



SCURRY COUNTY, TEXAS

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**December 31, 2024
(With Summarized Financial Information
as of and for the Year Ended December 31, 2023)**

SCURRY COUNTY, TEXAS

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August 15, 2025

**The Honorable County Judge and Commissioners
Comprising the Commissioner's Court of
Scurry County, Texas**

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Scurry County, Texas (the "County"), as of and for the year ended December 31, 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 accompanying financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the governmental activities, business-type activities, fiduciary activities, each major fund, and the aggregate remaining fund information of Scurry County, Texas, as of December 31, 2024, and the respective changes in modified cash basis financial position and, where applicable, modified cash basis cash flows thereof for the year then ended in accordance with the basis of accounting described in **Note 2**.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial 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 meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to **Note 2** of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions concerning this matter have not been modified.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in **Note 2** and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies, the reasonableness of significant accounting estimates made by management, and 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 time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – modified cash basis – general fund and budgetary comparison schedule – modified cash basis – road and bridge fund, and schedule of changes in net pension liability and related ratios – pension plan and schedule of contributions – pension plan, be presented to supplement the basic financial statements. Although not a part of the basic financial statements, such information is required by the Governmental Accounting Standards Board, which considers it an essential part of the 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 sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted to form opinions on the financial statements comprising the County's basic financial statements. The combining financial statements and schedule of expenditures of state awards, as required by the *Texas Grant Management Standards* are presented for additional analysis. They 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 financial statements and schedule of expenditures of state awards are fairly stated, in all material respects, concerning the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the County's 2023 financial statements and expressed unmodified audit opinions on the respective modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2025, on our consideration of Scurry County, Texas's internal control over financial reporting and 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 Scurry County, Texas's internal control over financial reporting and compliance.

Condley and Company, L.L.P.

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information

SCURRY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

The purpose of management discussion and analysis (MD&A) is to help County residents and other readers understand what the financial statements and notes in this financial report say about the County's financial health and why it has changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the County's finances for the fiscal year ended December 31, 2024. Please read it in conjunction with the County's financial statements, which begin on page 10.

If you have questions about this report or need additional financial information, contact the County Treasurer's office at Scurry County, Texas, 1806 25th Street, Snyder, Texas 79549.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34 as applicable to the County's modified cash basis of accounting.

The County's financial report contains basic financial statements. Those financial statements present the City's finances at both an overall and a detailed level. The *government-wide financial statements* (pages 10-11) cover the City's governmental activities.

- *Governmental activities* comprise the County's most basic functions, such as public safety, culture and recreation, and social and economic development. Governmental activities are primarily financed by taxes paid by County residents and businesses and grants from the State of Texas and the federal government.
- *Business-type activities* are the County services primarily financed in whole or in part with charges to customers.

The remaining basic financial statements present the County's finances in greater detail and present fiduciary activities. As their name implies, the *fund financial statements* disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The County reports two groups of funds:

- *Governmental fund financial statements* (pages 12-15) report all of the governmental activities. Fund financial statements report the County's operations in more detail than the government-wide statements by providing information about the County's most significant ("major") funds. For governmental activities, these statements tell how these services were financed in the short term and what remains for future spending. The County considers the general, road and bridge, and American Rescue Plan Act funds to be significant or major governmental funds. All other governmental funds are aggregated in a column entitled other nonmajor governmental funds.
- *Proprietary fund financial statements* (pages 16-18) report all of the business-type activities (enterprise funds). The County has four enterprise funds - Hermleigh Water Works, Scurry County Emergency Medical Services, Scurry County Golf Course, and Scurry County Airport.
- *Fiduciary fund financial statements* (pages 19-20) report resources for which the County acts as a trustee or custodian. The resources in those funds do not belong to the County and cannot be used to provide services, which is why they are not included in the government-wide financial statements.

The next section of this financial report contains *notes to financial statements* (pages 21-43), which delve deeper into the County's finances as reported in the financial statements. The information in the notes is as important to understanding the County's finances as the information in the financial statements. The County uses notes to: (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements.

BASIS OF ACCOUNTING

The County has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting refers to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets, deferred outflows, liabilities, and deferred inflows. Under the County's modified cash basis of accounting, revenues and expenses and related assets, deferred outflows, liabilities, and deferred inflows are recorded when they result from cash transactions, except for the recording of depreciation expense on capital assets and long-term debt in the government-wide financial statements for all activities and in the fund financial statements for proprietary fund activities, and certain assets and liabilities on an accrual basis.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and deferred inflows and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should consider the limitations resulting from using the modified cash basis of accounting.

Details about the measurement focuses and bases of accounting can be found in **Note 2** in the notes to financial statements, the summary of significant accounting policies, beginning on page 21.

ANALYSIS OF THE COUNTY'S FINANCES

Table 1: Scurry County Net Position

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2024-2023
Current assets	\$ 24,170,786	\$ 16,226,424	\$ 5,278,287	\$ 3,831,486	\$ 29,449,073	\$ 20,057,910	46.8%
Restricted assets	451,216	446,120			451,216	446,120	1.1%
Capital assets, net	20,345,222	18,904,913	2,681,949	2,590,703	23,027,171	21,495,616	7.1%
Total assets	44,967,224	35,577,457	7,960,236	6,422,189	52,927,460	41,999,646	26.0%
Current liabilities	9,790,377	4,652,236	57,316	56,273	9,847,693	4,708,509	109.1%
Long-term liabilities	9,717,770	9,449,932	1,950	36,775	9,719,720	9,486,707	2.5%
Total liabilities	19,508,147	14,102,168	59,266	93,048	19,567,413	14,195,216	37.8%
Deferred inflows	10,955,442	8,262,716			10,955,442	8,262,716	32.6%
Net position							
Net investment in capital assets	9,349,083	8,343,580	2,645,174	2,521,431	11,994,257	10,865,011	10.4%
Restricted	1,413,407	1,496,930			1,413,407	1,496,930	-5.6%
Unrestricted	3,741,145	3,372,063	5,255,796	3,807,710	8,996,941	7,179,773	25.3%
Total net position	\$ 14,503,635	\$ 13,212,573	\$ 7,900,970	\$ 6,329,141	\$ 22,404,605	\$ 19,541,714	14.7%

Table 1 shows that as of December 31, 2024, the County's total net position—assets minus liabilities and deferred inflows—was approximately \$22 million, an increase of \$2.8 million compared with 2023. The following sections of MD&A analyze the finances of the governmental activities and business-type activities.

Governmental activities

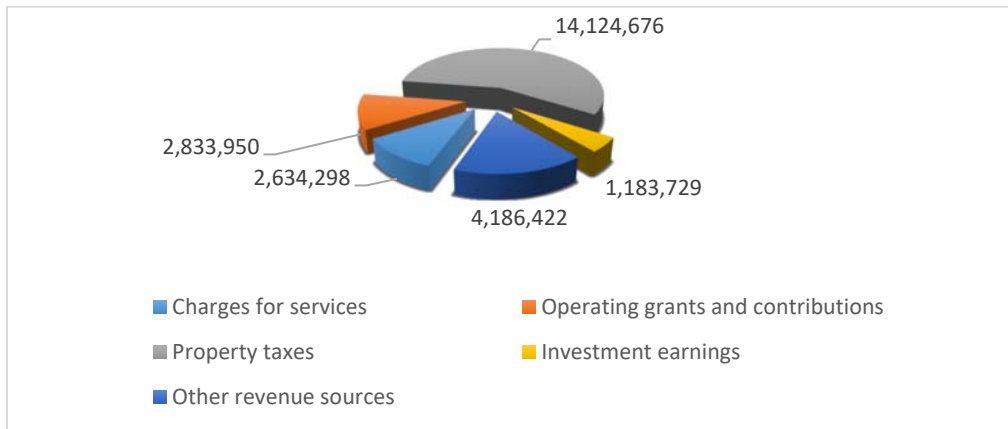
Table 2 shows that revenues exceeded expenses in the current year, resulting in an increase in net position. Various events contributed to this increase in net position; however, the four primary factors affecting the change in net position are as follows:

- (1) Increases in intergovernmental grant revenues,
- (2) Increases in charges for services,
- (3) Growth in various revenues due to the strength of the national and local economies, and
- (4) Increases in expenses for certain programs and functions.

Table 2: Changes in Scurry County Net Position

	Governmental Activities		Business-Tye Activities		Total		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2024-2023
Revenues							
Program revenues:							
Charges for services	\$ 2,634,298	\$ 2,217,432	\$ 2,469,936	\$ 1,960,591	\$ 5,104,234	\$ 4,178,023	22.2%
Operating grants and contributions	2,833,950	1,827,562	77,616	23,571	2,911,566	1,851,133	57.3%
General revenues:							
Property taxes levied for general purposes	14,124,676	12,818,615	2,714,987	2,107,145	16,839,663	14,925,760	12.8%
Tax collector fees	522,050	559,942			522,050	559,942	-6.8%
Sales and use taxes	2,959,373	3,374,105			2,959,373	3,374,105	-12.3%
Mixed drink tax	29,085	32,873			29,085	32,873	-11.5%
Gain (loss) on sale of assets	79,015	64,820	(20,921)		58,094	64,820	-10.4%
Investment earnings	1,183,729	875,057			1,183,729	875,057	35.3%
Miscellaneous	596,899	219,615	321,255	259,783	918,154	479,398	91.5%
Total revenues	24,963,075	21,990,021	5,562,873	4,351,090	30,525,948	26,341,111	15.9%
Expenses:							
General government	6,066,822	4,808,570			6,066,822	4,808,570	26.2%
Health and welfare	2,186,324	1,863,120			2,186,324	1,863,120	17.3%
Judicial and legal	4,106,512	3,557,510			4,106,512	3,557,510	15.4%
Public safety	5,089,752	4,887,731			5,089,752	4,887,731	4.1%
Public facilities	182,286	476,004			182,286	476,004	-61.7%
Culture and recreation government	1,075,240	1,155,136			1,075,240	1,155,136	-6.9%
Road and bridge	4,779,291	3,389,713			4,779,291	3,389,713	41.0%
Interest on long-term debt	173,286	171,177			173,286	171,177	1.2%
Water, golf course, airport, and EMS services			4,003,544	3,686,050	4,003,544	3,686,050	8.6%
Total expenses	23,659,513	20,308,961	4,003,544	3,686,050	27,663,057	23,995,011	15.3%
Transfers in (out)	(12,500)		12,500		-	-	0.0%
Change in net position	1,291,062	1,681,060	1,571,829	665,040	2,862,891	2,346,100	22.0%
Net position - beginning	13,212,573	12,887,740	6,329,141	5,944,316	19,541,714	18,832,056	3.8%
Prior period adjustment	-	(1,356,227)	-	(280,215)	-	(1,636,442)	-100.0%
Net position - beginning (as restated)	13,212,573	11,531,513	6,329,141	5,664,101	19,541,714	17,195,614	13.6%
Net position - ending	\$ 14,503,635	\$ 13,212,573	\$ 7,900,970	\$ 6,329,141	\$ 22,404,605	\$ 19,541,714	14.7%

Figure 1: Governmental Activities Revenues by Source



Growth in intergovernmental grant revenues

There were notable increases in 2024 in operating grants and contributions. Operating grants and contributions, which account for 11 percent of overall revenues for governmental activities, increased 55.1 percent from 2023 to 2024 due to the Senate Bill 22, which increased revenues for the district and county attorney and were applied to salary increases for those departments.

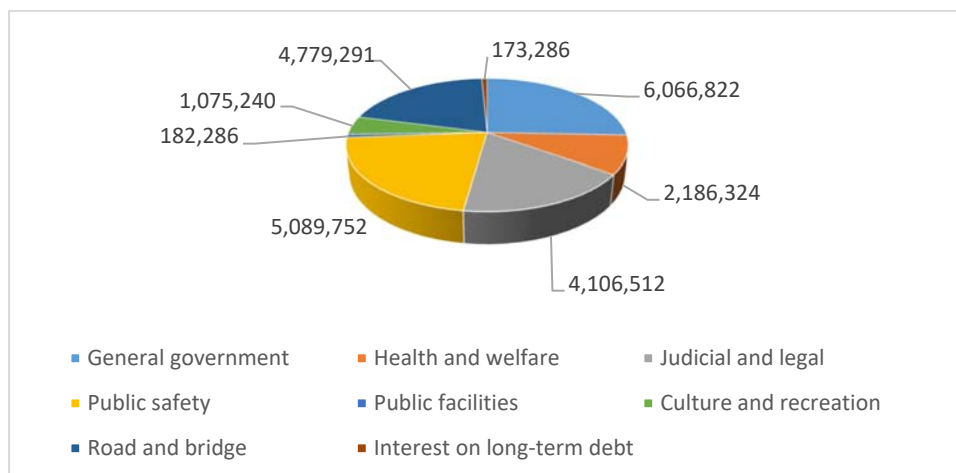
Increases in revenues due to economic growth

The strength of the County and national economies has resulted in the growth of several of the County's most significant revenue sources. Property taxes, which are 56.6 percent of the County's governmental activities revenue sources, rose 10.2 percent due to a 16 percent increase in net taxable values and a slight decrease in the ad valorem tax rate for the 2024 fiscal year.

Lastly, earnings on the County's investments and royalties collected, which were 4.74 percent of the governmental activities' revenues, rose 35.3 percent from the prior year as local economic growth extended throughout all of 2024, leading to more cash inflows from these activities.

Growth in expenses

Figure 2: Governmental Activities Expenses by Function



The increases in revenue were accompanied by an increase in the County's costs of providing services. Governmental activities expenses rose 16.5 percent overall. Most notably, road and bridge expenses increased 41 percent in 2024 (see Table 2). As a result, road and bridge expenses represented 20.2 percent of total expenses; by contrast, they were just 16.7 percent of expenses in 2023. The increase in 2024 was primarily related to an increase in road materials for road repairs.

