,910	66,910	67,059	(149)
Operating expenditures	211,700	211,700	197,856	13,844
Capital outlay expenditures	25,000	25,000	-	25,000
Total Public Welfare	303,610	303,610	264,915	38,695
Total Health and Welfare	303,610	303,610	264,915	38,695
Conservation:				
County Extension Service:				
Salaries and wages, and employee benefits	123,977	123,977	123,294	683
Operating expenditures	23,294	23,294	21,199	2,095
Capital outlay expenditures	3,625	3,625	-	3,625
Total County Extension Service	150,896	150,896	144,493	6,403
Total Conservation	150,896	150,896	144,493	6,403
Total Current Expenditures	\$ 11,024,069	\$ 11,024,069	\$ 10,094,922	\$ 929,147

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LAVACA COUNTY, TEXAS

Exhibit 17

*Schedule of Expenditures - Budget and Actual - By Function, Department
and Legal Level of Budgetary Control - Road & Bridge Fund
For the Year Ended September 30, 2024*

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Highways and Street:				
Road and Bridge Precinct 1:				
Salaries and wages, and employee benefits	\$ 649,618	\$ 663,784	\$ 661,841	\$ 1,943
Operating expenditures	1,137,900	1,123,734	944,300	179,434
Capital outlay expenditures	2,249,000	2,249,000	704,330	1,544,670
Total Road and Bridge Precinct 1	4,036,518	4,036,518	2,310,471	1,726,047
Road and Bridge Precinct 2:				
Salaries and wages, and employee benefits	742,908	742,908	630,599	112,309
Operating expenditures	510,410	543,886	1,367,478	(823,592)
Capital outlay expenditures	1,768,716	1,735,240	67,883	1,667,357
Total Road and Bridge Precinct 2	3,022,034	3,022,034	2,065,960	956,074
Road and Bridge Precinct 3:				
Salaries and wages, and employee benefits	519,581	525,583	514,909	10,674
Operating expenditures	654,358	738,553	1,210,251	(471,698)
Capital outlay expenditures	2,102,400	2,012,203	539,199	1,473,004
Debt service expenditures	37,500	37,500	107,046	(69,546)
Total Road and Bridge Precinct 3	3,313,839	3,313,839	2,371,405	942,434
Road and Bridge Precinct 4:				
Salaries and wages, and employee benefits	520,650	520,650	460,365	60,285
Operating expenditures	832,000	824,140	198,906	625,234
Capital outlay expenditures	2,585,300	2,593,160	407,860	2,185,300
Debt service expenditures	56,156	56,156	53,156	3,000
Total Road and Bridge Precinct 4	3,994,106	3,994,106	1,120,287	2,873,819
Total Expenditures	\$ 14,366,497	\$ 14,366,497	\$ 7,868,123	\$ 6,498,374

LAVACA COUNTY, TEXAS*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds
For the Year Ended September 30, 2024*

	Appellate Judicial System Fee Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,300	\$ 1,300	\$ 1,458	\$ 158
Charges for services	-	-	-	-
Investment income	-	-	-	-
Total revenues	<u>1,300</u>	<u>1,300</u>	<u>1,458</u>	<u>158</u>
Expenditures:				
Judicial and Legal:				
Salaries and wages, and employee benefits	-	-	-	-
Operating expenditures	2,000	2,000	-	2,000
Capital outlay expenditures	-	-	-	-
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net change in fund balance	(700)	(700)	1,458	2,158
Fund balance - beginning	<u>1,313</u>	<u>1,313</u>	<u>1,313</u>	<u>-</u>
Fund balance - ending	<u>\$ 613</u>	<u>\$ 613</u>	<u>\$ 2,771</u>	<u>\$ 2,158</u>

County Attorney Pretrial Fee Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
6,000	6,000	3,340	(2,660)
<u>200</u>	<u>200</u>	<u>4,898</u>	<u>4,698</u>
<u>6,200</u>	<u>6,200</u>	<u>8,238</u>	<u>2,038</u>
16,000	16,000	-	16,000
9,000	9,000	-	9,000
<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
(23,800)	(23,800)	8,238	32,038
<u>97,704</u>	<u>97,704</u>	<u>97,704</u>	<u>-</u>
\$ <u>73,904</u>	\$ <u>73,904</u>	\$ <u>105,942</u>	\$ <u>32,038</u>

LAVACA COUNTY, TEXAS*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds
For the Year Ended September 30, 2024*

