

**CROSBY COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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

**CERTIFIED PUBLIC ACCOUNTANTS**

**LUBBOCK, TEXAS**

**CROSBY COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**CROSBY COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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

CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditor's Report**

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

**Report on the Audit of the Financial Statements**

***Opinions***

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

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

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* and will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based the financial statements.

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

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

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

### ***Required Supplementary Information***

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Report on Supplementary Information**

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

February 3, 2025

## **BASIC FINANCIAL STATEMENTS**



CROSBY COUNTY, TEXAS

Exhibit A-1

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

	Primary Government Governmental Activities
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 5,526,155
Accounts Receivable	165,645
Prepaid Expenses	500
Taxes Receivable	253,535
Allowance for Uncollectible Taxes (Credit)	(146,166)
Fee Office Receivables	662,497
Allowance for Uncollectible Fee Office Receivables (Credit)	(607,458)
Noncurrent Assets:	
Net Pension Asset	713,097
Capital Assets (Net of Accumulated Depreciation):	
Land	55,346
Machinery and Equipment	1,073,563
Buildings and Improvements	209,760
Total Assets	<u>\$ 7,906,474</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Pension	\$ 218,032
OPEB	22,170
Total Deferred Outflows of Resources	<u>\$ 240,202</u>
<b>LIABILITIES:</b>	
Accounts Payable	\$ 146,640
Accrued Wages	90,939
Noncurrent Liabilities:	
Accrued Compensated Absences	102,851
Total OPEB Liability	159,008
Total Liabilities	<u>\$ 499,438</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Unavailable Revenue - Grants	\$ 491,710
Pension	75,661
OPEB	26,508
Total Deferred Inflows of Resources	<u>\$ 593,879</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	\$ 1,338,669
Restricted For:	
Road and Bridge	610,327
Enabling Legislation	404,025
Net Pension Asset	713,097
Unrestricted	3,987,241
Total Net Position	<u>\$ 7,053,359</u>

The accompanying notes are an integral part of this statement.

CROSBY COUNTY, TEXAS

Exhibit A-2

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

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Fines, Fees & Charges for Services	Operating Grants and Contributions		Primary Gov. Governmental Activities
PRIMARY GOVERNMENT:					
Governmental Activities					
General Administration	\$ 249,860	\$ 480	\$ 4,242	\$	\$ (245,138)
Financial Administration	423,220	66,619	28,628		(327,973)
Judicial	282,541	161,989	25,200		(95,352)
Legal	162,595	6,393	116,298		(39,904)
Public Safety	1,495,188	12,663	480,115	45,742	(956,668)
Corrections	35,816		33,772		(2,044)
Public Facilities	267,347				(267,347)
Health	4,000				(4,000)
Welfare	29,147				(29,147)
Conservation	110,606				(110,606)
Elections	38,179				(38,179)
Culture and Recreation	93,856				(93,856)
Road and Bridge	1,003,966	283,588	21,532		(698,846)
Depreciation	397,386				(397,386)
Total Governmental Activities	\$ <u>4,593,707</u>	\$ <u>531,732</u>	\$ <u>709,787</u>	\$ <u>45,742</u>	\$ <u>(3,306,446)</u>
General Revenues:					
Property Taxes, Levied for General Purposes				\$	2,764,208
Other Taxes					187,435
Payments in Lieu of Taxes					216,620
Investment Earnings					313,170
Gain/(Loss) on the Sale of Assets					16,790
Miscellaneous					156,913
Total General Revenues				\$	<u>3,655,136</u>
Change in Net Position				\$	348,690
Net Position - Beginning					<u>6,704,669</u>
Net Position - Ending				\$	<u>7,053,359</u>

The accompanying notes are an integral part of this statement.

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CROSBY COUNTY, TEXAS

Exhibit A-3

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

	Major Funds							Nonmajor	Total
	General	No. 1	No. 2	No. 3	No. 4	No. 5	Juvenile	Governmental	Governmental
	Fund	Road & Bridge	Road & Bridge	Road & Bridge	Road & Bridge	Road & Bridge	Probation	Funds	Funds
		Fund	Fund	Fund	Fund	Fund	Fund		
<b>ASSETS:</b>									
Cash and Cash Equivalents	\$ 4,434,126	\$ 213,399	\$ 48,759	\$ 149,640	\$ 142,286	\$ 88,492	\$ 46,995	\$ 402,458	\$ 5,526,155
Accounts Receivable	151,777	1,861	1,861	1,861	1,861	1,266	1,583	3,575	165,645
Prepaid Expenses	500								500
Taxes Receivable	215,274					38,261			253,535
Allowance for Uncollectible Taxes (Credit)	(129,774)					(16,392)			(146,166)
<b>Total Assets</b>	<b>\$ 4,671,903</b>	<b>\$ 215,260</b>	<b>\$ 50,620</b>	<b>\$ 151,501</b>	<b>\$ 144,147</b>	<b>\$ 111,627</b>	<b>\$ 48,578</b>	<b>\$ 406,033</b>	<b>\$ 5,799,669</b>
<b>LIABILITIES:</b>									
Accounts Payable	\$ 73,907	\$ 1,520	\$ 2,754	\$ 6,039	\$ 11,834	\$	\$ 48,578	\$ 2,008	\$ 146,640
Accrued Wages	72,127	1,741	3,104	3,420	3,269	7,278			90,939
<b>Total Liabilities</b>	<b>\$ 146,034</b>	<b>\$ 3,261</b>	<b>\$ 5,858</b>	<b>\$ 9,459</b>	<b>\$ 15,103</b>	<b>\$ 7,278</b>	<b>\$ 48,578</b>	<b>\$ 2,008</b>	<b>\$ 237,579</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>									
Unavailable Revenue - Property Taxes	\$ 85,500	\$	\$	\$	\$	21,869	\$	\$	107,369
Unavailable Revenue - Grants	491,710								491,710
<b>Total Deferred Inflows of Resources</b>	<b>\$ 577,210</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 21,869</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 599,079</b>
<b>FUND BALANCES:</b>									
Nonspendable									
Prepaid Expenses	\$ 500	\$	\$	\$	\$	\$	\$	\$	500
Restricted									
Road and Bridge		211,999	44,762	142,042	129,044	82,480			610,327
Enabling Legislation								404,025	404,025
Unassigned:									
Reported in the General Fund	3,948,159								3,948,159
<b>Total Fund Balances</b>	<b>\$ 3,948,659</b>	<b>\$ 211,999</b>	<b>\$ 44,762</b>	<b>\$ 142,042</b>	<b>\$ 129,044</b>	<b>\$ 82,480</b>	<b>\$ 0</b>	<b>\$ 404,025</b>	<b>\$ 4,963,011</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,671,903</b>	<b>\$ 215,260</b>	<b>\$ 50,620</b>	<b>\$ 151,501</b>	<b>\$ 144,147</b>	<b>\$ 111,627</b>	<b>\$ 48,578</b>	<b>\$ 406,033</b>	<b>\$ 5,799,669</b>

The accompanying notes are an integral part of this statement.

CROSBY COUNTY, TEXAS

Exhibit A-4

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

Total Fund Balances - Governmental Funds Balance Sheet	\$ 4,963,011
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	1,338,669
Payables for compensated absences which are not due in the current period are not reported in the funds.	(102,851)
Net pension asset, deferred outflows and deferred inflows not recognized in the governmental funds.	855,468
Total OPEB Liability, deferred outflows and deferred inflows not recognized in the governmental funds.	(163,346)
Revenues unavailable to pay for current period expenditures are deferred in the funds.	107,369
To record the Justice of the Peace and County/Dist. Clerk Fines.	<u>55,039</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>7,053,359</u></u>

The accompanying notes are an integral part of this statement.