Other changes in net position

While revenues and expenditures increased over the prior year as discussed above, the County operated within the constraints of the budgeted amounts for the fiscal year. Total governmental activities revenue exceeded total expenses in 2024 by \$1.3 million.

Governmental funds

The County reports three major funds individually in the governmental fund financial statements. Those funds are the general fund, the road and bridge special revenue fund, and the American Rescue Plan Act fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors relevant to the County's current financial health are more apparent in the fund financial statements than in the government-wide financial statements. There were significant changes to all three of the major funds. Those three major funds are shown in Table 3 and are discussed in more detail below.

Table 3: Revenues, Expenditures, and Changes in Fund Balances

	General Fund		Road and Bridge Fund		American Rescue Plan Act		Other Nonmajor Governmental Funds	
	2024	2023	2024	2023	2024	2023	2024	2023
Total Revenues	\$ 18,029,414	\$ 16,330,072	\$ 4,151,108	\$ 3,340,863	\$ 185,417	\$ 221,655	\$ 2,518,121	\$ 2,083,227
Total Expenditures	16,697,591	15,164,816	5,169,894	3,551,061	250,273	45,000	2,474,355	2,008,794
Excess (deficiency) of revenues over expenditures	1,331,823	1,165,256	(1,018,786)	(210,198)	(64,856)	176,655	43,766	74,433
Other Financing Sources (Uses)								
Sale of fixed assets				75,000				
Capital lease proceeds				224,500				
Transfers in								
Transfers out							(12,500)	
Total other financing sources (uses)	-	-	-	299,500	-	-	(12,500)	-
Net change in fund balances	1,331,823	1,165,256	(1,018,786)	89,302	(64,856)	176,655	31,266	74,433
Fund balances - beginning	1,490,004	324,748	1,542,720	1,453,418	229,956	53,301	1,679,981	1,605,548
Fund balances - end of period	\$ 2,821,827	\$ 1,490,004	\$ 523,934	\$ 1,542,720	\$ 165,100	\$ 229,956	\$ 1,711,247	\$ 1,679,981

Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective.

General fund

The fund balance of the County's general fund increased by 1.3 million compared to 2023. Overall, revenues from fines and fees, grants, and interest increased by 13.5 percent.

Road and bridge fund

The road and bridge fund balance decreased by approximately \$1 million. Overall revenue increased in 2024, primarily due to a 49 percent increase in grant revenue, a 2 percent increase in license and fees, and a 27.6 percent increase in property taxes over 2023. While overall revenue increased, overall expenditures were also up by 43 percent over 2023.

American Rescue Plan Act fund

The fund balance for the County's American Rescue Plan Act (ARPA) fund decreased by 28.2 percent. This decrease is primarily due to an increase in ARPA expenditures in 2024.

Business-type activities

The total net position of the County's business-type activities increased in 2024 by 24.8 percent from the prior year. The increase is primarily due to an increase in service revenues of 26.8 percent and property tax revenues of 28.8 percent compared to the prior year.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

The discussion thus far has only touched upon certain significant transactions and events during 2024 with respect to capital assets and long-term debt. Overall, the carrying value of capital assets (original cost minus accumulated depreciation) increased 7.1 percent over 2023. However, that relatively small change does not completely capture the substantial amount of capital investment activity that occurred in 2024.

Significant capital investments during the year related to \$1.37 million in vehicles, equipment, buildings, and improvements for the general and road and bridge funds.

Right-of-use leases increased by 70 percent due to multiple purchases of John Deere Motor Graders, which will be paid out over five years.

Currently known facts, decisions, or conditions

The County is aware of three developments that will have an impact on the County's finances in the future and were therefore incorporated into next year's budget:

- (1) Grants that could have a material effect on 2025,
- (2) Recent economic reports, and
- (3) Adoption of the State budget.

Grants that have a material effect

The County received a \$525,000 grant from the Texas Comptroller of Public Accounts for the *Rural Law Enforcement Salary Assistance Program* for the salaries of the sheriff and county attorney. Additionally, the County received \$4.1 million from wind and solar farms to improve road conditions in the prospective precinct.

Recent economic reports

As of 2023, Scurry County experienced a slight population decline, continuing a gradual downward trend from previous years. Despite this decrease, employment grew by 4.4 percent. However, the County's overall economic output (GDP) fell by about 10 percent, likely driven by a slowdown in key sectors such as energy and manufacturing.

As of 2024, Scurry County's population remained largely unchanged from the prior year. The County's economy is significantly influenced by key industries such as oil, gas, and mineral extraction, alongside renewable energy sources including wind and solar farms. These sectors play a crucial role in generating county revenue and helping to offset property taxes. Fluctuations within these industries have the potential to impact County revenues, employment rates, and property values, which in turn can affect the level of public services and property tax obligations for residents.

GOVERNMENT – WIDE FINANCIAL STATEMENTS

Basic Financial Statements

SCURRY COUNTY, TEXAS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2024
(With Summarized Financial Information as of December 31, 2023)

	Primary Government			2023
	Governmental	Business-type	Total	Summarized
	Activities	Activities		Data
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 24,165,434	\$ 5,273,888	\$ 29,439,322	\$ 18,244,111
Investments			-	1,800,000
Accounts receivable, net	5,352	4,399	9,751	13,799
Restricted Assets:				
Cash and cash equivalents	451,216		451,216	446,120
Noncurrent Assets:				
Capital Assets:				
Land	156,669	187,596	344,265	380,814
Construction in progress		175,665	175,665	175,664
Buildings and improvements	25,546,508	4,567,191	30,113,699	29,666,025
Infrastructure	5,273,088		5,273,088	5,141,711
Equipment	10,602,929	2,001,592	12,604,521	12,579,384
Furniture and fixtures	299,278		299,278	299,278
Motor vehicles	2,922,903	1,396,145	4,319,048	3,457,636
Right-of-use assets - leases	3,069,943	296,843	3,366,786	2,101,702
Software	882,098		882,098	882,098
Right-of-use assets - SBITAs	100,850		100,850	100,850
Less: accumulated depreciation	(28,509,044)	(5,943,083)	(34,452,127)	(33,289,546)
TOTAL ASSETS	44,967,224	7,960,236	52,927,460	41,999,646
LIABILITIES:				
Current Liabilities:				
Deposits	26,216	18,932	45,148	44,546
Other liabilities	459,959	3,559	463,518	235,118
Accrued interest payable	67,556		67,556	73,668
Unearned revenue	7,958,277		7,958,277	3,211,278
Certificates of obligation payable	780,000		780,000	730,000
Right-of-use lease obligation - current	489,624	34,825	524,449	383,413
Right-of-use SBITAs obligation - current	8,745		8,745	30,486
Noncurrent Liabilities:				
Certificates of obligation payable - net of premium	7,989,786		7,989,786	8,792,433
Right-of-use lease obligation	1,726,516	1,950	1,728,466	684,060
Right-of-use SBITAs obligation	1,468		1,468	10,214
TOTAL LIABILITIES	19,508,147	59,266	19,567,413	14,195,216
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	10,955,442		10,955,442	8,262,716
TOTAL DEFERRED INFLOWS OF RESOURCES	10,955,442	-	10,955,442	8,262,716
NET POSITION:				
Net investment in capital assets	9,349,083	2,645,174	11,994,257	10,865,011
Restricted for:				
Debt service	451,216		451,216	446,120
Texas Department of Criminal Justice	211,777		211,777	203,212
Records management	606,952		606,952	651,691
Other grants and contracts	143,462		143,462	195,907
Unrestricted	3,741,145	5,255,796	8,996,941	7,179,773
TOTAL NET POSITION	\$ 14,503,635	\$ 7,900,970	\$ 22,404,605	\$ 19,541,714

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

SCURRY COUNTY, TEXAS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended December 31, 2024
(With Summarized Financial Information for the Year Ended December 31, 2023)

	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position			2023 Summarized Data
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Function/Program Activities							
Primary Government:							
Governmental Activities:							
General government	\$ 6,066,822	\$ 734,440	\$ 156,410	\$ (5,175,972)	\$	\$ (5,175,972)	\$ (4,176,228)
Health and welfare	2,186,324	33,643		(2,152,681)		(2,152,681)	(1,818,003)
Judicial and legal	4,106,512	674,145	797,331	(2,635,036)		(2,635,036)	(2,136,867)
Public safety	5,089,752	472,022	598,111	(4,019,619)		(4,019,619)	(4,523,635)
Public facilities	182,286	75,991		(106,295)		(106,295)	(396,080)
Culture and recreation	1,075,240	4,683		(1,070,557)		(1,070,557)	(1,153,336)
Road maintenance	4,779,291	639,374	1,282,098	(2,857,819)		(2,857,819)	(1,888,641)
Interest on long-term debt	173,286			(173,286)		(173,286)	(171,177)
Total governmental activities	23,659,513	2,634,298	2,833,950	(18,191,265)	-	(18,191,265)	(16,263,967)
Business-type Activities:							
Golf course, water, EMS services and airport		2,469,936	77,616		2,547,552	2,547,552	1,984,162
Depreciation expense	466,820				(466,820)	(466,820)	(458,520)
Operating expense	3,536,724				(3,536,724)	(3,536,724)	(3,227,530)
Total business-type activities	4,003,544	2,469,936	77,616	-	(1,455,992)	(1,455,992)	(1,701,888)
Total primary government	\$ 27,663,057	\$ 5,104,234	\$ 2,911,566	(18,191,265)	(1,455,992)	(19,647,257)	(17,965,855)
General Revenues and Transfers:							
Taxes:							
Property taxes, levied for general purposes, golf course, airport, and EMS services				14,124,676	2,714,987	16,839,663	14,925,760
Tax collector fees				522,050		522,050	559,942
Sales and use taxes				2,959,373		2,959,373	3,374,105
Mixed drink tax				29,085		29,085	32,873
Transfers in (out)				(12,500)	12,500	-	-
Gain (Loss) on sale of assets				79,015	(20,921)	58,094	64,820
Investment earnings				1,183,729		1,183,729	875,057
Miscellaneous				596,899	321,255	918,154	479,398
Total General Revenues and Transfers				19,482,327	3,027,821	22,510,148	20,311,955
Change in Net Position				1,291,062	1,571,829	2,862,891	2,346,100
Net Position - Beginning				13,212,573	6,329,141	19,541,714	18,832,056
Prior period adjustment						-	(1,636,442)
Net Position - Beginning (as restated)				13,212,573	6,329,141	19,541,714	17,195,614
Net Position - Ending				\$ 14,503,635	\$ 7,900,970	\$ 22,404,605	\$ 19,541,714

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

FUND FINANCIAL STATEMENTS

Basic Financial Statements

SCURRY COUNTY, TEXAS
BALANCE SHEET- MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

December 31, 2024
(With Summarized Financial Information as of December 31, 2023)

	General	Road and Bridge	American Rescue Plan Act	Other Nonmajor Governmental Funds	Total Governmental Funds	2023 Summarized Data
<u>ASSETS</u>						
Cash and cash equivalents	\$ 14,619,515	\$ 4,698,934	\$ 3,359,462	\$ 1,487,523	\$ 24,165,434	\$ 14,417,023
Investments					-	1,800,000
Restricted cash and cash equivalents				451,216	451,216	446,120
Accounts receivable	3,132			2,220	5,352	9,401
Total Assets	<u>\$ 14,622,647</u>	<u>\$ 4,698,934</u>	<u>\$ 3,359,462</u>	<u>\$ 1,940,959</u>	<u>\$ 24,622,002</u>	<u>\$ 16,672,544</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
Liabilities:						
Deposits	\$ 26,216	\$	\$	\$	\$ 26,216	\$ 25,616
Unearned revenue	572,000	4,175,000	3,194,362	16,915	7,958,277	3,211,278
Other liabilities	247,162			212,797	459,959	230,273
Total Liabilities	<u>845,378</u>	<u>4,175,000</u>	<u>3,194,362</u>	<u>229,712</u>	<u>8,444,452</u>	<u>3,467,167</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	10,955,442				10,955,442	8,262,716
Total Deferred Inflows of Resources	<u>10,955,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,955,442</u>	<u>8,262,716</u>
Fund balances:						
Restricted			165,100	1,248,307	1,413,407	1,496,930
Committed	10,000	523,934		12,591	546,525	1,577,811
Assigned				450,349	450,349	387,916
Unassigned	2,811,827				2,811,827	1,480,004
Total Fund Balance	<u>2,821,827</u>	<u>523,934</u>	<u>165,100</u>	<u>1,711,247</u>	<u>5,222,108</u>	<u>4,942,661</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 14,622,647</u>	<u>\$ 4,698,934</u>	<u>\$ 3,359,462</u>	<u>\$ 1,940,959</u>	<u>\$ 24,622,002</u>	<u>\$ 16,672,544</u>

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

SCURRY COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2024

Fund Balances - Total governmental funds	\$	5,222,108
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 48,854,266	
Less accumulated depreciation	<u>(28,509,044)</u>	20,345,222

Debt obligations are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued interest payable	(67,556)	
Certificates of obligation	(8,769,786)	
Right of use lease obligations	(2,216,140)	
SBITA obligations	<u>(10,213)</u>	<u>(11,063,695)</u>

Net position of governmental activities	\$	<u>14,503,635</u>
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The accompanying notes are an integral part of the financial statements.