	Task Force Indigent Defense Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 215,602	\$ (34,398)
Fines and forfeitures	-	-	-	-
Investment income	-	-	48	48
Total revenues	250,000	250,000	215,650	(34,350)
Expenditures:				
Judicial and Legal:				
Operating expenditures	250,000	250,000	255,487	(5,487)
Total expenditures	250,000	250,000	255,487	(5,487)
Net change in fund balance	-	-	(39,837)	(39,837)
Fund balance - beginning	42,346	42,346	42,346	-
Fund balance - ending	\$ 42,346	\$ 42,346	\$ 2,509	\$ (39,837)

Justice Court Building Security Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
470	470	497	27
<u>40</u>	<u>40</u>	<u>1,000</u>	<u>960</u>
<u>510</u>	<u>510</u>	<u>1,497</u>	<u>987</u>
 <u>18,800</u>	 <u>18,800</u>	 <u>-</u>	 <u>18,800</u>
 <u>18,800</u>	 <u>18,800</u>	 <u>-</u>	 <u>18,800</u>
(18,290)	(18,290)	1,497	19,787
<u>20,162</u>	<u>20,162</u>	<u>20,162</u>	<u>-</u>
<u>\$ 1,872</u>	<u>\$ 1,872</u>	<u>\$ 21,659</u>	<u>\$ 19,787</u>

LAVACA COUNTY, TEXAS*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds
For the Year Ended September 30, 2024*

	County Clerk Digital Preserve Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 500	\$ 500	\$ -	\$ (500)
Investment income	-	-	245	245
Total revenues	500	500	245	(255)
Expenditures:				
General Administration:				
Operating expenditures	300	300	-	300
Judicial and Legal:				
Operating expenditures	-	-	-	-
Total expenditures	300	300	-	300
Net change in fund balance	200	200	245	45
Fund balance - beginning	5,003	5,003	5,003	-
Fund balance - ending	\$ 5,203	\$ 5,203	\$ 5,248	\$ 45

District Clerk Digital Preserve Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 500	\$ 500	\$ 100	\$ (400)
-	-	1,348	1,348
500	500	1,448	948
-	-	-	-
26,300	26,300	-	26,300
26,300	26,300	-	26,300
(25,800)	(25,800)	1,448	27,248
27,439	27,439	27,439	-
\$ 1,639	\$ 1,639	\$ 28,887	\$ 27,248

LAVACA COUNTY, TEXAS*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds
For the Year Ended September 30, 2024*

	County Clerk Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 100	\$ 100	\$ 106	\$ 6
Investment income	-	-	3	3
Total revenues	100	100	109	9
Expenditures:				
General Administration:				
Operating expenditures	1,100	1,100	-	1,100
Judicial and Legal:				
Operating expenditures	-	-	-	-
Total expenditures	1,100	1,100	-	1,100
Net change in fund balance	(1,000)	(1,000)	109	1,109
Fund balance - beginning	13	13	13	-
Fund balance - ending	\$ (987)	\$ (987)	\$ 122	\$ 1,109

District Clerk Technology Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 85	\$ 85	\$ 92	\$ 7
-	-	123	123
85	85	215	130
-	-	-	-
2,260	2,260	-	2,260
2,260	2,260	-	2,260
(2,175)	(2,175)	215	2,390
2,462	2,462	2,462	-
\$ 287	\$ 287	\$ 2,677	\$ 2,390

LAVACA COUNTY, TEXAS*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds
For the Year Ended September 30, 2024*

	District Clerk Archive Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 500	\$ 500	\$ 95	\$ (405)
Investment income	-	-	1,056	1,056
Total revenues	500	500	1,151	651
Expenditures:				
Judicial and Legal:				
Operating expenditures	20,600	20,600	-	20,600
Total expenditures	20,600	20,600	-	20,600
Net change in fund balance	(20,100)	(20,100)	1,151	21,251
Fund balance - beginning	21,486	21,486	21,486	-
Fund balance - ending	\$ 1,386	\$ 1,386	\$ 22,637	\$ 21,251

Justice Court Technology Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 1,600	\$ 1,600	\$ 1,656	\$ 56
<u>25</u>	<u>25</u>	<u>947</u>	<u>922</u>
1,625	1,625	2,603	978
15,700	15,700	-	15,700
15,700	15,700	-	15,700
(14,075)	(14,075)	2,603	16,678
18,564	18,564	18,564	-
<u>\$ 4,489</u>	<u>\$ 4,489</u>	<u>\$ 21,167</u>	<u>\$ 16,678</u>

LAVACA COUNTY, TEXAS*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds
For the Year Ended September 30, 2024*