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CROSBY COUNTY, TEXAS

Exhibit A-5

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

	Major Funds							Nonmajor	Total
	General	No. 1	No. 2	No. 3	No. 4	No. 5	Juvenile	Governmental	Governmental
	Fund	Road & Bridge	Road & Bridge	Road & Bridge	Road & Bridge	Road & Bridge	Probation	Funds	Funds
		Fund	Fund	Fund	Fund	Fund	Fund		
Revenue:									
Taxes:									
Property Taxes	\$ 2,060,572	\$ 111,285	\$ 111,285	\$ 111,285	\$ 111,285	\$ 228,952	\$	\$	\$ 2,734,664
Other Taxes	187,435								187,435
Payments in Lieu of Taxes	216,620								216,620
Intergovernmental Revenue and Grants	697,931						31,803	25,795	755,529
Charges for Services								1,409	1,409
Fines and Fees	167,479	70,897	70,897	70,897	70,897			30,384	481,451
Investment Earnings	249,560	15,112	5,734	9,727	11,537	7,040		14,460	313,170
Other Revenue	78,423	17,057	15,626	15,626	15,765			14,416	156,913
Total Revenues	<u>\$ 3,658,020</u>	<u>\$ 214,351</u>	<u>\$ 203,542</u>	<u>\$ 207,535</u>	<u>\$ 209,484</u>	<u>\$ 235,992</u>	<u>\$ 31,803</u>	<u>\$ 86,464</u>	<u>\$ 4,847,191</u>
Expenditures:									
Current:									
General Administration	\$ 259,029	\$	\$	\$	\$	\$	\$	48,607	\$ 307,636
Financial Administration	447,995								447,995
Judicial	302,062							2,745	304,807
Legal	179,188								179,188
Public Safety	1,639,095							17,004	1,656,099
Corrections	5,365						29,879	1,710	36,954
Public Facilities	300,263								300,263
Health	4,000								4,000
Welfare	29,147								29,147
Conservation	114,241								114,241
Elections	38,179								38,179
Culture and Recreation	96,901							2,956	99,857
Road and Bridge		336,550	213,542	169,961	245,590	239,795		21,532	1,226,970
Total Expenditures	<u>\$ 3,415,465</u>	<u>\$ 336,550</u>	<u>\$ 213,542</u>	<u>\$ 169,961</u>	<u>\$ 245,590</u>	<u>\$ 239,795</u>	<u>\$ 29,879</u>	<u>\$ 94,554</u>	<u>\$ 4,745,336</u>
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	<u>\$ 242,555</u>	<u>\$ (122,199)</u>	<u>\$ (10,000)</u>	<u>\$ 37,574</u>	<u>\$ (36,106)</u>	<u>\$ (3,803)</u>	<u>\$ 1,924</u>	<u>\$ (8,090)</u>	<u>\$ 101,855</u>
Other Financing Sources and (Uses):									
Transfers In / (Out)	\$ 434	\$ (8,100)	\$ (8,100)	\$ (8,100)	\$ (8,100)	\$ 32,400	\$	\$ (434)	\$
Proceeds from the Sale of Capital Assets	13,317		2,700		2,000				18,017
Total Other Financing Sources (Uses)	<u>\$ 13,751</u>	<u>\$ (8,100)</u>	<u>\$ (5,400)</u>	<u>\$ (8,100)</u>	<u>\$ (6,100)</u>	<u>\$ 32,400</u>	<u>\$ 0</u>	<u>\$ (434)</u>	<u>\$ 18,017</u>
Net Change in Fund Balances	\$ 256,306	\$ (130,299)	\$ (15,400)	\$ 29,474	\$ (42,206)	\$ 28,597	\$ 1,924	\$ (8,524)	\$ 119,872
Fund Balances - Beginning	<u>3,692,353</u>	<u>342,298</u>	<u>60,162</u>	<u>112,568</u>	<u>171,250</u>	<u>53,883</u>	<u>(1,924)</u>	<u>412,549</u>	<u>4,843,139</u>
Fund Balances - Ending	<u>\$ 3,948,659</u>	<u>\$ 211,999</u>	<u>\$ 44,762</u>	<u>\$ 142,042</u>	<u>\$ 129,044</u>	<u>\$ 82,480</u>	<u>\$ 0</u>	<u>\$ 404,025</u>	<u>\$ 4,963,011</u>

The accompanying notes are an integral part of this statement.

CROSBY COUNTY, TEXAS

Exhibit A-6

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

Net Change in Fund Balances - Total Governmental Funds	\$ 119,872
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Current year capital outlay payments are expenditures in the Fund Financial Statements, but they should be shown as increases in capital assets in the Government-Wide Financial Statements. The net effect of removing capital outlay is to increase net position.	306,493
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(397,386)
Loss on disposition of capital assets is not recognized in the funds.	(1,227)
Compensated absences are reported as the amount earned in the SOA and as the amount paid in the funds.	(41,890)
Net change in OPEB expense to convert amounts paid in for the governmental funds to accrued pension expense for governmental activities.	(7,253)
Net change in pension expense to convert amounts paid in for the governmental funds to accrued pension expense for governmental activities.	291,665
Property tax revenues are deferred in the funds. The change in the beginning and ending balances is recorded in the SOA.	29,544
To record the change in the Justice of the Peace and County/Dist. Clerk fines receivable.	<u>48,872</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$ <u><u>348,690</u></u>

The accompanying notes are an integral part of this statement.

CROSBY COUNTY, TEXAS

Exhibit A-7

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2024

	<u>Custodial Funds</u>
ASSETS:	
Current Assets	
Cash and Cash Equivalents	\$ <u>112,035</u>
Total Current Assets	\$ <u><u>112,035</u></u>
NET POSITION:	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ <u>112,035</u>
Total Net Position	\$ <u><u>112,035</u></u>

The accompanying notes are an integral part of this statement.

CROSBY COUNTY, TEXAS

Exhibit A-8

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		<u>Custodial Funds</u>
ADDITIONS:		
Receipts from Tax Assessor Fee Office	\$	590,835
Receipts from Sheriff Bonds		4,800
Receipts from Sheriff Fee Office		4,071
Receipts from District Clerk Fee Office		23,193
Receipts from District Attorney Office		290
Receipts from County Clerk Fee Office		65,669
Total Receipts	\$	<u>688,858</u>
DEDUCTIONS:		
Tax Assessor Payments	\$	599,742
Sheriff Bond Payments		1,815
Sheriff Fee Payments		4,031
District Clerk Fee Payments		39,405
District Attorney Fee Payments		356
County Clerk Fee Payments		61,047
Total Deductions	\$	<u>706,396</u>
Change in Net Position	\$	(17,538)
Net Position- Beginning		<u>129,573</u>
Net Position- Ending	\$	<u><u>112,035</u></u>

The accompanying notes are an integral part of this statement.



## **NOTES TO FINANCIAL STATEMENTS**

**CROSBY COUNTY, TEXAS**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The authority of county governments and their specific functions and responsibilities are created by and are dependent upon laws and legal regulations of the Texas State Constitution and V.A.C.S. Crosby County, Texas (the County) operates under a county judge/commissioners' court type of government as provided by state statute.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2024.