SCURRY COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024
(With Summarized Financial Information for the Year Ended December 31, 2023)

	General Fund	Road and Bridge	American Rescue Plan Act	Other Nonmajor Governmental Funds	Total Governmental Funds	2023 Summarized Data
REVENUES:						
Taxes	\$ 14,068,042	\$ 2,136,792	\$	\$ 908,300	\$ 17,113,134	\$ 16,225,593
Motor vehicle registration		616,301			616,301	609,396
State and federal grants	770,759	1,282,099		781,091	2,833,949	1,827,562
Fines and fees	1,542,687	21,573		321,716	1,885,976	1,748,695
Interest	856,913	89,684	185,417	51,715	1,183,729	875,057
Other	791,013	4,659		455,299	1,250,971	689,514
Total Revenues	18,029,414	4,151,108	185,417	2,518,121	24,884,060	21,975,817
EXPENDITURES:						
Current:						
General government	5,375,899		250,273	162,408	5,788,580	5,077,302
Health and welfare	1,766,801			361,809	2,128,610	1,823,048
Judicial and legal	3,069,220			1,005,408	4,074,628	3,489,597
Public safety	5,137,259			1,582	5,138,841	4,443,320
Public facilities	366,628			21,998	388,626	415,780
Culture and recreation	981,784				981,784	1,050,438
Road maintenance		5,169,894			5,169,894	3,551,061
Debt Service:						
Principal retired				730,000	730,000	710,000
Interest				188,300	188,300	206,625
Certificates of obligation administration expense				2,850	2,850	2,500
Total Expenditures	16,697,591	5,169,894	250,273	2,474,355	24,592,113	20,769,671
Excess (Deficit) Revenues Over Expenditures	1,331,823	(1,018,786)	(64,856)	43,766	291,947	1,206,146
OTHER FINANCING SOURCES (USES):						
Sale of assets					-	75,000.00
Capital lease proceeds					-	224,500.00
Transfers out				(12,500)	(12,500)	-
Total Other Financing Sources (Uses)	-	-	-	(12,500)	(12,500)	299,500
Excess (Deficit) Revenues and Other Financing Sources Over Expenditures and Financing Uses	1,331,823	(1,018,786)	(64,856)	31,266	279,447	1,505,646
Fund Balance, Beginning of Year	1,490,004	1,542,720	229,956	1,679,981	4,942,661	3,437,015
Fund Balance, End of Year	\$ 2,821,827	\$ 523,934	\$ 165,100	\$ 1,711,247	\$ 5,222,108	\$ 4,942,661

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

SCURRY COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended December 31, 2024

Net change in fund balances - total governmental funds \$ 279,447

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate these expenditures over their estimated useful lives.

Capital asset purchases capitalized	\$ 1,369,530	
Depreciation expense	(1,474,083)	
Capital asset retired, net of accumulated depreciation	<u>(397,206)</u>	(501,759)

Long-term liability proceeds provide current financial resources to governmental funds, but increases liabilities in the statement of net position. Repayment of notes or bond principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. Bond discounts and premiums are amortized over the life of the bond for the statement of activities and expensed in the fund statements.

Principal payments on bonds payable	730,000
Bond premium	22,646

Lease obligations provide current financial resources to governmental funds, but the obligation increases liabilities in the statement of net position. Repayment of the leases is an expenditure in the governmental funds, but the repayment reduces the liability in the statement of net position.

Principal payments	671,055
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Gain on sale of capital assets is recognized in governmental activities but not fully recognized in the fund statements.	79,015
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other adjustments to miscellaneous	18,290
Adjustments to accrued interest payable	<u>(7,632)</u>

Change in net position of governmental activities	\$ <u><u>1,291,062</u></u>
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SCURRY COUNTY, TEXAS
STATEMENT OF NET POSITION - MODIFIED
CASH BASIS - PROPRIETARY FUNDS

	Business-type Activities Enterprise Funds				
	December 31,				
	Scurry County E.M.S.	Scurry County Airport	Non-Major	2024 Total	2023 Summarized Data
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 2,965,162	\$ 1,848,578	\$ 460,148	\$ 5,273,888	\$ 3,827,088
Accounts receivable	2,952	4	1,443	4,399	4,398
Total Current Assets	2,968,114	1,848,582	461,591	5,278,287	3,831,486
Noncurrent:					
Capital assets:					
Property, plant and equipment	3,004,914	3,721,450	1,898,668	8,625,032	8,138,766
Less: accumulated depreciation	(1,724,877)	(2,921,371)	(1,296,835)	(5,943,083)	(5,548,062)
Total Noncurrent Assets	1,280,037	800,079	601,833	2,681,949	2,590,704
TOTAL ASSETS	4,248,151	2,648,661	1,063,424	7,960,236	6,422,190
LIABILITIES:					
Current liabilities:					
Other liabilities		564	2,995	3,559	4,844
Deposits			18,932	18,932	18,932
Right-of-use lease obligation - current	2,338		32,487	34,825	32,498
Total Current Liabilities	2,338	564	54,414	57,316	56,274
Noncurrent liabilities:					
Right-of-use lease obligation	1,950	-	-	1,950	36,775
Total Noncurrent Liabilities	1,950	-	-	1,950	36,775
TOTAL LIABILITIES	4,288	564	54,414	59,266	93,049
NET POSITION:					
Net investment in capital assets	1,275,749	800,079	569,346	2,645,174	2,521,431
Unrestricted	2,968,114	1,848,018	439,664	5,255,796	3,807,710
TOTAL NET POSITION	\$ 4,243,863	\$ 2,648,097	\$ 1,009,010	\$ 7,900,970	\$ 6,329,141

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

SCURRY COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUNDS

					Business-type Activities Enterprise Funds
					For the Year Ended December 31,
	Scurry County E.M.S.	Scurry County Airport	Non-Major	2024 Total	2023 Summarized Data
OPERATING REVENUES:					
Service revenue	\$ 2,175,085	\$ 45,030	\$	\$ 2,220,115	\$ 1,750,546
Fees			87,391	87,391	79,347
Cart shed rentals			54,736	54,736	42,693
Membership dues			107,694	107,694	88,005
Total Operating Revenues	<u>2,175,085</u>	<u>45,030</u>	<u>249,821</u>	<u>2,469,936</u>	<u>1,960,591</u>
OPERATING EXPENSES:					
Wages and salaries	1,628,303	180,189	96,649	1,905,141	1,668,198
Payroll taxes	143,154	15,065	7,126	165,345	147,072
Employee benefits	158,527	18,812	10,756	188,095	163,912
Depreciation expense	246,452	154,704	65,664	466,820	458,520
Contract labor	30,000			30,000	30,000
Utilities	6,289	8,156	3,397	17,842	15,264
Supplies	80,580	4,764	55,457	140,801	122,705
Repairs	68,797	38,644	39,246	146,687	209,200
Fuel	1,368	4,449	9,867	15,684	17,767
Medical insurance	331,460	70,317	25,190	426,967	391,449
Professional services	185,483		168,000	353,483	304,262
Other	60,597	55,198	30,884	146,679	157,701
Total Operating Expenses	<u>2,941,010</u>	<u>550,298</u>	<u>512,236</u>	<u>4,003,544</u>	<u>3,686,050</u>
Operating Loss	<u>(765,925)</u>	<u>(505,268)</u>	<u>(262,415)</u>	<u>(1,533,608)</u>	<u>(1,725,459)</u>
NON-OPERATING REVENUES (EXPENSES):					
Ad valorem taxes	1,885,217	477,800	351,970	2,714,987	2,107,145
Grant income	18,101	59,515		77,616	23,571
Miscellaneous income	113,883	183,908	23,464	321,255	262,171
Pension expense				-	(2,388)
Loss on sale of assets	(20,921)			(20,921)	-
Transfers in			12,500	12,500	-
Change in Net Position	<u>1,230,355</u>	<u>215,955</u>	<u>125,519</u>	<u>1,571,829</u>	<u>665,040</u>
Net Position - Beginning	<u>3,013,508</u>	<u>2,432,142</u>	<u>883,491</u>	<u>6,329,141</u>	<u>5,944,316</u>
Prior period adjustment				-	(280,215)
Net Position - Beginning (restated)	<u>3,013,508</u>	<u>2,432,142</u>	<u>883,491</u>	<u>6,329,141</u>	<u>5,664,101</u>
Net Position - Ending	<u>\$ 4,243,863</u>	<u>\$ 2,648,097</u>	<u>\$ 1,009,010</u>	<u>\$ 7,900,970</u>	<u>\$ 6,329,141</u>

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

SCURRY COUNTY, TEXAS
STATEMENT OF CASH FLOWS - MODIFIED
CASH BASIS - PROPRIETARY FUNDS

	Business-type Activities Enterprise Funds				
	For the Year Ended December 31,				
	Scurry County E.M.S.	Scurry County Airport	Non-Major	2024 Total	2023 Summarized Data
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 2,175,084	\$ 45,030	\$ 249,821	\$ 2,469,935	\$ 1,960,398
Cash paid to employees	(1,929,984)	(214,066)	(114,531)	(2,258,581)	(1,979,182)
Cash paid to suppliers	(764,574)	(181,211)	(333,645)	(1,279,430)	(1,247,228)
Net Cash Used in Operating Activities	(519,474)	(350,247)	(198,355)	(1,068,076)	(1,266,012)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:					
Grant income	18,101	59,515		77,616	23,571
Miscellaneous receipts	115,285	183,908	23,464	322,657	262,171
Ad valorem tax receipts	1,885,217	477,800	351,970	2,714,987	2,107,145
Transfers in			12,500	12,500	-
Net Cash Provided by Noncapital and Related Financing Activities	2,018,603	721,223	387,934	3,127,760	2,392,887
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Payments on lease/notes payable	(2,337)		(30,161)	(32,498)	(30,339)
Proceeds received from sale of assets	27,000			27,000	-
Purchase of capital assets	(526,255)	(21,922)	(59,209)	(607,386)	(417,222)
Net Cash Used in Capital and Related Financing Activities	(501,592)	(21,922)	(89,370)	(612,884)	(447,561)
Net Increase in Cash and Cash Equivalents	997,537	349,054	100,209	1,446,800	679,314
Cash and Cash Equivalents at Beginning of Year	1,967,625	1,499,524	359,939	3,827,088	3,147,774
Cash and Cash Equivalents at End of Year	\$ 2,965,162	\$ 1,848,578	\$ 460,148	\$ 5,273,888	\$ 3,827,088
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:					
Operating Loss	\$ (765,925)	\$ (505,268)	\$ (262,415)	\$ (1,533,608)	\$ (1,725,459)
Adjustments Not Affecting Cash:					
(Increase) Decrease in accounts receivable	(1)			(1)	2
Increase (Decrease) in other liabilities		317	(1,604)	(1,287)	925
Depreciation and amortization	246,452	154,704	65,664	466,820	458,520
Net Cash Used in Operating Activities	\$ (519,474)	\$ (350,247)	\$ (198,355)	\$ (1,068,076)	\$ (1,266,012)

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

SCURRY COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - FIDUCIARY FUNDS

December 31, 2024

	Employee Retirement Fund	Custodial Funds
ASSETS:		
Cash and cash equivalents	\$	\$ 7,760,682
Investments at fair value	<u>559,531</u>	
Total Assets	<u>559,531</u>	<u>7,760,682</u>
NET POSITION:		
Restricted for pensions	559,531	
Restricted for agencies	<u> </u>	<u>7,760,682</u>
Total Net Position	<u>\$ 559,531</u>	<u>\$ 7,760,682</u>

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

SCURRY COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - FIDUCIARY FUNDS

For the Year Ended December 31, 2024

	Employee Retirement Fund	Custodial Funds
ADDITIONS:		
Charges for services		
Fines and fees		
Contributions:		
Employee	\$ 45,630	\$
Private		79,518,100
Investment Activity:		
Investment income	64,340	
Less Investment Expenses:		
Asset fees	50	
Net Investment Income	64,290	-
Total Additions and Investment Activity	109,920	79,518,100
DEDUCTIONS:		
Recipient payments		77,831,212
Benefits paid	84,413	
Total Deductions	84,413	77,831,212
Net Increase	25,507	1,686,888
Net Position - Beginning of Year	534,024	6,073,794
Net Position - End of Year	\$ 559,531	\$ 7,760,682

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

NOTES TO FINANCIAL STATEMENTS

Basic Financial Statements

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: REPORTING ENTITY

In evaluating how to define Scurry County, Texas (the "County") for financial reporting purposes, management has considered all potential component units. The general purpose financial statements include all funds, account groups, agencies, and boards controlled by, dependent on, and over which the County has oversight responsibility. These include governmental, proprietary, and fiduciary funds. The criteria for oversight responsibility used in determining the entity for financial reporting purposes include, but are not limited to, financial interdependency, selection of governing authority, management designation, ability to significantly influence operations, and accountability for financial matters.

Included within the reporting entity:

Board of County Development - Reported as a blended component unit, the Board of County Development is operated by a five-member Board appointed by the County Commissioners. The County budgets a portion of its ad valorem tax for the operation of the Board. The purpose of the Board is to promote the County's economic development.

On April 1, 2014, the County assumed fiscal responsibility for the Scurry County Boys and Girls Club from an independent board operating under the auspices of the Boys and Girls Club of America. The major assets in use by the Boys and Girls Club were already owned by the County, and the Boys and Girls Club is accounted for as its own department within the County operations. The Friends of the Boys and Girls Club fund was established as a special revenue fund and is used to account for outside support of the Boys and Girls Club, such as donations and gifts.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County's financial statements are prepared on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP) and includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they apply to the modified cash basis of accounting unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

The following is a summary of the more significant policies and practices used by the County:

Government-Wide Statements:

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

The statement of activities compares direct expenses and program revenues for the different business-type activities of the County and each function of the County's governmental activities. Direct expenses are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
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Fund Financial Statements:

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

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the total for all combined governmental and enterprise funds.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The general fund is the County's primary operating fund and is always classified as a major fund. It accounts for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the County. The following special revenue funds are reported as major funds:

Road and Bridge Fund - The road and bridge fund accounts for the resources devoted to maintaining the County's roads and bridges.