County Clerk Records Management Fund			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 51,200	\$ 51,200	\$ 58,697
Investment income	500	500	12,111
Total revenues	51,700	51,700	70,808
Expenditures:			
General Administration:			
Salaries and wages, and employee benefits	49,334	49,334	22,939
Operating expenditures	51,500	51,500	4,405
Judicial and Legal:			
Operating expenditures	-	-	-
Total expenditures	100,834	100,834	27,344
Net change in fund balance	(49,134)	(49,134)	43,464
Fund balance - beginning	230,839	230,839	230,839
Fund balance - ending	\$ 181,705	\$ 181,705	\$ 274,303
			\$ 92,598

District Clerk Records Management Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 1,500	\$ 1,500	\$ 6,783	\$ 5,283
40	40	1,427	1,387
1,540	1,540	8,210	6,670
-	-	-	-
-	-	-	-
13,200	13,200	-	13,200
13,200	13,200	-	13,200
(11,660)	(11,660)	8,210	19,870
25,767	25,767	25,767	-
\$ 14,107	\$ 14,107	\$ 33,977	\$ 19,870

LAVACA COUNTY, TEXAS*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds
For the Year Ended September 30, 2024*

	Jury Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 370	\$ 370	\$ 135	\$ (235)
Investment income	-	-	-	-
Total revenues	370	370	135	(235)
Expenditures:				
Judicial and Legal:				
Operating expenditures	9,000	9,000	102	8,898
Public Facilities:				
Salaries and wages, and employee benefits	-	-	-	-
Operating expenditures	-	-	-	-
Capital outlay expenditures	-	-	-	-
Total expenditures	9,000	9,000	102	8,898
Net change in fund balance	(8,630)	(8,630)	33	8,663
Fund balance - beginning	9,300	9,300	9,300	-
Fund balance - ending	\$ 670	\$ 670	\$ 9,333	\$ 8,663

Courthouse Records Management Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 700	\$ 700	\$ 55	\$ (645)
80	80	1,172	1,092
780	780	1,227	447
-	-	-	-
6,235	6,235	-	6,235
1,100	1,100	-	1,100
15,000	15,000	-	15,000
22,335	22,335	-	22,335
(21,555)	(21,555)	1,227	22,782
23,875	23,875	23,875	-
\$ 2,320	\$ 2,320	\$ 25,102	\$ 22,782

LAVACA COUNTY, TEXAS***Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds
For the Year Ended September 30, 2024***

	Courthouse Security Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 8,500	\$ 8,500	\$ 8,868	\$ 368
Investment income	<u>200</u>	<u>200</u>	<u>5,875</u>	<u>5,675</u>
Total revenues	<u>8,700</u>	<u>8,700</u>	<u>14,743</u>	<u>6,043</u>
Expenditures:				
General Administration:				
Salaries and wages, and employee benefits	-	-	-	-
Operating expenditures	-	-	-	-
Public facilities:				
Operating expenditures	2,000	2,000	-	2,000
Capital outlay expenditures	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>90,000</u>
Total expenditures	<u>92,000</u>	<u>92,000</u>	<u>-</u>	<u>92,000</u>
Net change in fund balance	(83,300)	(83,300)	14,743	98,043
Fund balance - beginning	<u>114,862</u>	<u>114,862</u>	<u>114,862</u>	<u>-</u>
Fund balance - ending	<u>\$ 31,562</u>	<u>\$ 31,562</u>	<u>\$ 129,605</u>	<u>\$ 98,043</u>

Records Archive Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 50,000	\$ 50,000	\$ 55,050	\$ 5,050
500	500	10,424	9,924
50,500	50,500	65,474	14,974
12,498	12,498	10,846	1,652
115,000	115,000	-	115,000
-	-	-	-
-	-	-	-
127,498	127,498	10,846	116,652
(76,998)	(76,998)	54,628	131,626
189,328	189,328	189,328	-
\$ 112,330	\$ 112,330	\$ 243,956	\$ 131,626

LAVACA COUNTY, TEXAS*Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds
For the Year Ended September 30, 2024*

	Law Library Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 9,000	\$ 9,000	\$ 9,813	\$ 813
Investment income	<u>200</u>	<u>200</u>	<u>5,913</u>	<u>5,713</u>
Total revenues	<u>9,200</u>	<u>9,200</u>	<u>15,726</u>	<u>6,526</u>
Expenditures:				
Judicial and Legal:				
Operating expenditures	<u>15,500</u>	<u>15,500</u>	<u>8,575</u>	<u>6,925</u>
Total expenditures	<u>15,500</u>	<u>15,500</u>	<u>8,575</u>	<u>6,925</u>
Net change in fund balance	(6,300)	(6,300)	7,151	13,451
Fund balance - beginning	<u>119,134</u>	<u>119,134</u>	<u>119,134</u>	<u>-</u>
Fund balance - ending	<u>\$ 112,834</u>	<u>\$ 112,834</u>	<u>\$ 126,285</u>	<u>\$ 13,451</u>