The County is a body, corporate and political, which performs all local government functions within its jurisdiction. The County is governed by an elected County Judge and four County Commissioners elected from individual precincts. The Judge and four Commissioners form the governing body, the Commissioners' Court. Various branches of the County government are led by duly elected officials who serve in their positions. These other elected officials are responsible only to the voters for their performance and for the operations of their individual offices but must seek budget approval from the Commissioners' Court. There are no component units (other governmental entities) over which the County exercises significant controls or has oversight responsibility.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities are Government-Wide Financial Statements. They report information on all of the County's non-fiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, payments in lieu of taxes, licenses and permits, charges for services, investment earnings, fines and fees, grants, and other intergovernmental revenues.

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

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

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

The fund financial statements provide reports on the financial condition and results of operations for two fund categories – governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for the County operations, they are not included in the Government-Wide Financial Statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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

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

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

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

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

**CROSBY COUNTY, TEXAS**

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

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

Custodial Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

**D. FUND ACCOUNTING**

The County applies GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for the fiscal year ended September 30, 2024. This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which the amounts in the funds may be spent. Application of the Statement requires the County to classify and report amounts in the appropriate fund balance classifications. The County's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned. From interpretation of the adopted policy, the County will spend its fund in the following order: Committed, Assigned, and Unassigned, if more than one classification of fund balance is available.

The County reports the following classifications:

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

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

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

**CROSBY COUNTY, TEXAS**

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

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

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

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

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

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

The County maintains the following funds:

Major Governmental Funds:

**General Fund** – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

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**CROSBY COUNTY, TEXAS**

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

Road and Bridge Funds – The Road and Bridge Funds are special revenue funds that are used to account for the operation, repair and maintenance of roads and bridges within the County.

Juvenile Probation Fund– The Juvenile Probation Fund is a special revenue fund that is used to account for all financial resources of the County’s Juvenile Probation grant funding.

Non-Major Governmental Funds:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes, or designated to finance particular functions or activities of the County.

Custodial Funds:

Custodial Funds, which include funds held by County offices, also are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other government, and/or other funds. These include Custodial Funds. Formal budgetary accounting is not required for Custodial Funds.

**E. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Balance Sheet/Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance/net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**F. OTHER ACCOUNTING POLICIES**

1. The County considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.
2. Capital assets include buildings and improvements and machinery and equipment and are reported in the applicable governmental activities columns in the Government-Wide Financial Statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**CROSBY COUNTY, TEXAS**

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-40
Machinery and Equipment	5-10

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

## **II. PROPERTY TAX**

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

The tax rates assessed for the year ended September 30, 2024 to finance maintenance and operations of the County was \$0.640 per \$100 of assessed valuation.

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

## **III. DETAILED NOTES ON ALL FUNDS**

### **A. DEPOSITS AND INVESTMENTS**

#### Legal and Contractual Provisions Governing Deposits and Investments

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

At September 30, 2024, the carrying amount of the County's deposits was \$5,526,155, and the bank balance was \$5,681,083.

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

The Public Funds Investment Act (Government Code Chapter 2256) (the Act) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

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

The carrying value of investments (certificates of deposit and TexPool), included in the County's deposits above, at September 30, 2024 was \$5,044,256.

At September 30, 2024, the County's bank accounts and certificates of deposit held by the depository bank were not entirely covered by FDIC insurance or pledged collateral. The combined balance on deposit was \$836,700. The market value as of September 30, 2024 was \$245,284 and FDIC coverage was \$250,000.

**B. FAIR VALUE MEASUREMENT AND APPLICATION**

The County categorizes fair value measurements of investment assets and liabilities within the fair value hierarchy established by generally accepted accounting principles as mandated by GASB Statement No. 72. These investments are valued through industry standard practices for the respective type of security at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The hierarchy classifications are based on the transparency of inputs to the valuation techniques used and should not be perceived as the particular investment's risk. These classifications are summarized into three broad levels, arranged from highest to lowest:

Level 1 – Unadjusted inputs using quoted prices in active markets or exchanges for identical investments.

Level 2 – Other significant observable inputs including quoted prices of securities that are comparable in coupon, rating, maturity and industry. Inputs other than quoted prices that are observable take into account operational, market, financial and non-financial factors (interest rates, yield curves, credit risk, and default rates) or other market corroborated inputs that are observable at commonly quoted intervals for the full term of the investment.



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CROSBY COUNTY, TEXAS

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

Level 3 – Significant inputs that are not observable and cannot be corroborated by observable market data (assumptions, cash flows or earnings multiples). In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The assessment of the significance of particular inputs to their fair value measurements requires judgment and considers factors specific to each asset.

The County's certificates of deposit of \$199,873 are measured at cost and are considered Level 1 investments.

The County's TexPool funds of \$4,844,383 are measured at market value and are considered Level 1 investments.

**C. DISAGGREGATION OF RECEIVABLES**

In the Government-Wide Statement of Net Position, the County reported the following receivables:

	Balance	Allowance	Net
Taxes and Accounts Receivables	\$ 253,535	\$ 146,166	\$ 107,369
Office Receivables	662,497	607,458	55,039
Other	165,645		165,645
	<u>\$ 1,081,677</u>	<u>\$ 753,624</u>	<u>\$ 328,053</u>

**D. CAPITAL ASSET ACTIVITY**

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

	Balance October 1, 2023	Additions	Retirements	Balance September 30, 2024
Nondepreciable Assets				
Land	\$ 55,346	\$	\$	\$ 55,346
Depreciable Assets				
Buildings and Improvements	\$ 1,717,357	\$ 30,669	\$	\$ 1,748,026
Machinery and Equipment	4,394,433	275,824	9,199	4,661,058
Total Depreciable Assets	\$ 6,111,790	\$ 306,493	\$ 9,199	\$ 6,409,084
Less Accumulated Depreciation				
Buildings and Improvement	\$ 1,504,449	\$ 33,817	\$	\$ 1,538,266
Machinery and Equipment	3,231,898	363,569	7,972	3,587,495
Total Accumulated Depreciation	\$ 4,736,347	\$ 397,386	\$ 7,972	\$ 5,125,761
Governmental Activities Capital Assets, Net	<u>\$ 1,430,789</u>	<u>\$ (90,893)</u>	<u>\$ 1,227</u>	<u>\$ 1,338,669</u>

The County does not allocate depreciation expense amongst the various departments.

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**CROSBY COUNTY, TEXAS**

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

**E. RISK MANAGEMENT**

Workers' Compensation

During the year ended September 30, 2024, employees of the County were covered by a workers' compensation plan administered by TAC. The County paid a contribution of \$21,884 for the year ended September 30, 2024. These figures are subject to change based upon actual payroll figures.

Health Care

During the year ended September 30, 2024, employees of the County were covered by a health insurance plan (the Plan). The County paid 100% of each employee's monthly premium. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to TAC. The cost to the County for the year ended September 30, 2024 was \$692,298.

**F. INTERFUND ACTIVITY**

The nature and amount of interfund transactions are as follows:

Fund	Transfer In	Transfer Out	Reason for Transfer
General	\$ 434	\$	Operating Transfers
Road and Bridge Funds	32,400	32,400	Operating Transfers
Non-Major Funds		434	Operating Transfers
	<u>\$ 32,834</u>	<u>\$ 32,834</u>	

**G. RETIREMENT PENSION PLAN**

Plan Description:

The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the Texas County & District System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of approximately 870 non-traditional defined benefit pension plans. TCDRS in the aggregate issues an Annual Comprehensive Financial Report (ACFR) on a calendar basis. The ACFR is available upon written request from the Board of Trustees at Barton Oaks Plaza IV, Suite 500, 901 Mopac S., Austin, Texas 78746.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS. Members can retire at ages 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after eight years of service.