American Rescue Plan Act Fund - The American Rescue Plan Act fund is established to account for grant resources obtained under the American Rescue Plan Act.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. *Restricted* fund balance category includes amounts that can be spent for only the specific purposes stipulated by the constitution, external resources providers, or through enabling legislation.
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by formal action of the Commissioners' Court (the County's highest level of decision-making authority).

SCURRY COUNTY, TEXAS
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4. *The assigned fund balance classification includes amounts intended to be used by the County for specific purposes but that do not meet the criteria to be classified as restricted or committed.*
5. *Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications.*

Restricted Fund Balance

The County's restricted fund balance as of December 31, 2024, which relates to the use of external resources, is comprised of the following:

<u>Restriction</u>	<u>Amount</u>
Law enforcement center debt service	\$ 451,216
Texas Department of Criminal Justice grants and contracts	211,777
Records management	606,952
Court and courthouse security	44,982
Law library	(211,296)
Court technology	107,498
Abandoned vehicle	9,197
Other grants	193,081
Total Restricted Fund Balance	\$ <u>1,413,407</u>

Committed Fund Balance

The County's committed fund balance is the portion of the fund balance that may only be established and modified by formal action of the Commissioners' Court. The County's committed fund balance as of December 31, 2024 is comprised of the following:

<u>Commitment</u>	<u>Amount</u>
Road and bridge maintenance	\$ 523,934
Board of County Development	12,591
General	10,000
Total Committed Fund Balance	\$ <u>546,525</u>

Assigned Fund Balance

The County's management has the authority to assign funds in accordance with various internal programs. The County's assigned fund balance as of December 31, 2024, is comprised of the following:

<u>Assignment</u>	<u>Amount</u>
Senior center memorial	\$ 397,786
Friends of Boys & Girls Club	12,765
Friends of the library	39,798
Total Assigned Fund Balance	\$ <u>450,349</u>

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
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Order of Fund Balance Spending Policy

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

Minimum Fund Balance Policy

The County does not utilize a minimum fund balance policy.

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and financial activity is measured based on net income, similar to the private sector.

Scurry County Golf Course

Operating revenue results primarily from membership dues charged to the members and other course fees/rentals. Expenses incurred to operate the golf course are classified as operating expense. The County allocated \$351,970 in property taxes during 2024 to the golf course to cover operating expenses of \$506,049 incurred in 2024.

Hermleigh Water Works

Operating revenue and expense result from providing water service to the community; all other expenses incurred are classified as non-operating revenue or expense.

Scurry County Emergency Medical Service (E.M.S.)

Operating revenue results from service fees charged and operating expenses related to providing emergency medical services to County residents. The County allocated \$1,885,217 in property taxes during 2024 to E.M.S. to cover operating expenses of \$2,941,010 incurred in 2024. The Scurry County Emergency Medical Service fund was considered a major proprietary fund for financial reporting purposes in 2024.

Scurry County Airport

Operating revenue results from hangar rental charges and the sale of fuel and oil. The County allocated \$477,800 in property taxes during 2024 to Scurry County Airport to cover operating expenses of \$550,298 incurred in 2024. The Scurry County Airport fund was considered a major proprietary fund for financial reporting purposes for 2024.

Fiduciary Funds

The County reports the following fiduciary fund types:

Custodial Funds - Accounts for assets the County holds on behalf of others as their agent. They are custodial (assets equal liabilities), and the County is responsible for administering and disbursing the funds in accordance with legal requirements, agreements, or court orders.

Employee Retirement Fund - Accounts for resources that must be held in trust for the members and beneficiaries of the defined benefit pension plan.

SCURRY COUNTY, TEXAS
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Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. The basis of accounting refers to “when” transactions are recorded, regardless of the measurement focus applied.

In the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance to measure available spendable financial resources at the end of the period.

The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus on determining operating income, changes in net position, financial position, and cash flows. All assets and liabilities, whether current or non-current, financial or non-financial, associated with their activities are reported. Proprietary fund equity is classified as net position.

Budget

The County’s annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ending December 31.

The annual budget is prepared using the modified cash method of accounting. The difference between the budgetary and GAAP reporting methods is not material to the financial statements. Budgets are ideally adopted for the general and road and bridge funds.

Budgeted amounts are as originally adopted or as amended during the fiscal year by the Commissioners’ Court.

Basis of Accounting

In the government-wide statement of net position and statement of activities and the fund financial statements, governmental and business-type activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses resulting from cash transactions with a provision for depreciation in the government-wide and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as trade accounts receivables) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements unless cash is affected, or the inclusion presents a more accurate short-term movement of cash.

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If the County utilized the basis of accounting recognized as GAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting. In contrast, the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents reflected in the financial statements include petty cash, cash in banks, federally insured cash accounts (FICA), and investments in Tex-Pool. Petty cash amounts are maintained in various County offices for the purpose of collecting payments made to the County. Investments in FICA and Tex-Pool are carried at fair value.

For reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

Restricted Assets

Restricted assets represent cash and cash equivalents totaling \$451,216 as of December 31, 2024, to be used for principal and interest payments for certificates of obligation partially refinanced in 2017 and 2021.

Property Tax Calendar

The County is responsible for assessing, collecting, and apportioning property taxes for all jurisdictions, including the schools and special districts within the County. The appraisal district certifies the tax roll in July. The Commissioners' Court levies taxes on September 1 on the property values assessed in July. Tax billings are sent out on October 1 after completing the final tax roll. The taxes are due on or before January 31 and become delinquent on February 1. The County gives a 3%, 2%, and 1% discount for early payment in October, November, and December, respectively.

Capital Assets

The County's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in government-wide or fund financial statements.

Unearned Revenue

Unearned revenues represent grant revenues and road damage monies received in advance, which were not expended during 2024.

Government-Wide Statements

In government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the statement of net position. All capital assets are valued at historical or estimated historical cost if actual is unavailable. The estimated historical cost was used to value the assets. Donated fixed assets are recorded at their estimated fair value at the date of donation. The County's infrastructure network is valued at a historical cost.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of activities. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets for governmental funds and \$1,000 for proprietary funds.

SCURRY COUNTY, TEXAS
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The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 yrs.
Building improvements	15 yrs.
Motor vehicles	5 yrs.
Equipment	5-10 yrs.
Office equipment	5-7 yrs.
Infrastructure	20-40 yrs.

Right-of-use lease assets are amortized over the lease term. Qualifying subscription-based information technology arrangements (SBITAs) are amortized over the subscription term.

Fund Financial Statements

In the fund financial statements, capital assets from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for in the same way as in the government-wide statements.

Long-Term Debt

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources, and the payment of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

The County recognizes a lease and/or a subscription-based information technology arrangement (SBITA) liability and a corresponding right-of-use asset at the commencement date of a lease/SBITA. The lease/SBITA liability is initially measured at the present value of the remaining payments not paid at the commencement date. If an implicit interest rate can readily be determined for a lease/SBITA contract, this rate is used to discount future payments. If this rate is unavailable, the County uses the 3-month treasury bill rate as the discount rate.

Equity Classification

Government-Wide Statements

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

Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings attributable to those assets' acquisition, construction, or improvements.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation. A restricted net position totaling \$1,413,407 represents funds restricted for debt service, grants, and contracts.

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
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Unrestricted net position - All other net positions that do not meet the definition of the “restricted” or “net investment in capital assets”.

It is the County’s policy to first use restricted net position before the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance, while proprietary fund equity is classified the same way as in the government-wide statements.

Use of Estimates

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the County requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through August 15, 2025, the date the financial statements were available to be issued. No subsequent events were noted.

NOTE 3: LEGAL COMPLIANCE - BUDGETS

The County’s budgetary process requires that expending agencies of the County submit appropriation requests by mid-June of each year. After review by the budget officer and department heads, the requests are combined and submitted to the Commissioners’ Court. In August, the proposed budget is filed with the County Clerk for public inspection at least fifteen days before hearings, which are open to the public. A final budget must be adopted before January 1. At the fund level, actual expenditures cannot exceed budgeted appropriations.

NOTE 4: CASH AND INVESTMENTS

Deposits and Investments

The County’s funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County’s agent bank pledged securities sufficient to protect County funds on a day-to-day basis during the audit period. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (“FDIC”) insurance.

In addition to the \$250,000 insurance on accounts provided by Federal Deposit Insurance Corporation (“FDIC”) regulations, the depository bank pledged securities in the amount of \$18,459,162 to secure all bank deposits. The largest cash balance amounted to \$18,205,758 and occurred on December 31, 2024.

For an indication of the level of risk assumed by the County, all cash deposits are categorized as Category 1, insured by the FDIC or collateralized with securities held by the County (or public trust) or by its agent in its name.

SCURRY COUNTY, TEXAS
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Statutes authorize the County to invest in the State's investment pool. The County's investments held at December 31, 2024, are not subject to classifications where securities related to the government cannot be identified.

Investment Policy

The County has adopted the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Pools (GASB 31). Those provisions require that certain investments be reported at fair value, rather than at cost or amortized cost, and that the changes in the fair value of investments be recognized as investment revenue. GASB 31 further provides that the County has the option of continuing to report certain investments at cost or amortized cost, but must disclose its policy in that regard.

In accordance with GASB 31, the County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report non-participating interest-earning investment contracts using the cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists that guarantees a higher value. The term "short-term" refers to investments with a remaining term of one year or less at the time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposits are examples of nonparticipating interest-earning investment contracts.

Public Funds Investments Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its share.

The County's investments in Pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one that is not registered with the Securities and Exchange Commission ("SEC") as an investment company but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

The County's federally insured cash accounts (FICA) have no associated term commitments, no penalty or withdrawal fees, and are fully FDIC-insured structured bank deposit vehicles.

Investment Risks

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year-end and if so, the reporting of certain related disclosures:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At December 31, 2024, the County was not exposed to credit risk.

SCURRY COUNTY, TEXAS
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Custodial credit risk relates to deposits that are exposed to the risk that they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities, held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name. At December 31, 2024, the County was not exposed to custodial credit risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At December 31, 2024, the County was not exposed to a concentration of credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At December 31, 2024, the County was not exposed to interest rate risk.

Foreign currency risk is the risk that exchange rates will adversely affect the fair value of an investment. At December 31, 2024, the County was not exposed to foreign currency risk.

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, is as follows:

	Beginning Balances	Transfers and Increases	Transfers and Decreases	Ending Balances
Governmental activities:				
Non-depreciable assets:				
Land	\$ 193,218	\$	\$ (36,549)	\$ 156,669
Depreciable assets:				
Buildings and improvements	25,158,044	295,921	92,543	25,546,508
Infrastructure	5,141,711	223,920	(92,543)	5,273,088
Equipment	10,666,901	148,262	(212,234)	10,602,929
Furniture and fixtures	299,278			299,278
Motor vehicles	2,399,439	701,427	(177,963)	2,922,903
Right-of-use assets - leases	1,804,859	1,847,079	(581,995)	3,069,943
Right-of-use assets - SBITAs	100,850			100,850
Software	882,098			882,098
Total at historical cost	46,453,180	3,216,609	(972,192)	48,697,597
Less accumulated depreciation for:				
Buildings and improvements	9,420,681	504,742		9,925,423
Infrastructure	4,743,592	62,231		4,805,823
Equipment	9,437,635	317,092	(212,234)	9,542,493
Furniture and fixtures	299,278			299,278
Motor vehicles	2,074,515	135,653	(101,818)	2,108,350
Right-of-use assets - leases	875,261	442,625	(425,277)	892,609
Right-of-use assets - SBITAs	50,234	32,804		83,038
Software	840,289	11,741		852,030
Total accumulated depreciation	27,741,485	1,506,888	(739,329)	28,509,044
Governmental activity capital assets, net	\$ 18,904,913	\$ 1,709,721	\$ (269,412)	\$ 20,345,222

SCURRY COUNTY, TEXAS
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	Beginning Balances	Increases	Transfers and Decreases	Ending Balances
Business-type activities:				
Non-depreciable assets:				
Land	\$ 187,596	\$	\$	\$ 187,596
Construction in progress	175,665			175,665
	<u>363,261</u>	<u>-</u>	<u>-</u>	<u>363,261</u>
Depreciable assets:				
Buildings and improvements	4,507,981	59,210		4,567,191
Equipment	1,912,483	101,109	(12,000)	2,001,592
Motor vehicles	1,058,197	447,068	(109,120)	1,396,145
Right-of-use assets - leases	296,843			296,843
Total at historical cost	<u>8,138,765</u>	<u>607,387</u>	<u>(121,120)</u>	<u>8,625,032</u>
Less accumulated depreciation for:				
Buildings and improvements	3,218,504	185,716		3,404,220
Equipment	1,599,140	87,757	(12,000)	1,674,897
Motor vehicles	517,336	150,764	(59,799)	608,301
Right-of-use assets – leases	213,081	42,584		255,665
Total accumulated depreciation	<u>5,548,061</u>	<u>466,821</u>	<u>(71,799)</u>	<u>5,943,083</u>
Business-type activity capital assets, net	\$ <u>2,590,704</u>	\$ <u>140,566</u>	<u>(49,321)</u>	\$ <u>2,681,949</u>

Depreciation and amortization expense for 2024 was charged to functions as follows:

	Governmental Activities	Business- Type Activities
General government	\$ 239,414	\$
Health and welfare	7,068	
Public safety	478,101	
Public facilities	58,404	
Culture and recreation	56,360	
Judicial and legal	82,448	
Road maintenance	462,471	
Parks/Rec	71,977	
Senior Center	50,645	
Hermleigh Water Works		4,692
Scurry County Airport		154,704
Scurry County Emergency Medical Service		246,452
Scurry County Golf Course		60,972
	<u>\$ 1,506,888</u>	<u>\$ 466,820</u>

SCURRY COUNTY, TEXAS
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NOTE 6: LONG-TERM OBLIGATIONS

In the government activities long-term obligations at December 31, 2024, are summarized as follows:

	January 1, 2024	Increases	Decreases	December 31, 2024	Amount Due Within One Year
Certificates of obligation (2017)	\$ 170,000	\$	\$ (170,000)	\$ -	\$ -
Certificates of obligation (2021)	9,150,000		(560,000)	8,590,000	780,000
ROU Leases	998,200	1,858,509	(640,569)	2,216,140	489,624
ROU SBITAs	40,700		(30,487)	10,213	8,745
	<u>\$ 10,358,900</u>	<u>\$ 1,858,509</u>	<u>\$ (1,401,056)</u>	<u>\$ 10,816,353</u>	<u>\$ 1,278,369</u>

Long-term debt arising from cash transactions and payable from governmental fund resources consisted of the following at December 31, 2024:

Leases payable:

The County entered into a lease agreement totaling \$423,421 for a 2024 John Deere Motorgrader with a \$40,000 trade-in allowance. The payable is in 5 annual installments of \$49,742 due beginning on 02/15/2025, and thereafter, which includes both principal and interest, with a balloon payment of \$225,000 due 3/15/2029. The interest rate of the lease is 5.95% with maturity on March 15, 2029. Lease is secured by equipment.