Attorney Hot Check Collection Fund			
Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 500	\$ 500	\$ 1,165	\$ 665
-	-	-	-
500	500	1,165	665
10,000	10,000	1,338	8,662
10,000	10,000	1,338	8,662
(9,500)	(9,500)	(173)	9,327
12,147	12,147	12,147	-
\$ 2,647	\$ 2,647	\$ 11,974	\$ 9,327

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FEDERAL AWARDS SECTION

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Independent Auditor's Report

On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lavaca County, Texas (the "County"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 28, 2025.

Report on Internal Control over Financial Reporting

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

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

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

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Bay City
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Bay City, TX 77414
979-245-9236



The Honorable County Judge
and Members of Commissioners Court
Lavaca County, Texas

Report on Compliance and Other Matters

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

Purpose of This Report

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

KM&L, LLC

Lake Jackson, Texas
April 28, 2025



Independent Auditor's Report

On Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lavaca County, Texas' (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of County's major federal programs for the year ended September 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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The Honorable County Judge
and Members of Commissioners Court
Lavaca County, Texas

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

The Honorable County Judge
and Members of Commissioners Court
Lavaca County, Texas

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KM&L, LLC

Lake Jackson, Texas
April 28, 2025

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LAVACA COUNTY, TEXAS

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2024

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unmodified.
2. No internal control findings, required to be reported in this schedule, were disclosed in the audit of the financial statements.
3. Noncompliance, which is material to the financial statements: None.
4. No internal control findings, that are required to be reported in this schedule, was disclosed in the audit of the major programs.
5. Type of auditor's report on compliance for major programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a): No
7. Major Programs Include:
Federal:
 - 21.027 Coronavirus State and Local Fiscal Recovery Act
8. Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000
9. Low Risk Auditee: Yes

II. Findings related to the financial statements

The audit disclosed no findings required to be reported.

III. Findings and questioned costs related to the federal and state awards.

The audit disclosed no findings required to be reported.

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SHANA OPELA
LAVACA COUNTY AUDITOR

In accordance with Title 2 U.S. Code of Federal Regulations §200.511, the auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings. This summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

The schedule of status of prior audit findings is as follows:

None.

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SHANA OPELA
LAVACA COUNTY AUDITOR

In accordance with Title 2 U.S. Code of Federal Regulations §200.511, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan must be presented to address each finding included in the current year auditor's reports. The corrective action plan is as follows:

None.

LAVACA COUNTY, TEXAS

Exhibit 19

*Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024*

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Contract/ Program Number	Expenditures Indirect Costs or Award Amount
U.S. Department of Interior:			
Passed Through Texas Historical Commission:			
Emergency Supplemental Historic Preservation Fund	15.957	TX-02-10023	\$ <u>62,678</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			\$ <u>62,678</u>
U.S. Department of Treasury:			
Direct Program:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	--	\$ <u>792,833</u>
TOTAL U.S. DEPARTMENT OF TREASURY			\$ <u>792,833</u>
TOTAL FEDERAL ASSISTANCE			\$ <u>855,511</u>
TOTAL MAJOR PROGRAMS			\$ <u>792,833</u>
TYPE A PROGRAM			\$ <u>750,000</u>

LAVACA COUNTY, TEXAS

Notes on Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2024

1. The County uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designated to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources. Funds are classified into two categories: governmental and fiduciary. Each category, in turn is divided into separate "fund types". The following fund types were utilized to account for federal awards.

Governmental Fund Types:

General Fund - this is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. Federal financial assistance not required to be reported in other funds is accounted for in the General Fund.

Special Revenue Funds - used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Federal financial assistance generally is accounted for in a Special Revenue Fund unless required to be reported in a Capital Projects Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. State grant funds were accounted for in the General Fund and Special Revenue Fund, a component of the Governmental Fund type.

The modified accrual basis of accounting is used for the Governmental Fund Types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal and state grant funds are considered to be earned to the extent of expenditures/expenses made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

3. The period of availability for state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal and state project period extended 30 days beyond the federal and state project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Compliance Supplement.
4. Indirect Cost - The County did not elect to use the 10 percent de minimis indirect cost rate and received no reimbursements for indirect costs during the year ended September 30, 2024.

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