**CROSBY COUNTY, TEXAS**

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

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

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

Pension Plan Fiduciary Net Position:

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

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

Net Pension Liability (Asset)	Total
Total Pension Liability	\$ 8,768,888
Less: Plan Fiduciary Net Position	(9,481,985)
Net Pension Liability (Asset)	\$ (713,097)
Net Position as Percentage of Total Pension Liability	108.13%

Benefits Provided:

TCDRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries). The normal service retirement is at age 60 with eight years of credited service, when the sum of the member's age and years of credited service equals 80 or more years, or after 30 years of service regardless of age. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the plan description above.

**CROSBY COUNTY, TEXAS**

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

Contributions:

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

The actuarial assumptions at December 31, 2023 included (a) a 7.50% investment rate of return (net of administrative expenses), and (b) a projected salary increase of 4.60%. Both (a) and (b) included an inflation component of 2.50%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period.

The employer contribution rate was 11.05% for 2023 and 11.05% for 2024. The deposit rate payable by employee members is the rate of 7.00% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the Texas state statutes governing TCDRS.

	Contribution Rates	
	2024	2023
Member	7.00%	7.00%
Employer	11.05%	11.05%
2024 Employer Contributions	\$	206,870
2024 Member Contributions	\$	131,049

Actuarial Assumptions:

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

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Asset Valuation Period	5-year smoothed market
Remaining Amortization Period	0.0 years
Discount Rate	7.60%
Long-Term Expected Investment	
Rate of Return*	7.50%
Salary Increases*	4.70%
Payroll Growth Rate	2.50%

*\*Includes Inflation of 2.50%*

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**CROSBY COUNTY, TEXAS**

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

The actuarial methods and assumptions are primarily based on a study of the County's workforce and estimate of benefits it will pay its employees. The economic and demographic assumptions have been established based on the 2021 experience study for TCDRS, details of which can be found in the 2021 Investigation and Experience Report on the TCDRS website.

**Discount Rate:**

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

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

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

\* - Geometric real rates of return in addition to assumed inflation of 2.2%,  
per Cliffwater's 2024 capital market assumptions

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CROSBY COUNTY, TEXAS

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

Discount Rate Sensitivity Analysis:

The following schedule shows the impact of the net pension liability if the discount rate used was one percent less than and one percent greater than the discount rate that was used (7.60%) in measuring the 2023 net pension liability (asset).

	1% Decrease in Discount Rate (6.6%)	Discount Rate (7.6%)	1% Increase in Discount Rate (8.6%)
Total Pension Liability	\$ 9,663,869	\$ 8,768,888	\$ 7,992,361
Fiduciary Net Position	(9,481,985)	(9,481,985)	(9,481,985)
Net Pension Liability / (Asset)	\$ 181,884	\$ (713,097)	\$ (1,489,624)

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

At December 31, 2023, the County reported an asset of \$713,097 for its proportionate share of the TCDRS net pension liability.

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

For the plan year ended December 31, 2023, there were changes in assumptions and plan provisions. The plan reflected new annuity purchase rates which was a change to plan provisions and adopted new mortality tables which were changes in assumptions.

There were new investment return and inflation assumptions that affected measurement of the total pension liability during the measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 48,134	\$ 75,661
Net Difference Between Projected and Actual Earnings	17,431	
Contributions Paid to TCDRS Subsequent to the Measurement Date	152,467	
Total	\$ 218,032	\$ 75,661

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CROSBY COUNTY, TEXAS

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

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

	Pension Expense Amount
2024	\$ 77,010
2025	(39,761)
2026	166,684
2027	(61,562)
2028	0
Thereafter	0

Pension Expense:

Pension expense for the plan for the year ended December 31, 2023 was (\$84,797) and was calculated as follows:

	Pension Expense
Service Cost	\$ 155,371
Interest on Total Pension Liability	647,894
Administrative Expenses	4,951
Member Contributions	(116,956)
Expected Investment Return Net of Investment Expenses	(659,128)
Amortization of Deferred Inflows and Outflows of Resources	(128,088)
Other	11,159
Total Net Amounts as of December 31, 2023	\$ <u>(84,797)</u>

Employees Covered by Benefit Terms:

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	39
Inactive Employees Entitled to but not Yet Receiving Benefits	24
Active Employees	<u>51</u>
Total Plan Employees	<u><u>114</u></u>

**CROSBY COUNTY, TEXAS**

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

**H. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

Plan Description:

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

Benefits Provided:

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

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

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

Employees Covered by Benefit Terms:

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	28
Inactive Employees Entitled to but not Yet Receiving Benefits	8
Active Employees	51
Total Plan Employees	<u>87</u>

Total OPEB Liability:

The County's total OPEB liability of \$159,008 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.



**CROSBY COUNTY, TEXAS**

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

Actuarial Assumptions:

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

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method	
Recognition of economic/demographic gains and losses and assumptions changes or inputs	Straight-Line Amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	3.26%

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

Mortality rates were based on the following criteria:

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

All actuarial assumptions that determined the total OPEB liability as of December 31, 2023 were based on the results of an actuarial experience study for the period January 1, 2017 - December 31, 2020, except where required to be different by GASB 75. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

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CROSBY COUNTY, TEXAS

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

Changes in the Total OPEB Liability:

Balance as of December 31, 2022	\$ 147,396
Changes for the year:	
Service Cost	4,602
Interest on Total OPEB Liability	5,556
Effect of Economic/Demographic Experience	(2,624)
Effect of Assumptions Changes or Inputs	9,425
Benefit Payments	<u>(5,347)</u>
Balance as of December 31, 2023	<u>\$ 159,008</u>

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

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

Sensitivity Analysis:

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

	1% Decrease in Discount Rate (2.26%)	Discount Rate (3.26%)	1% Increase in Discount Rate (4.26%)
Total OPEB Liability	\$ <u>183,061</u>	\$ <u>159,008</u>	\$ <u>139,618</u>

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

For the year ended September 30, 2024, the County recognized OPEB expense of \$13,882.

**CROSBY COUNTY, TEXAS**

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

At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,419	\$ 2,711
Changes in Assumptions	11,577	23,797
Contributions Made Subsequent to Measurement Date	7,174	
	<u>\$ 22,170</u>	<u>\$ 26,508</u>

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

	Amortization of Deferred Resources
2024	\$ 5,967
2025	(5,833)
2026	(5,833)
2027	1,361
2028	0
Thereafter	0

**I. LITIGATION**

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

**J. TAX ABATEMENTS**

The County has entered into three separate agreements allowed for under Texas State Law for the abatement of property taxes related to a wind farm operation within the County's jurisdiction. The abatements are scheduled to expire between the years of 2024 and 2028. In fiscal year 2024, the County recorded revenue from payments in lieu of taxes in the amount of \$216,620.