\$ 385,520

The County entered into a lease agreement totaling \$455,889 for a 2025 John Deere Motorgrader payable in 5 annual installments of \$63,700 beginning 02/15/2025, and thereafter which includes both principal and interest, with a balloon payment of \$225,000 due at the end of the lease term. The interest rate of the lease is 5.95% with maturity on March 15, 2029. Lease is secured by equipment.

455,889

The County entered into a lease agreement totaling \$425,124 for a 2024 John Deere Motorgrader payable in 5 annual installments of \$47,567 beginning 02/15/2025, and thereafter, which includes both principal and interest, with a balloon payment of \$225,000 due at the end of the lease term. The interest rate of the lease is 5.95% with maturity on March 15, 2029. Lease is secured by equipment.

425,124

The County entered into a lease agreement totaling \$423,076 for a 2024 John Deere Motorgrader with a down payment of \$48,000. The payable is in 5 annual installments of \$57,205 beginning 02/15/2025, and thereafter, which includes both principal and interest, with a balloon payment of \$225,000 due at the end of the lease term. The interest rate of the lease is 5.95% with maturity on March 15, 2029. Lease is secured by equipment.

377,174

SCURRY COUNTY, TEXAS
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The County entered into a lease agreement totaling \$267,957 for a 2021 John Deere Motorgrader payable in 5 annual installments of \$25,204 beginning 02/14/2022, and thereafter, which includes both principal and interest, with a balloon payment of \$185,000 due at the end of the lease term. The interest rate of the lease is 3.65% with maturity on February 14, 2025. Lease is secured by equipment.

201,716

The County entered into a lease agreement totaling \$167,550 for a 2023 John Deere 644G Wheel Loader payable in monthly installments of \$2,136 beginning 09/1/2022, and thereafter, which includes both principal and interest, with a balloon payment of \$55,125 due at the end of the lease term. The interest rate of the lease is 2.75% with maturity on September 1, 2026. Lease is secured by equipment.

94,217

The County entered into a lease agreement totaling \$224,500 for a 2022 CAT Pneumatic Compactor payable in annual installments of \$49,715 beginning 05/18/2024, and thereafter, which includes both principal and interest, with a balloon payment of \$49,408 due at the end of the lease term. The interest rate of the lease is 5.35 % with maturity on May 18, 2027. Lease is secured by equipment.

134,708

The County entered into a lease agreement totaling \$131,000 for a Toshiba Lexmark Printer payable in monthly installments of \$2,963 beginning 12/01/2024, and thereafter, which includes principal and interest. The interest rate is 4.09% with maturity in on November 1, 2028.

128,483

The County has multiple copier leases, payable in monthly installments ranging from \$58 to \$408, including interest ranging from 0.04% to 2.39%, secured by equipment, with final payments due between January 22, 2023, and November 16, 2026.

13,309

Total finance leases payable \$ 2,216,140

Maturities of finance lease obligations are as follows:

Year Ending December 31,	Principal	Interest	Total Requirement
2025	\$ 489,624	\$ 58,081	\$ 547,705
2026	280,938	99,089	380,027
2027	217,907	86,117	304,024
2028	177,033	73,776	250,809
2029	<u>1,050,638</u>	<u>67,577</u>	<u>1,118,215</u>
	\$ <u>2,216,140</u>	\$ <u>384,640</u>	\$ <u>2,600,780</u>

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Certificates of obligation:

Certificates of obligation (2021) of \$9,370,000, issued to refund \$9,365,000 of the 2013 series issued in connection with construction of a new law enforcement center, payable in annual principal and interest payments due February 15, and additional interest payments due August 15, with an interest rate of 2%, final payment due February 15, 2034, net of \$179,786 premium.

\$ 8,590,000

Total certificates of obligation \$ 8,590,000

Maturities of certificates of obligation are as follows:

Year Ending December 31,	Principal	Interest	Total Requirement
2025	\$ 780,000	\$ 172,350	\$ 952,350
2026	795,000	156,600	951,600
2027	810,000	140,550	950,550
2028	835,000	119,925	954,925
2029+	<u>5,370,000</u>	<u>328,400</u>	<u>5,698,400</u>
	\$ <u>8,590,000</u>	\$ <u>917,825</u>	\$ <u>9,507,825</u>

Subscription-Based Information Technology Arrangements Payable

The County entered into an arrangement with Lexis Nexis for \$8,666 dated July 5, 2022, for publicly available information, public records, and non-public information, payable in monthly principal and interest payments due monthly on the 1st, with an interest rate of 2.13%, final payment due August 1, 2026.

\$ 3,569

The County entered into an arrangement with Tyler Technologies for \$25,917 dated September 19, 2023, for software, payable in annual principal and interest payments due monthly on the 1st, with an interest rate of 5.31%. The final payment is due September 19, 2026.

6,644

Total SBITA payable \$ 10,213

Maturities of SBITA obligations are as follows:

Year Ending December 31,	Principal	Interest	Total Requirement
2025	\$ 8,745	\$ 417	\$ 9,162
2026	<u>1,468</u>	<u>12</u>	<u>1,480</u>
	\$ <u>10,213</u>	\$ <u>429</u>	\$ <u>10,642</u>

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

The following is a schedule of maturities of certificates of obligation, finance leases, and SBITA by year and in aggregate:

<u>Year Ending December 31,</u>	
2025	\$ 1,278,369
2026	1,077,406
2027	1,027,907
2028	1,012,033
2029+	<u>6,420,638</u>
	<u>\$ 10,816,353</u>

Certificates of Obligation

On January 12, 2017, the County authorized a bond refunding transaction in which \$3,695,000 of the "Scurry County, Texas Certificates of Obligation, Series 2009" were refunded or refinanced by the issuance of \$3,610,000 "Scurry County, Texas General Obligation Refunding Bonds, Series 2017".

On March 17, 2021, the County authorized a bond refunding transaction in which \$9,365,000 of the "Scurry County, Texas Certificates of Obligation, Series 2013" were refunded or refinanced by the issuance of \$9,370,000 "Scurry County, Texas General Obligation Refunding Bonds, Series 2021".

A capital project fund was used to account for the construction of the County jail. The construction of the jail was funded substantially by the issuance of certificates of obligation bonds. The bonds are secured by the future ad valorem tax levies. The County intends to retire all of the certificates of obligation bonds, plus interest, from future ad valorem tax levies and is required by ordinance to create from such tax revenues a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due. The certificates of obligation bonds outstanding at December 31, 2024, will be amortized serially each year on dates prescribed by each respective bond ordinance through 2034.

A number of limitations and restrictions are contained in the various certificates of obligation bond indentures. The County complies with all significant limitations and restrictions.

The Law Enforcement Debt Service Fund, with a fund balance aggregating \$451,216, arises principally from proceeds of certificates of obligation sales. These proceeds may be used solely for the designated purposes as stated in the respective bond indenture under which such bonds were sold. The County is in compliance with these requirements.

A bond premium of \$2,946 associated with the 2017 issuance and a premium of \$199,487 associated with the 2021 issuance are being amortized on the straight-line method over the life of their respective bond issuance. Net amortization was \$22,647 for the year ended December 31, 2024.

In the business-type activities long-term obligations at December 31, 2024, are summarized as follows:

	<u>January 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31, 2024</u>	<u>Amount Due Within One Year</u>
Finance lease obligations	\$ 69,273	\$	\$ (32,498)	\$ 36,775	\$ 34,825
	<u>\$ 69,273</u>	<u>\$</u>	<u>\$ (32,498)</u>	<u>\$ 36,775</u>	<u>\$ 34,825</u>

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Long-term debt arising from cash transactions and payable from business-type activities consisted of the following at December 31, 2024:

Leases payable:

The County entered into a lease agreement for a copier, payable in monthly installments of \$195, including interest of 0.05%, secured by equipment, final payments due October 23, 2026. \$ 4,288

The County entered into a lease agreement totaling \$90,650 for a 2022 John Deere 1600 Turbo Series Mower payable in annual installments of \$34,561 beginning 11/1/2022, and thereafter, which includes both principal and interest. The interest rate of the lease is 7.45% with maturity on November 1, 2025. Lease is secured by equipment. 32,487

Total finance leases payable \$ 36,775

Maturities of the finance lease obligations are as follows:

Year Ending December 31,	Principal	Interest	Total Requirement
2025	\$ 34,825	\$ 2,076	\$ 36,901
2026	<u>1,950</u>	<u>-</u>	<u>1,950</u>
	<u>\$ 36,775</u>	<u>\$ 2,076</u>	<u>\$ 38,851</u>

The following is a schedule of maturities of finance lease obligations by year and in the aggregate:

Year Ending December 31,	
2025	\$ 34,825
2026	<u>1,950</u>
	<u>\$ 36,775</u>

NOTE 7: FEDERAL/STATE SOURCE REVENUES

The majority of the federal grant funds received are for strengthening homeland security, the improvement of parks and recreation, bio-terrorism, and voting facilities. The majority of the state grant funds received in non-major, special revenue funds relate to criminal justice – probation department programs. State grant funds received in the general fund are primarily for health sanitation salaries, salary supplements, criminal justice, road maintenance, and additional law enforcement personnel and programs.

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: EMPLOYEE RETIREMENT PLAN

Plan Description

The County provides pension, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for administering the statewide agent multiple-employer public employee retirement system serving over 800 participating counties and districts throughout Texas. TCDRS, in the aggregate, issues an 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, Texas, 78768-2034, or by calling (800) 823-7782. TCDRS's ACFR is also available online at www.tcdrs.org.

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members have the flexibility and local control to adjust benefits annually and pay for those benefits based on their needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The plans' assets are pooled for investment purposes, but each employer's plan assets may be used only to pay benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered so that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in the plan.

Benefits Provided

At retirement, the employee's account balance is combined with employer matching and converted into a lifetime monthly benefit. Employees receive a month of service for each month that they make a deposit into their account. Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer. Retirees elect to receive their lifetime benefit by choosing one of seven actuarially equivalent payment options.

As of the most recent measurement date, which was December 31, 2023, membership data for the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	235
Inactive employees entitled to, but not yet receiving benefits	282
Active employees	190
Total Participants	<u>707</u>

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer, based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 10.46% for fiscal year 2024. The contribution rate payable by the employee members is the rate of 7% as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Net Pension Liability

The net pension liability (NPL) is the difference between the total pension liability (TPL) and the plan's fiduciary net position. The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits related to projected salary and service. The fiduciary net position is determined on the same basis used by the pension plans. The County's NPL was measured as of December 31, 2023, and the TPL used to calculate the NPA was determined by an actuarial valuation as of that date.

Total pension liability	\$	67,179,699
Fiduciary net position		68,445,121
Net pension liability	\$	<u>(1,265,422)</u>

Actuarial Assumptions

The demographic assumptions used in the December 31, 2022, valuation were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting, and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2023. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

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

Inflation	2.50%	
Overall payroll growth	3.00%	
		This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB Statement No. 68
Investment rate of return	7.60%	

Salary increases were based on a service-related table. Regarding mortality rates, for depositing members - 135% of the Pub-2010 General Employee Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employee Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010; for service retirees, beneficiaries, and non-depositing members - 135% of the PUB-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010; for disabled retirees - 160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The long-term expected rate of return on pension plan investments is 7.60%. The pension plan's policy regarding the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. The valuation assumption for the long-term expected return is reassessed at least every four years and is set based on a long-term time horizon. The most recent analysis was performed in March 2021.