**REQUIRED SUPPLEMENTARY INFORMATION**

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CROSBY COUNTY, TEXAS

Exhibit B-1

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

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
<b>TOTAL PENSION LIABILITY / (ASSET)</b>										
Service Cost	\$ 138,935	\$ 128,523	\$ 143,521	\$ 132,782	\$ 132,355	\$ 127,221	\$ 128,066	\$ 153,925	\$ 146,972	\$ 155,371
Interest Cost	524,388	548,690	571,516	599,605	614,827	619,057	603,153	608,990	623,719	647,895
Effect of Plan Changes		(8,495)								
Effect of Assumptions Changes or Inputs		84,663		58,738			368,937	(87,864)		
Effect of Economic/Demographic losses	12,518	(1,228)	31,173	(117,053)	(68,105)	(317,189)	(52,354)	56,804	96,268	(100,882)
Benefit Payments/Refunds of Contributions	(367,375)	(450,355)	(429,976)	(494,996)	(476,057)	(773,179)	(473,547)	(541,093)	(520,704)	(595,199)
Net Change in Total Pension Liability	\$ 308,466	\$ 301,798	\$ 316,234	\$ 179,076	\$ 203,020	\$ (344,090)	\$ 574,255	\$ 190,762	\$ 346,255	\$ 107,185
Total Pension Liability, Beginning	6,585,927	6,894,393	7,196,191	7,512,425	7,691,501	7,894,521	7,550,431	8,124,686	8,315,448	8,661,703
Total Pension Liability, Ending	\$ 6,894,393	\$ 7,196,191	\$ 7,512,425	\$ 7,691,501	\$ 7,894,521	\$ 7,550,431	\$ 8,124,686	\$ 8,315,448	\$ 8,661,703	\$ 8,768,888
<b>FIDUCIARY NET POSITION</b>										
Employer Contributions	\$ 148,108	\$ 153,032	\$ 168,667	\$ 146,075	\$ 149,194	\$ 140,916	\$ 156,591	\$ 162,631	\$ 168,781	\$ 184,624
Member Contributions	89,069	93,394	94,152	96,102	93,749	94,033	99,198	103,024	106,920	116,956
Investment Income, Net of Expenses	426,693	163,232	469,962	973,076	(140,581)	1,153,489	786,009	1,762,758	(544,566)	966,946
Benefit Payments/Refunds of Contributions	(367,375)	(450,355)	(429,976)	(494,996)	(476,057)	(773,179)	(473,547)	(541,093)	(520,704)	(595,199)
Administrative Expenses	(4,771)	(4,575)	(5,112)	(4,925)	(5,639)	(5,802)	(5,978)	(5,219)	(5,171)	(4,951)
Other	31,229	43,245	39,596	(3,435)	(6,201)	(17,367)	(5,686)	(5,554)	(26,433)	(11,161)
Net Change in Fiduciary Net Position	\$ 322,953	\$ (2,027)	\$ 337,289	\$ 711,897	\$ (385,535)	\$ 592,090	\$ 556,587	\$ 1,476,547	\$ (821,173)	\$ 657,215
Fiduciary Net Position, Beginning	6,036,142	6,359,095	6,357,068	6,694,357	7,406,254	7,020,719	7,612,809	8,169,396	9,645,943	8,824,770
Fiduciary Net Position, Ending	\$ 6,359,095	\$ 6,357,068	\$ 6,694,357	\$ 7,406,254	\$ 7,020,719	\$ 7,612,809	\$ 8,169,396	\$ 9,645,943	\$ 8,824,770	\$ 9,481,985
<b>NET PENSION LIABILITY / (ASSET)</b>	<b>\$ 535,298</b>	<b>\$ 839,123</b>	<b>\$ 818,068</b>	<b>\$ 285,247</b>	<b>\$ 873,802</b>	<b>\$ (62,378)</b>	<b>\$ (44,710)</b>	<b>\$ (1,330,495)</b>	<b>\$ (163,067)</b>	<b>\$ (713,097)</b>
Fiduciary Net Position as a % of Total Pension Liability	92.24%	88.34%	89.11%	96.29%	88.93%	100.83%	100.55%	116.00%	101.88%	108.13%
County's Covered Payroll	\$ 1,272,408	\$ 1,334,196	\$ 1,345,030	\$ 1,372,888	\$ 1,339,267	\$ 1,343,332	\$ 1,417,115	\$ 1,471,777	\$ 1,527,429	\$ 1,670,802
Net Pension Asset as a % of Covered Payroll	42.07%	62.89%	60.82%	20.78%	65.24%	-4.64%	-3.16%	-90.40%	-10.68%	-42.68%

The accompanying notes are an integral part of this statement.

**CROSBY COUNTY, TEXAS**

**Exhibit B-2**

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

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll (1)</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 148,108	\$ 148,108	\$	\$ 1,272,408	12%
2016	153,032	153,032		1,334,196	11%
2017	168,667	168,667		1,345,030	13%
2018	146,075	146,075		1,372,688	11%
2019	149,194	149,194		1,339,267	11%
2020	151,122	151,122		1,384,527	11%
2021	162,208	162,208		1,467,932	11%
2022	165,131	165,131		1,494,397	11%
2023	174,781	174,781		1,581,732	11%
2024	206,870	206,870		1,872,121	11%

The accompanying notes are an integral part of this statement.

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CROSBY COUNTY, TEXAS

Exhibit B-3

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
ASSET AND RELATED RATIOS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u>
<b>TOTAL OPEB LIABILITY</b>							
Service Cost	\$ 3,929	\$ 5,340	\$ 4,099	\$ 5,008	\$ 8,372	\$ 7,119	\$ 4,602
Interest Cost	4,981	4,411	4,808	4,030	3,726	3,758	5,556
Effect of Assumptions Changes or Inputs	4,288	(11,302)	25,472	15,396	3,825	3,698	9,425
Effect of Economic/Demographic losses	(14,026)	(3,676)	(828)	6,009	(2,448)	(39,663)	(2,624)
Benefit Payments/Refunds of Contributions	<u>(3,707)</u>	<u>(4,554)</u>	<u>(4,433)</u>	<u>(4,818)</u>	<u>(5,446)</u>	<u>(5,651)</u>	<u>(5,347)</u>
Net Change in Total OPEB Liability	\$ (4,535)	\$ (9,781)	\$ 29,118	\$ 25,625	\$ 8,029	\$ (30,739)	\$ 11,612
Total OPEB Liability, Beginning	<u>129,679</u>	<u>125,144</u>	<u>115,363</u>	<u>144,481</u>	<u>170,106</u>	<u>178,135</u>	<u>147,396</u>
Total OPEB Liability, Ending	\$ <u><u>125,144</u></u>	\$ <u><u>115,363</u></u>	\$ <u><u>144,481</u></u>	\$ <u><u>170,106</u></u>	\$ <u><u>178,135</u></u>	\$ <u><u>147,396</u></u>	\$ <u><u>159,008</u></u>
County's Covered Payroll	\$ <u>1,372,888</u>	\$ <u>1,339,267</u>	\$ <u>1,343,332</u>	\$ <u>1,417,115</u>	\$ <u>1,471,777</u>	\$ <u>1,527,429</u>	\$ <u>1,670,802</u>
Net Pension Asset as a % of Covered Payroll	<u>9.12%</u>	<u>8.61%</u>	<u>10.76%</u>	<u>12.00%</u>	<u>12.10%</u>	<u>9.65%</u>	<u>9.52%</u>

Note: Only seven years of data are presented in accordance with GASB #75.

The accompanying notes are an integral part of this statement.