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized below:

Asset Class	Target Allocation	Geometric Real Rate of Return (expected minus inflation)
US equities	11.50%	4.95%
Private equity	25.00%	7.95%
Global equities	2.50%	4.95%
International equities - developed	5.00%	4.95%
International equities - emerging	6.00%	4.95%
Investment-grade bonds	3.00%	2.40%
Strategic credit	9.00%	3.39%
Direct lending	16.00%	6.95%
Distressed debt	4.00%	7.60%
REIT equities	2.00%	4.15%
Master limited partnerships	2.00%	5.30%
Private real estate partnerships	6.00%	5.70%
Hedge funds	6.00%	2.90%
Cash equivalents	2.00%	0.20%

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumes that employee and employer contributions will be made at the rates specified in the statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of currently active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Schedule of Changes in the Net Pension Liability / (Asset)

Changes in the County's net pension liability presented below are calculated on the same basis as the plan.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances as of December 31, 2022	\$ 65,084,574	\$ 63,937,987	\$ 1,146,587
Changes for the year:			
Service cost	1,213,008		1,213,008
Interest on total pension liability	4,888,591		4,888,591
Effect of plan changes			
Effect of economic/demographic gains or losses	15,201		15,201
Effect of assumptions changes or inputs			
Refund of contributions	(235,044)	(235,044)	-
Benefit payments	(3,786,630)	(3,786,630)	-
Administrative expenses		(35,740)	35,740
Member contributions		663,880	(663,880)
Net investment income		7,003,424	(7,003,424)
Employer contributions		990,128	(990,128)
Other		(92,883)	92,883
Balances as of December 31, 2023	\$ 67,179,700	\$ 68,445,122	\$ (1,265,422)

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the County calculated using the discount rate of 7.60% as well as what the County's net pension liability would have been if it were calculated using a discount rate that is 1% lower and 1% higher than the current rate:

	1% Decrease <u>(6.60%)</u>	Current Rate <u>(7.60%)</u>	1% Increase <u>(8.60%)</u>
Total pension liability	\$ 75,160,342	\$ 67,179,699	\$ 60,440,223
Fiduciary net position	<u>68,445,121</u>	<u>68,445,121</u>	<u>68,445,121</u>
Net pension liability (asset)	\$ <u>6,715,221</u>	\$ <u>(1,265,422)</u>	\$ <u>(8,004,898)</u>

NOTE 9: DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category, which is unavailable revenue from property taxes collected for the following fiscal year. These revenues are to be applied to the following year's budget, but were paid in advance by taxpayers. This amount is deferred and recognized as an inflow of resources when the amounts become available. As of December 31, 2024, unavailable revenue related to property taxes amounted to \$10,955,442. Changes in this account affect the unrestricted net position.

NOTE 10: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, injuries to employees, employees' health and lives, and natural disasters.

The County manages these various risks of loss as follows:

Type of Loss	Method Managed	Risk of Loss Retained
Torts, errors and omissions	Purchased commercial insurance	None
Workers compensation, health and life	Purchased commercial insurance	None
Physical property loss and natural disasters	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this insurance coverage in the past three fiscal years.

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 11: INTERFUND TRANSFERS

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations, and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
County Development	Golf Course	\$ 12,500
C.C.P.	T.A.I.P.	943
C.S.C.D.	T.A.I.P.	<u>9,233</u>
		\$ <u><u>22,676</u></u>

NOTE 12: TAX ABATEMENTS

Scurry County negotiates property tax abatement agreements with local businesses individually. All agreements are negotiated under state law (Chapter 312 of the Texas Tax Code, "Property Redevelopment and Tax Abatement Act"), which allows the County to abate property taxes to any business located inside or outside Scurry County to promote the development/redevelopment of certain contiguous geographic areas within its jurisdiction. Scurry County may grant abatements of up to 100 percent of annual property tax values. Scurry County has four maintenance and operation tax abatement agreements, which are as follows:

- Coyote Wind, LLC, 100% of taxes abated over 10 years, beginning January 2021 and ending December 2030. The abatement amounted to \$986,290 of reduced taxes for fiscal year 2024. Scurry County receives \$193,400 per year in consideration of the tax abatement agreement. The purpose of the abatement is to construct and employ a wind power project.
- Dermott Wind, LLC, 100% of taxes abated over 10 years, beginning January 2018 and ending December 2027. The abatement amounted to \$854,760 of reduced taxes for fiscal year 2024. Scurry County receives \$197,340 per year in consideration of the tax abatement agreement. The purpose of the abatement is for the construction and employment of a wind power project.
- Fluvanna Wind Energy, LLC, 100% of taxes abated over 10 years, beginning January 2018 and ending December 2027. The abatement amounted to \$603,300 of reduced taxes for fiscal year 2024. Scurry County receives \$121,220 per year in consideration of the tax abatement agreement. The purpose of the abatement is for the construction and employment of a wind power project.
- Midwest Solar Power, LLC, 100% of taxes abated over 10 years, beginning January 2017 and ending December 2026. The abatement amounted to \$1,140 of reduced taxes for fiscal year 2024. The purpose of the abatement is for the construction and employment of a wind power project.

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

- KCE TX 13 LLC, 100% of taxes abated over 10 years, beginning January 2022 and ending December 2031. The abatement amount to \$123,969 of reduce taxes for fiscal year 2024.. The purpose of the abatement is for the construction and employment of a wind power project.
- Gopher Creek Wind, LLC, 100% of taxes abated over 10 years, beginning January 2020 and ending December 2029. The abatement amounted to \$59,975 of reduced taxes for fiscal year 2024. Scurry County receives \$117,000 per year in consideration of the tax abatement agreement. The purpose of the abatement is for the construction and employment of a wind power project.

NOTE 13: DEFICIT FUND EQUITY

The law library fund ended with a deficit balance of (\$211,296) as of December 31, 2024. Transfers from the general fund are available to eliminate the fund deficit balances.

NOTE 14: NEW PRONOUNCEMENTS

Adopted

GASB Statement No. 100

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62, which enhances accounting and financial reporting requirements and accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The County adopted the statement during the year ended December 31, 2024.

GASB Statement No. 103

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements, which improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The county early adopted this standard in fiscal year 2024.

Not Adopted

GASB Statement No. 101

In June 2022, the GASB issued Statement No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures, which provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

SCURRY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

GASB Statement No. 104

In September 2024, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets, which provides users of government financial statements with essential information about certain types of capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter

The County will fully analyze the impact of these new Statements before the effective dates for the Statements listed above.

NOTE 15: PRIOR PERIOD ADJUSTMENT

A prior period adjustment totaling \$1,636,442 was made to adjust the beginning net position for the government-wide financial statements in order to reflect the 2023 summarized data on a modified cash basis for comparability purposes. The adjustment reduced governmental activities and business-type activities by \$1,356,227 and \$280,215, respectively.

**BUDGETARY COMPARISON SCHEDULES
AND PENSION FUNDING SCHEDULES**

Required Supplementary Information

SCURRY COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
GENERAL FUND

For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Original Budget over (under) Final Budget</u>	<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Beginning Budgetary Fund Balance	\$ 198,509	\$ (594,830)	\$ (793,339)	\$ 1,490,004	\$ 2,084,834
Resources (Inflows):					
Taxes:					
Sales tax	2,800,000	2,800,000	-	2,959,373	159,373
Property tax	12,051,737	12,051,737	-	11,079,584	(972,153)
Other tax	20,000	20,000	-	29,085	9,085
Total taxes	<u>14,871,737</u>	<u>14,871,737</u>	<u>-</u>	<u>14,068,042</u>	<u>(803,695)</u>
Grant Revenue	<u>139,675</u>	<u>139,675</u>	<u>-</u>	<u>770,759</u>	<u>631,084</u>
Fines and forfeitures:					
Miscellaneous fees	<u>1,014,450</u>	<u>1,014,450</u>	<u>-</u>	<u>1,542,687</u>	<u>528,237</u>
Total fines and forfeitures	<u>1,014,450</u>	<u>1,014,450</u>	<u>-</u>	<u>1,542,687</u>	<u>528,237</u>
Miscellaneous:					
Interest income	150,000	150,000	-	856,913	706,913
Miscellaneous	<u>262,700</u>	<u>262,700</u>	<u>-</u>	<u>791,013</u>	<u>528,313</u>
Total miscellaneous	<u>412,700</u>	<u>412,700</u>	<u>-</u>	<u>1,647,926</u>	<u>1,235,226</u>
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts available for appropriation	<u>16,438,562</u>	<u>16,438,562</u>	<u>-</u>	<u>19,519,418</u>	<u>3,675,686</u>
Charges to Appropriations (Outflows):					
General government	2,531,890	2,843,928	312,038	2,999,525	(155,597)
Parks and recreation	1,037,100	1,053,852	16,752	966,292	87,560
Jail	3,614,524	3,567,660	(46,864)	3,503,057	64,603
Sheriff	1,163,487	1,622,098	458,611	1,564,691	57,407
Building maintenance	394,189	396,044	1,855	367,133	28,911
Library	463,407	430,407	(33,000)	366,628	63,779
Tax collector	534,057	571,141	37,084	564,578	6,563
Commissioners' court	433,827	451,014	17,187	434,849	16,165
County clerk	378,853	418,474	39,621	400,573	17,901
Health unit	610,536	572,836	(37,700)	499,868	72,968
County attorney	346,992	416,336	69,344	411,618	4,718
District clerk	417,598	416,987	(611)	393,856	23,131
Justice of the peace #1	290,771	301,771	11,000	285,402	16,369
County welfare	175,753	172,253	(3,500)	145,598	26,655
Auditor	301,096	300,976	(120)	294,835	6,141
County judge	240,888	244,723	3,835	229,673	15,050
Extension service	161,528	162,238	710	143,131	19,107

SCURRY COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
GENERAL FUND (CONTINUED)

For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Original Budget over (under) Final Budget</u>	<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Juvenile star boot camp	274,015	180,515	(93,500)	106,856	73,659
Treasurer	287,159	287,159	-	245,663	41,496
District attorney	240,300	421,850	181,550	419,491	2,359
Juvenile probation	231,196	268,309	37,113	199,040	69,269
Court reporter	166,225	166,525	300	164,716	1,809
District court	293,489	316,409	22,920	288,492	27,917
Supervision	108,844	90,344	(18,500)	80,373	9,971
County and justice court	61,000	61,214	214	56,249	4,965
Child welfare	8,000	8,000	-	7,430	570
Mental health	9,000	9,000	-	-	9,000
District judge	13,450	13,450	-	8,753	4,697
Department of public safety	69,335	69,800	465	69,510	290
Boys and girls club	561,610	554,110	(7,500)	506,084	48,026
Senior center	617,854	617,924	70	607,821	10,103
Justice of the peace #2	286,078	276,318	(9,760)	253,800	22,518
Information technology	114,511	119,366	4,855	112,006	7,360
Transfers Out	-	-	-	-	-
Total charges to appropriations	16,438,562	17,403,031	964,469	16,697,591	705,440
Ending Budgetary Fund Balance	\$ 198,509	\$ (1,559,299)	\$ (1,757,808)	\$ 2,821,827	\$ 4,381,126

RECONCILIATION TO MODIFIED CASH BASIS

Total Fund Balance modified cash basis \$ 2,821,827

SCURRY COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS -
ROAD AND BRIDGE FUND

For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Original Budget over (under) Final Budget</u>	<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Beginning Budgetary Fund Balance	\$ 1,434,518	\$ 817,865	\$ (616,653)	\$ 1,542,720	\$ 724,855
Resources (Inflows):					
Property taxes	2,136,792	2,136,792	-	2,136,792	-
Auto registrations	650,000	650,000	-	337,464	(312,536)
Tags supplement	150,000	150,000	-	207,156	57,156
Gross weight and axle fee	60,000	60,000	-	71,681	11,681
TxDot grant	500,000	500,000	-	1,282,099	782,099
Lateral road	21,000	21,000	-	21,573	573
Interest	45,000	45,000	-	89,684	44,684
Sale of assets	-	-	-	1,599	1,599
Miscellaneous revenue	600	600	-	3,060	2,460
Total available for appropriation	<u>4,997,910</u>	<u>4,381,257</u>	<u>(616,653)</u>	<u>5,693,828</u>	<u>1,312,571</u>
Charges to Appropriations (Outflows):					
Combined precincts	<u>3,563,392</u>	<u>5,451,105</u>	<u>1,887,713</u>	<u>5,169,894</u>	<u>281,211</u>
Total charges to appropriations	<u>3,563,392</u>	<u>5,451,105</u>	<u>1,887,713</u>	<u>5,169,894</u>	<u>281,211</u>
Ending Budgetary Fund Balance	\$ <u>1,434,518</u>	\$ <u>(1,069,848)</u>	\$ <u>(2,504,366)</u>	\$ <u>523,934</u>	\$ <u>1,593,782</u>

RECONCILIATION TO MODIFIED CASH BASIS

Total Fund Balance modified cash basis	\$ <u>523,934</u>
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SCURRY COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended December 31, 2024

Note A - Basis of Accounting

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the basic financial statements. Revenues are recognized as soon as they are both measurable and available and expenditures are recorded when a liability is incurred, as under accrual accounting.