CROSBY COUNTY, TEXAS

Exhibit B-4

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

	(Unaudited) Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenue:				
Taxes:				
Property Taxes	\$ 2,084,925	\$ 2,084,925	\$ 2,060,572	\$ (24,353)
Other Taxes	177,000	177,000	187,435	10,435
Payments in Lieu of Taxes	215,000	215,000	216,620	1,620
License and Permits	2,000	2,000		(2,000)
Intergovernmental Revenue and Grants	690,845	690,845	697,931	7,086
Fines and Fees	159,950	159,950	167,479	7,529
Investment Earnings	43,217	43,217	249,560	206,343
Other Revenue	22,500	22,500	78,423	55,923
Total Revenues	<u>\$ 3,395,437</u>	<u>\$ 3,395,437</u>	<u>\$ 3,658,020</u>	<u>\$ 262,583</u>
Expenditures:				
Current:				
General Administration	\$ 260,187	\$ 260,187	\$ 259,029	\$ 1,158
Financial Administration	433,588	433,588	447,995	(14,407)
Judicial	323,769	323,769	302,062	21,707
Legal	193,527	193,527	179,188	14,339
Public Safety	1,853,264	1,853,264	1,639,095	214,169
Corrections	41,575	41,575	5,365	36,210
Public Facilities	319,421	319,421	300,263	19,158
Health	4,000	4,000	4,000	0
Welfare	34,000	34,000	29,147	4,853
Conservation	127,745	127,745	114,241	13,504
Elections	28,300	28,300	38,179	(9,879)
Culture and Recreation	109,347	109,347	96,901	12,446
Total Expenditures	<u>\$ 3,728,723</u>	<u>\$ 3,728,723</u>	<u>\$ 3,415,465</u>	<u>\$ 313,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (333,286)</u>	<u>\$ (333,286)</u>	<u>\$ 242,555</u>	<u>\$ 575,841</u>
Other Financing Sources:				
Transfers In	\$ 10,000	\$ 10,000	\$ 434	\$ (9,566)
Proceeds from the Sale of Capital Assets			13,317	13,317
Total Other Financing Sources	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 13,751</u>	<u>\$ 3,751</u>
Net Change in Fund Balances	<u>\$ (323,286)</u>	<u>\$ (323,286)</u>	<u>\$ 256,306</u>	<u>\$ 579,592</u>
Fund Balances - Beginning	<u>3,692,353</u>	<u>3,692,353</u>	<u>3,692,353</u>	
Fund Balances - Ending	<u>\$ 3,369,067</u>	<u>\$ 3,369,067</u>	<u>\$ 3,948,659</u>	



CROSBY COUNTY, TEXAS

Exhibit B-5

**BUDGETARY COMPARISON - NO. 1 ROAD & BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	(Unaudited) Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive or (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenue:				
Taxes:				
Property Taxes	\$ 111,839	\$ 111,839	\$ 111,285	\$ (554)
Fines and Fees	75,000	75,000	70,897	(4,103)
Investment Earnings	1,200	1,200	15,112	13,912
Other Revenue	5,000	5,000	17,057	12,057
Total Revenues	<u>\$ 193,039</u>	<u>\$ 193,039</u>	<u>\$ 214,351</u>	<u>\$ 21,312</u>
Expenditures:				
Current:				
Road and Bridge	\$ 381,886	\$ 381,886	\$ 336,550	\$ 45,336
Total Expenditures	<u>\$ 381,886</u>	<u>\$ 381,886</u>	<u>\$ 336,550</u>	<u>\$ 45,336</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (188,847)</u>	<u>\$ (188,847)</u>	<u>\$ (122,199)</u>	<u>\$ 66,648</u>
Other Financing Sources (Uses):				
Transfer (Out)	\$ (8,100)	\$ (8,100)	\$ (8,100)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (8,100)</u>	<u>\$ (8,100)</u>	<u>\$ (8,100)</u>	<u>\$ 0</u>
Net Change in Fund Balances	<u>\$ (196,947)</u>	<u>\$ (196,947)</u>	<u>\$ (130,299)</u>	<u>\$ 66,648</u>
Fund Balances - Beginning	<u>342,298</u>	<u>342,298</u>	<u>342,298</u>	
Fund Balances - Ending	<u>\$ 145,351</u>	<u>\$ 145,351</u>	<u>\$ 211,999</u>	

CROSBY COUNTY, TEXAS

Exhibit B-6

**BUDGETARY COMPARISON - NO. 2 ROAD & BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	(Unaudited) Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenue:				
Taxes:				
Property Taxes	\$ 111,839	\$ 111,839	\$ 111,285	\$ (554)
Fines and Fees	75,000	75,000	70,897	(4,103)
Investment Earnings	1,200	1,200	5,734	4,534
Other Revenue	5,000	5,000	15,626	10,626
Total Revenues	<u>\$ 193,039</u>	<u>\$ 193,039</u>	<u>\$ 203,542</u>	<u>\$ 10,503</u>
Expenditures:				
Current:				
Road and Bridge	\$ 221,463	\$ 221,463	\$ 213,542	\$ 7,921
Total Expenditures	<u>\$ 221,463</u>	<u>\$ 221,463</u>	<u>\$ 213,542</u>	<u>\$ 7,921</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (28,424)</u>	<u>\$ (28,424)</u>	<u>\$ (10,000)</u>	<u>\$ 18,424</u>
Other Financing Sources (Uses):				
Transfer (Out)	\$ (8,100)	\$ (8,100)	\$ (8,100)	\$ 0
Proceeds from the Sale of Capital Assets			2,700	2,700
Total Other Financing Sources (Uses)	<u>\$ (8,100)</u>	<u>\$ (8,100)</u>	<u>\$ (5,400)</u>	<u>\$ 2,700</u>
Net Change in Fund Balances	<u>\$ (36,524)</u>	<u>\$ (36,524)</u>	<u>\$ (15,400)</u>	<u>\$ 21,124</u>
Fund Balances - Beginning	<u>60,162</u>	<u>60,162</u>	<u>60,162</u>	
Fund Balances - Ending	<u>\$ 23,638</u>	<u>\$ 23,638</u>	<u>\$ 44,762</u>	

CROSBY COUNTY, TEXAS

Exhibit B-7

**BUDGETARY COMPARISON - NO. 3 ROAD & BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	(Unaudited) Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive or (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenue:				
Taxes:				
Property Taxes	\$ 111,839	\$ 111,839	\$ 111,285	\$ (554)
Fines and Fees	75,000	75,000	70,897	(4,103)
Investment Earnings	800	800	9,727	8,927
Other Revenue	5,000	5,000	15,626	10,626
Total Revenues	<u>\$ 192,639</u>	<u>\$ 192,639</u>	<u>\$ 207,535</u>	<u>\$ 14,896</u>
Expenditures:				
Current:				
Road and Bridge	\$ 274,539	\$ 274,539	\$ 169,961	\$ 104,578
Total Expenditures	<u>\$ 274,539</u>	<u>\$ 274,539</u>	<u>\$ 169,961</u>	<u>\$ 104,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (81,900)</u>	<u>\$ (81,900)</u>	<u>\$ 37,574</u>	<u>\$ 119,474</u>
Other Financing Sources (Uses):				
Transfer (Out)	\$ (8,100)	\$ (8,100)	\$ (8,100)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (8,100)</u>	<u>\$ (8,100)</u>	<u>\$ (8,100)</u>	<u>\$ 0</u>
Net Change in Fund Balances	<u>\$ (90,000)</u>	<u>\$ (90,000)</u>	<u>\$ 29,474</u>	<u>\$ 119,474</u>
Fund Balances - Beginning	<u>112,568</u>	<u>112,568</u>	<u>112,568</u>	
Fund Balances - Ending	<u>\$ 22,568</u>	<u>\$ 22,568</u>	<u>\$ 142,042</u>	

CROSBY COUNTY, TEXAS

Exhibit B-8

**BUDGETARY COMPARISON - NO. 4 ROAD & BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	(Unaudited) Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenue:				
Taxes:				
Property Taxes	\$ 111,839	\$ 111,839	\$ 111,285	\$ (554)
Fines and Fees	75,000	75,000	70,897	(4,103)
Investment Earnings	600	600	11,537	10,937
Other Revenue	4,200	4,200	15,765	11,565
Total Revenues	<u>\$ 191,639</u>	<u>\$ 191,639</u>	<u>\$ 209,484</u>	<u>\$ 17,845</u>
Expenditures:				
Current:				
Road and Bridge	\$ 309,310	\$ 309,310	\$ 245,590	\$ 63,720
Total Expenditures	<u>\$ 309,310</u>	<u>\$ 309,310</u>	<u>\$ 245,590</u>	<u>\$ 63,720</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (117,671)</u>	<u>\$ (117,671)</u>	<u>\$ (36,106)</u>	<u>\$ 81,565</u>
Other Financing Sources (Uses):				
Transfer (Out)	\$ (8,100)	\$ (8,100)	\$ (8,100)	\$ 0
Proceeds from the Sale of Capital Assets			2,000	2,000
Total Other Financing Sources (Uses)	<u>\$ (8,100)</u>	<u>\$ (8,100)</u>	<u>\$ (6,100)</u>	<u>\$ 2,000</u>
Net Change in Fund Balances	<u>\$ (125,771)</u>	<u>\$ (125,771)</u>	<u>\$ (42,206)</u>	<u>\$ 83,565</u>
Fund Balances - Beginning	<u>171,250</u>	<u>171,250</u>	<u>171,250</u>	
Fund Balances - Ending	<u>\$ 45,479</u>	<u>\$ 45,479</u>	<u>\$ 129,044</u>	

CROSBY COUNTY, TEXAS

Exhibit B-9

**BUDGETARY COMPARISON - NO. 5 ROAD & BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	(Unaudited) Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive or (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenue:				
Taxes:				
Property Taxes	\$ 231,092	\$ 231,092	\$ 228,952	\$ (2,140)
Investment Earnings	1,000	1,000	7,040	6,040
Total Revenues	<u>\$ 232,092</u>	<u>\$ 232,092</u>	<u>\$ 235,992</u>	<u>\$ 3,900</u>
Expenditures:				
Current:				
Road and Bridge	\$ 268,320	\$ 268,320	\$ 239,795	\$ 28,525
Total Expenditures	<u>\$ 268,320</u>	<u>\$ 268,320</u>	<u>\$ 239,795</u>	<u>\$ 28,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (36,228)</u>	<u>\$ (36,228)</u>	<u>\$ (3,803)</u>	<u>\$ 32,425</u>
Other Financing Sources (Uses):				
Transfer (Out)	\$ 32,400	\$ 32,400	\$ 32,400	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 32,400</u>	<u>\$ 32,400</u>	<u>\$ 32,400</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (3,828)	\$ (3,828)	\$ 28,597	<u>\$ 32,425</u>
Fund Balances - Beginning	<u>53,883</u>	<u>53,883</u>	<u>53,883</u>	
Fund Balances - Ending	<u>\$ 50,055</u>	<u>\$ 50,055</u>	<u>\$ 82,480</u>	

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

**A. PENSION PLAN**

**CHANGES OF BENEFIT TERMS**

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

**CHANGES OF ASSUMPTIONS**

There were new investment return and inflation assumptions that affected measurement of the total pension liability during the measurement period.

**B. BUDGETARY DATA**

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

1. Prior to October 1st, the budget is legally enacted through adoption of an order by the Commissioners' Court.
2. Any amendments altering expenditures of any department must be approved by the Commissioners' Court. There must be an emergency condition existing in order for the Court to increase the total budget.
3. Budgets for the General Fund, Road and Bridge Fund, and Jury Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget and actual amounts are recorded on the same basis.
4. Expenditures in excess of appropriations are required by state statutes to be reported down to the department classification.
5. The budgeted amounts presented in these statements are as originally adopted, or as amended by, the Commissioners' Court during the year ended September 30, 2024.

**C. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The excess expenditures over appropriations for the General Fund were covered by available fund balance.

## **COMBINING STATEMENTS**

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CROSBY COUNTY, TEXAS

Exhibit C-1

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024**

	Nonmajor Special Revenue Funds						Nonmajor Special Revenue Funds (See Exhibit C-3)	Total Nonmajor Governmental Funds (See Exhibit A-3)
	Sheriff's Commissary Fund	Law Library Fund	Judge Education Fund	Court Reporter Fund	Constable Education Fund	Sheriff Education Fund		
<b>ASSETS:</b>								
Cash and Cash Equivalents	\$ 16,244	\$ 29,582	\$ 2,150	\$	\$ 9,939	\$ 2,949	\$ 341,594	\$ 402,458
Accounts Receivable	585	315	30	225			2,420	3,575
Total Assets	<u>\$ 16,829</u>	<u>\$ 29,897</u>	<u>\$ 2,180</u>	<u>\$ 225</u>	<u>\$ 9,939</u>	<u>\$ 2,949</u>	<u>\$ 344,014</u>	<u>\$ 406,033</u>
<b>LIABILITIES:</b>								
Accounts Payable	\$ 1,155	\$	\$	\$	\$	\$	\$ 853	\$ 2,008
Total Liabilities	<u>\$ 1,155</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 853</u>	<u>\$ 2,008</u>
<b>FUND BALANCES:</b>								
Restricted for:								
Enabling Legislation	\$ 15,674	\$ 29,897	\$ 2,180	\$ 225	\$ 9,939	\$ 2,949	\$ 343,161	\$ 404,025
Total Fund Balances	<u>\$ 15,674</u>	<u>\$ 29,897</u>	<u>\$ 2,180</u>	<u>\$ 225</u>	<u>\$ 9,939</u>	<u>\$ 2,949</u>	<u>\$ 343,161</u>	<u>\$ 404,025</u>