Note B - Actual Budget Results

	<u>General Fund</u> <u>over (under)</u>	<u>Road and</u> <u>Bridge Fund</u> <u>over (under)</u>
BUDGETARY REVENUES		
Differences - final budget to actual:		
The County actual amounts are higher than the final budget due to SB22 grants funds received in the current year.	\$ 631,084	\$ -
The County budgets property tax based on tax rate set and prior levy which is adjusted on a modified cash basis related to timing of collection.	(972,153)	
The County budgets fines and forfeitures based on prior year historical numbers.	528,327	
The County budgets miscellaneous revenues based on prior year historical numbers.	1,235,226	
The County budgets grants revenues based on cash receipts and partial grants were deferred for the current year.	-	782,099
The County budgets auto registrations based on anticipated economic activity.		(312,536)

BUDGETARY EXPENDITURES

Differences - final budget to actual:

Road and bridge expenditures were over budget due to a increase in the TXDOT grant projects.	\$ -	\$ 281,211
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Differences - original budget to final budget:

District attorney budget was amended to account for the expenditures funded by the SB22 Grant. Budget amendment was approved by the commissioners court.	\$ 181,550	\$ -
General government expenditures were budgeted based on anticipated cash expenditures which were higher than anticipated.	312,038	
Sheriff expenditures were budgeted based on anticipated cash expenditures which were higher than anticipated.	458,611	

SCURRY COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - PENSION PLAN

For the Last Ten Fiscal Years *

	Measurement Date 12/31/2023	Measurement Date 12/31/2022	Measurement Date 12/31/2021	Measurement Date 12/31/2020	Measurement Date 12/31/2019	Measurement Date 12/31/2018	Measurement Date 12/31/2017	Measurement Date 12/31/2016	Measurement Date 12/31/2015
Total Pension Liability:									
Service cost	\$ 1,213,008	\$ 1,187,857	\$ 1,207,724	\$ 1,039,367	\$ 955,793	\$ 985,740	\$ 1,067,518	\$ 1,090,885	\$ 1,043,141
Interest on total pension liability	4,888,591	4,755,464	4,609,050	4,469,688	4,306,200	4,131,567	3,934,827	3,743,673	3,590,832
Effect of plan changes									(152,872)
Effect of assumption or plan changes			(450,285)	3,100,060			321,704		573,884
Effect of economic / demographic (gains) or losses	15,200	(320,820)	127,244	(123,948)	(340,335)	(142,267)	(183,689)	(422,617)	(349,140)
Benefit payments / refunds of contributions	(4,021,674)	(3,774,807)	(3,328,105)	(3,052,328)	(2,923,898)	(2,659,516)	(2,601,004)	(2,569,041)	(2,700,241)
Net change in total pension liability	2,095,125	1,847,694	2,165,628	5,432,839	1,997,760	2,315,524	2,539,356	1,842,900	2,005,604
Total pension liability, beginning	65,084,574	63,236,880	61,071,252	55,638,413	53,640,653	51,325,129	48,785,773	46,942,873	44,937,269
Total pension liability, ending (a)	67,179,699	65,084,574	63,236,880	61,071,252	55,638,413	53,640,653	51,325,129	48,785,773	46,942,873
Fiduciary Net Position:									
Employer contributions	990,128	1,012,423	863,520	898,848	775,444	710,247	697,264	718,868	718,452
Member contributions	663,880	628,277	628,340	610,275	575,620	544,550	554,641	575,753	553,768
Investment income net of investment expenses	7,003,424	(3,938,501)	12,829,655	5,708,531	8,034,459	(972,677)	6,702,580	3,269,822	66,895
Benefit payments / refunds of contributions	(4,021,674)	(3,774,807)	(3,328,105)	(3,052,328)	(2,923,898)	(2,659,516)	(2,601,004)	(2,569,041)	(2,700,241)
Administrative expenses	(35,740)	(37,469)	(38,028)	(43,442)	(42,132)	(39,289)	(34,162)	(35,616)	(32,354)
Other	(92,884)	(241,724)	(35,902)	(40,185)	(46,147)	(36,691)	(18,402)	(247,272)	62,748
Net change in fiduciary net position	4,507,134	(6,351,801)	10,919,480	4,081,699	6,373,346	(2,453,376)	5,300,917	1,712,514	(1,330,732)
Fiduciary net position, beginning	63,937,987	70,289,788	59,370,308	55,288,609	48,915,263	51,368,639	46,067,722	44,355,208	45,685,940
Fiduciary net position, ending (b)	68,445,121	63,937,987	70,289,788	59,370,308	55,288,609	48,915,263	51,368,639	46,067,722	44,355,208
Net pension liability (asset), ending ((a) - (b))	\$ (1,265,422)	\$ 1,146,587	\$ (7,052,908)	\$ 1,700,944	\$ 349,804	\$ 4,725,390	\$ (43,510)	\$ 2,718,051	\$ 2,587,665
Fiduciary net position as a % of total pension liability	101.88%	98.24%	111.15%	97.21%	99.37%	91.19%	100.08%	94.43%	94.49%
Pensionable covered payroll	\$ 9,483,995	\$ 8,975,387	\$ 8,976,289	\$ 8,718,221	\$ 8,223,149	\$ 7,779,280	\$ 7,923,440	\$ 8,225,039	\$ 7,910,965
Net pension liability / (asset) as a % of covered payroll	-13.34%	12.77%	-78.57%	19.51%	4.25%	60.74%	-0.55%	33.05%	32.71%

* A full 10-year schedule will be displayed as it becomes available

SCURRY COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS - PENSION PLAN

For the Last Ten Fiscal Years

Period Ending December 31, (Measurement Date)	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	716,733	718,452	(1,719)	7,910,965	9.08%
2016	718,868	718,868	-	8,225,039	8.74%
2017	697,264	697,264	-	7,923,440	8.80%
2018	710,247	710,247	-	7,779,280	9.13%
2019	775,444	775,444	-	8,223,149	9.43%
2020	898,848	898,848	-	8,718,221	10.31%
2021	863,520	863,520	-	8,976,289	9.62%
2022	1,012,457	1,012,457	-	8,975,680	11.28%
2023	990,149	990,149	-	9,484,186	10.44%
2024	1,104,283	1,104,283	-	10,557,202	10.46%

Notes to Schedule of Contributions:

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

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	17.0 years (based on contribution rate calculated in 12/31/23 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service with a 4.7% average over career including inflation
Investment Rate of Return	7.50%, net of administrative 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
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the RP-2014 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected 2019: New inflation, mortality and other assumptions were reflected 2022: New investment return and inflation assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	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 changes in plan provisions were reflected in the Schedule

** Payroll is calculated based on contributions as reported to TCDRS

COMBINING FINANCIAL STATEMENTS

Supplementary Information

SCURRY COUNTY, TEXAS
COMBINING BALANCE SHEET- MODIFIED CASH BASIS -
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2024

	Board of County Development	Abandoned Vehicle	Juvenile Probation	Friends of the Library	Friends of Boys & Girls Club	Library PAC-HUG Grant	Law Library	Justice Court Technology	Records Management	Courthouse Security	J.P. Court Building Security
<u>ASSETS</u>											
Cash and cash equivalents	\$ 12,591	\$ 9,197	\$ 68,449	\$ 39,798	\$ 14,178	\$ 200	\$	\$ 13,617	\$ 604,732	\$ 35,755	\$ 9,226
Restricted cash and cash equivalents									2,220		
Accounts receivable											
Total Assets	<u>\$ 12,591</u>	<u>\$ 9,197</u>	<u>\$ 68,449</u>	<u>\$ 39,798</u>	<u>\$ 14,178</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 13,617</u>	<u>\$ 606,952</u>	<u>\$ 35,755</u>	<u>\$ 9,226</u>
<u>LIABILITIES</u>											
Unearned revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other liabilities			88		1,413		211,296				
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ 1,413</u>	<u>\$ -</u>	<u>\$ 211,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:											
Restricted	\$	\$ 9,197	\$ 68,361	\$	\$	\$ 200	\$ (211,296)	\$ 13,617	\$ 606,952	\$ 35,755	\$ 9,226
Committed	12,591			39,798	12,765						
Assigned											
Total Fund Balance	<u>12,591</u>	<u>9,197</u>	<u>68,361</u>	<u>39,798</u>	<u>12,765</u>	<u>200</u>	<u>(211,296)</u>	<u>13,617</u>	<u>606,952</u>	<u>35,755</u>	<u>9,226</u>
Total Liabilities and Fund Balance	<u>\$ 12,591</u>	<u>\$ 9,197</u>	<u>\$ 68,449</u>	<u>\$ 39,798</u>	<u>\$ 14,178</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 13,617</u>	<u>\$ 606,952</u>	<u>\$ 35,755</u>	<u>\$ 9,226</u>

SCURRY COUNTY, TEXAS
COMBINING BALANCE SHEET- MODIFIED CASH BASIS -
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

December 31, 2024

	T.A.I.P.	C.S.C.D.	C.C.P.	Culture and Recreation	L.E.O.S.E.	Senior Center Memorial	Help America Vote	Lone Star Grant	Law Enforcement Debt Service	County and District Court Tech	Guardianship	Total Nonmajor Governmental Funds
ASSETS												
Cash and cash equivalents	\$ 50,355	\$ 84,632	\$ 8,429		\$ 13,079	\$ 397,786	\$ 24,361	\$ 1,454	\$	\$ 93,881	\$ 5,803	\$ 1,487,523
Restricted cash and cash equivalents									451,216			451,216
Accounts receivable												2,220
Total Assets	\$ 50,355	\$ 84,632	\$ 8,429	-	\$ 13,079	\$ 397,786	\$ 24,361	\$ 1,454	\$ 451,216	\$ 93,881	\$ 5,803	\$ 1,940,959
 Unearned revenue	 \$	 \$	 \$	 \$	 \$	 \$	 16,915	 \$	 \$	 \$	 \$	 16,915
Other liabilities												212,797
Total Liabilities	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ 16,915	\$ -	\$ -	\$ -	\$ -	\$ 229,712
 Fund Balances:												
Restricted	\$ 50,355	\$ 84,632	\$ 8,429		\$ 13,079	\$	\$ 7,446	\$ 1,454	\$ 451,216	\$ 93,881	\$ 5,803	\$ 1,248,307
Committed						397,786						12,591
Assigned												450,349
Total Fund Balance	50,355	84,632	8,429	-	13,079	397,786	7,446	1,454	451,216	93,881	5,803	1,711,247
Total Liabilities and Fund Balance	\$ 50,355	\$ 84,632	\$ 8,429	-	\$ 13,079	\$ 397,786	\$ 24,361	\$ 1,454	\$ 451,216	\$ 93,881	\$ 5,803	\$ 1,940,959

SCURRY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

	Board of County Development	Abandoned Vehicle	Juvenile Probation	Friends of the Library	Friends of Boys & Girls Club	Library PAC-HUG Grant	Law Library	Justice Court Technology	Records Management	Courthouse Security	J.P. Court Building Security
REVENUES:											
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
State and federal grants			164,130								
Fines and fees			405				12,770	9,216	96,906	11,957	
Interest		463	196	2,146	632						
Other				12,684	9,415						
Total Revenues	-	463	164,731	14,830	10,047	-	12,770	9,216	96,906	11,957	-
EXPENDITURES:											
Current:											
General government									141,645	3,346	
Health and welfare					3,716						
Judicial and legal			167,482				51,926	1,151			
Public safety											
Public facilities				21,998							
Debt Service:											
Principal retired											
Interest											
Certificates of obligation administration expense											
Total Expenditures	-	-	167,482	21,998	3,716	-	51,926	1,151	141,645	3,346	-
Excess (Deficit) Revenues Over Expenditures	-	463	(2,751)	(7,168)	6,331	-	(39,156)	8,065	(44,739)	8,611	-
OTHER FINANCING SOURCES AND (USES):											
Transfers in (out)	(12,500)										
Excess (Deficit) Revenues and Other Financing Sources Over Expenditures and Financing Uses	(12,500)	463	(2,751)	(7,168)	6,331	-	(39,156)	8,065	(44,739)	8,611	-
Fund Balance, Beginning of Year	25,091	8,734	71,112	46,966	6,434	200	(172,140)	5,552	651,691	27,144	9,226
Fund Balance, End of Year	\$ 12,591	\$ 9,197	\$ 68,361	\$ 39,798	\$ 12,765	\$ 200	\$ (211,296)	\$ 13,617	\$ 606,952	\$ 35,755	\$ 9,226

SCURRY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

For the Year Ended December 31, 2024

	T.A.I.P.	C.S.C.D.	C.C.P.	L.E.O.S.E.	Senior Center Memorial	Help America Vote	Lone Star Grant	Law Enforcement Debt Service	County and District Court Tech	Guardianship	Total Nonmajor Governmental Funds
REVENUES:											
Taxes	\$	\$	\$	\$	\$	\$	\$	\$ 908,300	\$	\$	\$ 908,300
State and federal grants	368,190	182,652	60,165	5,954							781,091
Fines and fees		142,650			28,063			17,946	42,009	5,803	321,716
Interest		2,269			393,300	2,250					51,715
Other		286	37,364								455,299
Total Revenues	368,190	327,857	97,529	5,954	421,363	2,250	-	926,246	42,009	5,803	2,518,121
EXPENDITURES:											
Current:											
General government						17,417					162,408
Health and welfare					358,093						361,809
Judicial and legal	406,925	273,529	101,806						2,589		1,005,408
Public safety				1,582							1,582
Public facilities											21,998
Debt Service:											
Principal retired								730,000			730,000
Interest								188,300			188,300
Certificates of obligation administration expense								2,850			2,850
Total Expenditures	406,925	273,529	101,806	1,582	358,093	17,417	-	921,150	2,589	-	2,474,355
Excess (Deficit) Revenues Over Expenditures	(38,735)	54,328	(4,277)	4,372	63,270	(15,167)	-	5,096	39,420	5,803	43,766
OTHER FINANCING SOURCES AND (USES):											
Transfers in (out)	10,176	(9,233)	(943)								(12,500)
Excess (Deficit) Revenues and Other Financing Sources Over Expenditures and Financing Uses	(28,559)	45,095	(5,220)	4,372	63,270	(15,167)	-	5,096	39,420	5,803	31,266
Fund Balance, Beginning of Year	78,914	39,537	13,649	8,707	334,516	22,613	1,454	446,120	54,461	-	1,679,981
Fund Balance, End of Year	\$ 50,355	\$ 84,632	\$ 8,429	\$ 13,079	\$ 397,786	\$ 7,446	\$ 1,454	\$ 451,216	\$ 93,881	\$ 5,803	\$ 1,711,247

SCURRY COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION
MODIFIED CASH BASIS - NONMAJOR PROPRIETARY FUNDS

December 31, 2024

	Scurry County Golf Course	Hermleigh Water Works	Total Non-Major Business-type Activities Enterprise Fund
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 338,988	\$ 121,160	\$ 460,148
Accounts receivable, net	<u>1,443</u>	<u></u>	<u>1,443</u>
Total Current Assets	<u>340,431</u>	<u>121,160</u>	<u>461,591</u>
Noncurrent:			
Capital assets:			
Property, plant and equipment	1,096,829	801,839	1,898,668
Less: accumulated depreciation	<u>(501,763)</u>	<u>(795,072)</u>	<u>(1,296,835)</u>
Total Noncurrent Assets	<u>595,066</u>	<u>6,767</u>	<u>601,833</u>
TOTAL ASSETS	<u>935,497</u>	<u>127,927</u>	<u>1,063,424</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	2,995		2,995
Customer deposits		18,932	18,932
Right-of-use lease obligation - current	<u>32,487</u>	<u></u>	<u>32,487</u>
Total Current Liabilities	<u>35,482</u>	<u>18,932</u>	<u>54,414</u>
TOTAL LIABILITIES	<u>35,482</u>	<u>18,932</u>	<u>54,414</u>
NET POSITION:			
Net investment in capital assets	562,579	6,767	569,346
Unrestricted	<u>337,436</u>	<u>102,228</u>	<u>439,664</u>
TOTAL NET POSITION	<u>\$ 900,015</u>	<u>\$ 108,995</u>	<u>\$ 1,009,010</u>

SCURRY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
MODIFIED CASH BASIS - NONMAJOR PROPRIETARY FUNDS

For the Year Ended December 31, 2024

	<u>Scurry County Golf Course</u>	<u>Hermleigh Water Works</u>	<u>Total Non-Major Business-type Activities Enterprise Fund</u>
OPERATING REVENUES:			
Fees	\$ 87,391	\$	\$ 87,391
Cart shed rentals	54,736		54,736
Membership dues	<u>107,694</u>		<u>107,694</u>
Total Operating Revenues	<u>249,821</u>	<u>-</u>	<u>249,821</u>
OPERATING EXPENSES:			
Wages and salaries	96,649		96,649
Payroll taxes	7,126		7,126
Employee benefits	10,756		10,756
Depreciation expense	60,972	4,692	65,664
Utilities	3,397		3,397
Supplies	55,457		55,457
Repairs	37,751	1,495	39,246
Fuel	9,867		9,867
Medical insurance	25,190		25,190
Professional services	168,000		168,000
Other	<u>30,884</u>		<u>30,884</u>
Total Operating Expenses	<u>506,049</u>	<u>6,187</u>	<u>512,236</u>
Operating Loss	(256,228)	(6,187)	(262,415)
NON-OPERATING REVENUES:			
Ad valorem taxes	351,970		351,970
Miscellaneous income	17,079	6,385	23,464
Transfers in	<u>12,500</u>		<u>12,500</u>
Change in Net Position	125,321	198	125,519
Net Position - Beginning	<u>788,303</u>	<u>108,797</u>	<u>897,100</u>
Prior period adjustment	(13,609)	-	(13,609)
Net Position - Beginning (restated)	<u>774,694</u>	<u>108,797</u>	<u>883,491</u>
Net Position - Ending	<u><u>\$ 900,015</u></u>	<u><u>\$ 108,995</u></u>	<u><u>\$ 1,009,010</u></u>

SCURRY COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS - NONMAJOR PROPRIETARY FUNDS

For the Year Ended December 31, 2024

	Scurry County Golf Course	Hermleigh Water Works	Total Non-Major Business-type Activities Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 249,821	\$	\$ 249,821
Cash paid to employees	(114,531)		(114,531)
Cash paid to suppliers	(332,150)	(1,495)	(333,645)
Net Cash Used in Operating Activities	(196,860)	(1,495)	(198,355)
CASH FLOWS NONCAPITAL AND RELATED FINANCING ACTIVITIES:			
Miscellaneous receipts	17,079	6,385	23,464
Ad valorem tax receipts	351,970		351,970
Transfers in	12,500		12,500
Net Cash Provided by Noncapital and Related Financing Activities	381,549	6,385	387,934
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments on notes payable	(30,161)		(30,161)
Purchase of capital assets	(59,209)		(59,209)
Net Cash Used in Capital and Related Financing Activities	(89,370)	-	(89,370)
Net Increase in Cash and Cash Equivalents	95,319	4,890	100,209
Cash and Cash Equivalents at Beginning of Year	243,669	116,270	359,939
Cash and Cash Equivalents at End of Year	\$ 338,988	\$ 121,160	\$ 460,148
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:			
Operating Loss	\$ (256,228)	\$ (6,187)	\$ (262,415)
Decrease in accounts payable	(1,604)		(1,604)
Depreciation expense	60,972	4,692	65,664
Net Cash Used in Operating Activities	\$ (196,860)	\$ (1,495)	\$ (198,355)

SCURRY COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS - FIDUCIARY FUNDS

December 31, 2024

	CJC, LEETA, CVCA Fund	Property Tax Fund	Highway Tax Fund	District Clerk Fund	County Clerk Fund	Justice of the Peace Fund	Sheriff Inmate Fund	County Attorney	District Attorney	Community Supervision & Corrections	Sheriff Commissary Fund	Minors Escrow Fund	Total Custodial Funds
ASSETS:													
Cash and cash equivalents	\$ 2,977,082	\$ 2,277,277	\$ 88,544	\$ 1,816,691	\$ 126,023	\$ 334	\$ 18,217	\$ 9,445	\$ 296,453	\$ 29,977	\$ 68,964	\$ 51,675	\$ 7,760,682
Total Assets	<u>2,977,082</u>	<u>2,277,277</u>	<u>88,544</u>	<u>1,816,691</u>	<u>126,023</u>	<u>334</u>	<u>18,217</u>	<u>9,445</u>	<u>296,453</u>	<u>29,977</u>	<u>68,964</u>	<u>51,675</u>	<u>7,760,682</u>
NET POSITION:													
Restricted for agencies	<u>\$ 2,977,082</u>	<u>\$ 2,277,277</u>	<u>\$ 88,544</u>	<u>\$ 1,816,691</u>	<u>\$ 126,023</u>	<u>\$ 334</u>	<u>\$ 18,217</u>	<u>\$ 9,445</u>	<u>\$ 296,453</u>	<u>\$ 29,977</u>	<u>\$ 68,964</u>	<u>\$ 51,675</u>	<u>\$ 7,760,682</u>

SCURRY COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
MODIFIED CASH BASIS - FIDUCIARY FUNDS

December 31, 2024

	CJC, LEETA, CVCA Fund	Property Tax Fund	Highway Tax Fund	District Clerk Fund	County Clerk Fund	Justice of the Peace Fund	Sheriff Inmate Fund	County Attorney	District Attorney	Community Supervision & Corrections	Sheriff Commissary Fund	Minors Escrow Fund	Total Custodial Funds
ADDITIONS:													
Private contributions	\$ 2,833,763	\$ 68,449,559	\$ 6,142,167	\$ 562,232	\$ 343,931	\$ 26,363	\$ 301,991	\$ 7,031	\$ 405,183	\$ 390,500	\$ 55,380	\$	\$ 79,518,100
Total Additions	2,833,763	68,449,559	6,142,167	562,232	343,931	26,363	301,991	7,031	405,183	390,500	55,380	-	79,518,100
DEDUCTIONS													
Recipient payments	2,675,976	67,452,557	6,145,589	227,648	327,418	26,647	291,796	7,227	246,067	384,144	46,143		77,831,212
Total Deductions	2,675,976	67,452,557	6,145,589	227,648	327,418	26,647	291,796	7,227	246,067	384,144	46,143	-	77,831,212
Net increase (decrease) in net position	157,787	997,002	(3,422)	334,584	16,513	(284)	10,195	(196)	159,116	6,356	9,237	-	1,686,888
Net position - beginning	2,819,295	\$ 1,280,275	\$ 91,966	\$ 1,482,108	\$ 109,511	\$ 618	\$ 8,021	\$ 9,641	\$ 137,337	\$ 23,620	\$ 59,727	\$ 51,675	6,073,794
Net position - ending	\$ 2,977,082	\$ 2,277,277	\$ 88,544	\$ 1,816,692	\$ 126,024	\$ 334	\$ 18,216	\$ 9,445	\$ 296,453	\$ 29,976	\$ 68,964	\$ 51,675	\$ 7,760,682

INTERNAL CONTROL SECTION

August 15, 2025

**The Honorable County Judge and Commissioners
Comprising the Commissioners' Court of
Scurry County, Texas**

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scurry County, Texas as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Scurry County, Texas' basic financial statements, and have issued our report thereon dated August 15, 2025.

Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scurry County, Texas' financial statements are free of 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 Scurry County, Texas' 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.

A handwritten signature in dark ink that reads "Condley and Company, L.L.P." in a cursive, flowing script.

Certified Public Accountants

August 15, 2025

**The Honorable County Judge and Commissioners
Comprising the Commissioners' Court of
Scurry County, Texas**

Independent Auditor's Report

Report on Compliance for each Major State Program and on Internal Control Over Compliance in Accordance with the Texas Grant Management Standards

Opinion on Each Major State Program

We have audited Scurry County, Texas' (the "County") compliance with the types of compliance requirements described in the Texas Comptroller of Public Accounts *Texas Grant Management Standards* (TxGMS) that could have a direct and material effect on each of the County's major state programs for the year ended December 31, 2024. The County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the TxGMS. Our responsibilities under those standards and the TxGMS 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.

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 state 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 assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS,

Government Auditing Standards, and the TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance with requirements of each major federal program as a whole.

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

- Exercise reasonable judgment and maintain professional skepticism throughout the audit.
- Identify 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 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 TxGMS 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.

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 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 may exist that we have 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 TxGMS. Accordingly, this report is not suitable for any other purpose.

Condly and Company, L.L.P.

Certified Public Accountants

SCURRY COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued?

Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?

_____ Yes X No

One of more significant deficiencies identified
that are not considered to be material
weaknesses?

_____ Yes X None Reported

Noncompliance material to financial statements
noted?

_____ Yes X No

2. State Awards

Internal control over major programs:

One or more material weaknesses identified?

_____ Yes X No

One or more significant deficiencies identified
that are not considered to be material
weaknesses?

_____ Yes X None Reported

Type of auditor's report issued on compliance for major
programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with section 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

Assistance Listing Number(s)

n/a – State

Name of State Program or Cluster

Texas Department of Transportation
County Transportation Infrastructure Fund
Grant Program

Dollar threshold used to distinguish between type A and
type B programs:

\$750,000 for state programs

Auditee qualified as low-risk auditee?

_____ Yes X No

B. Financial Statement Findings

The results of our audit procedures disclosed no findings to be reported for the year ended December 31, 2024.

C. Federal Award Findings and Questioned Costs

The results of our procedures disclosed no findings to be reported for the year ended December 31, 2024.

SCURRY COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2024

None

SCHEDULE OF EXPENDITURES OF STATE AWARDS

SCURRY COUNTY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

State Grantor/Pass-Through Grantor/ Grant Number / Program Title	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>EXPENDITURES OF STATE AWARDS</u>			
<u>TEXAS DEPARTMENT OF TRANSPORTATION</u>			
County Transportation Infrastructure Fund Grant Program	CTIF-02-208		\$ 1,689,927
Airport RAMP Grant	M2308SNYD		59,515
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		\$ -	1,749,443
<u>TEXAS PARK AND WILDLIFE DEPARTMENT</u>			
Recreational Trails Program RTS-22011	CA-0004983		206,694
TOTAL TEXAS PARK AND WILDLIFE DEPARTMENT		-	206,694
<u>TEXAS DEPARTMENT OF JUDICIARY</u>			
County Emergency Reimbursement			29,392
TOTAL TEXAS DEPARTMENT OF JUDICIARY		-	29,392
<u>TEXAS INDIGENT DEFENSE COMMISSION</u>			
Court costs			22,192
TOTAL TEXAS INDIGENT DEFENSE COMMISSION		-	22,192
<u>EMERGENCY MANAGEMENT SYSTEMS</u>			
County Emergency Reimbursement			40,465
TOTAL EMERGENCY MANAGEMENT SYSTEMS		-	40,465
<u>TEXAS DEPARTMENT OF CRIMINAL JUSTICE</u>			
<i><u>Passed Through Community Justice Assistance Division</u></i>			
Texas Treatment Alternatives to Incarceration Program			406,926
Texas Juvenile Justice Department			166,236
Community Supervision and Corrections Department			193,949
TOTAL TEXAS DEPARTMENT OF CRIMINAL JUSTICE		-	767,111
<u>TEXAS COMPTROLLER OF PUBLIC ACCOUNTS</u>			
Rural Law Enforcement Salary Assistance Program			592,157
TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		-	592,157
TOTAL EXPENDITURES OF STATE AWARDS		\$ -	\$ 3,407,453

SCURRY COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended December 31, 2024

Note 1: Basis of Presentation

The accompanying schedule of expenditures of state awards includes the state grant activity of the County under programs of the state government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of the *Texas Grant Management Standards*. All state awards received directly from state agencies as well as awards passed through other government agencies are included in the schedule. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the consolidated financial position, consolidated changes in net assets or consolidated cash flows of the County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified cash basis of accounting. Such expenditures of state awards are recognized following the cost principles contained in the *Texas Grant Management Standards* (TxGMS), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

Since the County has an approved allocation plan, it has elected not to use the 10% de minimis cost rate as permitted in the TxGMS.

Note 4: State Award Guidelines

State awards are subject to the TxGMS. Such guidelines are consistent with those required under the Single Audit Act of 1996, the Uniform Guidance and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Note 5: Subrecipients

The County does not pass any of their state funding to subrecipients.