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CROSBY COUNTY, TEXAS

Exhibit C-2

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

	Nonmajor Special Revenue Funds							Nonmajor Special Revenue Funds (See Exhibit C-4)	Total Nonmajor Governmental Funds (See Exhibit A-5)
	Lateral Road Fund	Sheriff's Commissary Fund	Law Library Fund	Judge Education Fund	Court Reporter Fund	Constable Education Fund	Sheriff Education Fund		
Revenue:									
Intergovernmental Revenue and Grants	\$ 21,532	\$	\$	\$	\$	\$	\$	\$ 4,263	\$ 25,795
Charges for Services								1,409	1,409
Fines and Fees			2,272	120	1,631	1,437	3,371	21,553	30,384
Investment Earnings								14,460	14,460
Other Revenue		11,267						3,149	14,416
Total Revenues	<u>\$ 21,532</u>	<u>\$ 11,267</u>	<u>\$ 2,272</u>	<u>\$ 120</u>	<u>\$ 1,631</u>	<u>\$ 1,437</u>	<u>\$ 3,371</u>	<u>\$ 44,834</u>	<u>\$ 86,464</u>
Expenditures:									
Current:									
General Administration	\$	\$	\$	\$	\$	\$	\$	\$ 48,607	\$ 48,607
Judicial					1,148			1,597	2,745
Public Safety		14,525				100	2,379		17,004
Corrections								1,710	1,710
Culture and Recreation								2,956	2,956
Road and Bridge	21,532								21,532
Total Expenditures	<u>\$ 21,532</u>	<u>\$ 14,525</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,148</u>	<u>\$ 100</u>	<u>\$ 2,379</u>	<u>\$ 54,870</u>	<u>\$ 94,554</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 0</u>	<u>\$ (3,258)</u>	<u>\$ 2,272</u>	<u>\$ 120</u>	<u>\$ 483</u>	<u>\$ 1,337</u>	<u>\$ 992</u>	<u>\$ (10,036)</u>	<u>\$ (8,090)</u>
Other Financing Sources and (Uses):									
Transfers (Out)	\$	\$	\$	\$	(434)	\$	\$	\$	(434)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(434)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(434)</u>
Net Change in Fund Balances	\$ 0	\$ (3,258)	\$ 2,272	\$ 120	\$ 49	\$ 1,337	\$ 992	\$ (10,036)	\$ (8,090)
Fund Balances - Beginning	0	18,932	27,625	2,060	176	8,602	1,957	353,197	412,549
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 15,674</u>	<u>\$ 29,897</u>	<u>\$ 2,180</u>	<u>\$ 225</u>	<u>\$ 9,939</u>	<u>\$ 2,949</u>	<u>\$ 343,161</u>	<u>\$ 404,025</u>

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CROSBY COUNTY, TEXAS

Exhibit C-3

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024**

	Nonmajor Special Revenue Funds									
	Adult Probation Fund	Justice Court Technology Fund	Sheriff's Forfeiture Fund	County Clerk Records Preservation Fund	Records Preservation Fund	Courthouse Security Fund	EMMA Cemetery Fund	Alternate Dispute Fund	Nonmajor Special Revenue Funds (See Exhibit C-5)	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
<b>ASSETS:</b>										
Cash and Cash Equivalents	\$ 38	\$ 16,433	\$ 609	\$ 94,196	\$ 90,689	\$ 40,489	\$ 10,276	\$ 30	\$ 88,834	\$ 341,594
Accounts Receivable	413			710	982	180		135		2,420
Total Assets	<u>\$ 451</u>	<u>\$ 16,433</u>	<u>\$ 609</u>	<u>\$ 94,906</u>	<u>\$ 91,671</u>	<u>\$ 40,669</u>	<u>\$ 10,276</u>	<u>\$ 165</u>	<u>\$ 88,834</u>	<u>\$ 344,014</u>
<b>LIABILITIES:</b>										
Accounts Payable	\$ 170					\$ 18	\$ 500	\$ 165	\$ 0	\$ 853
Total Liabilities	<u>\$ 170</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18</u>	<u>\$ 500</u>	<u>\$ 165</u>	<u>\$ 0</u>	<u>\$ 853</u>
<b>FUND BALANCES:</b>										
Restricted for:										
Enabling Legislation	\$ 281	\$ 16,433	\$ 609	\$ 94,906	\$ 91,671	\$ 40,651	\$ 9,776	\$ 0	\$ 88,834	\$ 343,161
Total Fund Balances	<u>\$ 281</u>	<u>\$ 16,433</u>	<u>\$ 609</u>	<u>\$ 94,906</u>	<u>\$ 91,671</u>	<u>\$ 40,651</u>	<u>\$ 9,776</u>	<u>\$ 0</u>	<u>\$ 88,834</u>	<u>\$ 343,161</u>

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CROSBY COUNTY, TEXAS

Exhibit C-4

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

	Nonmajor Special Revenue Funds									
	Adult Probation Fund	Justice Court Technology Fund	Sheriff's Forfeiture Fund	County Clerk Records Preservation Fund	Records Preservation Fund	Courthouse Security Fund	EMMA Cemetery Fund	Alternate Dispute Fund	Nonmajor Special Revenue Funds (See Exhibit C-6)	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:										
Intergovernmental Revenue and Grants	\$ 1,969								\$ 2,294	\$ 4,263
Charges for Services								1,409		1,409
Fines and Fees		115		8,890	10,892	1,656			2,524	21,553
Investment Earnings			32	4,716	4,483	2,094	611		2,899	14,460
Other Revenue							250			3,149
Total Revenues	<u>\$ 1,969</u>	<u>\$ 115</u>	<u>\$ 32</u>	<u>\$ 13,606</u>	<u>\$ 15,375</u>	<u>\$ 3,750</u>	<u>\$ 861</u>	<u>\$ 1,409</u>	<u>\$ 7,717</u>	<u>\$ 44,834</u>
Expenditures:										
Current:										
General Administration	\$	\$	\$	\$	\$	\$	\$	\$	\$ 48,607	\$ 48,607
Judicial						188		1,409		1,597
Corrections	1,710									1,710
Culture and Recreation							2,956			2,956
Total Expenditures	<u>\$ 1,710</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 188</u>	<u>\$ 2,956</u>	<u>\$ 1,409</u>	<u>\$ 48,607</u>	<u>\$ 54,870</u>
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	<u>\$ 259</u>	<u>\$ 115</u>	<u>\$ 32</u>	<u>\$ 13,606</u>	<u>\$ 15,375</u>	<u>\$ 3,562</u>	<u>\$ (2,095)</u>	<u>\$ 0</u>	<u>\$ (40,890)</u>	<u>\$ (10,036)</u>
Net Change in Fund Balances	\$ 259	\$ 115	\$ 32	\$ 13,606	\$ 15,375	\$ 3,562	\$ (2,095)	\$ 0	\$ (40,890)	\$ (10,036)
Fund Balances - Beginning	22	16,318	577	81,300	76,296	37,089	11,871		129,724	353,197
Fund Balances - Ending	<u>\$ 281</u>	<u>\$ 16,433</u>	<u>\$ 609</u>	<u>\$ 94,906</u>	<u>\$ 91,671</u>	<u>\$ 40,651</u>	<u>\$ 9,776</u>	<u>\$ 0</u>	<u>\$ 88,834</u>	<u>\$ 343,161</u>

CROSBY COUNTY, TEXAS

Exhibit C-5

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024

	Nonmajor Special Revenue Funds							Total Nonmajor Special Revenue Funds (See Exhibit C-3)
	County Attorney Forfeiture Fund	Estacada Cemetery Fund	Veterans Memorial Fund	SPAG Disaster Relief Fund	Historical Commission Fund	Wheeler Memorial Fund	COVID Relief Grant Funds	
ASSETS:								
Cash and Cash Equivalents	\$ 6,261	\$ 8,427	\$ 4,907	\$ 20,000	\$ 30,380	\$ 4,386	\$ 14,473	\$ 88,834
Total Assets	<u>\$ 6,261</u>	<u>\$ 8,427</u>	<u>\$ 4,907</u>	<u>\$ 20,000</u>	<u>\$ 30,380</u>	<u>\$ 4,386</u>	<u>\$ 14,473</u>	<u>\$ 88,834</u>
LIABILITIES:								
Accounts Payable	\$	\$	\$	\$	\$	\$	\$	\$ 0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FUND BALANCES:								
Restricted for:								
Enabling Legislation	\$ 6,261	\$ 8,427	\$ 4,907	\$ 20,000	\$ 30,380	\$ 4,386	\$ 14,473	\$ 88,834
Total Fund Balances	<u>\$ 6,261</u>	<u>\$ 8,427</u>	<u>\$ 4,907</u>	<u>\$ 20,000</u>	<u>\$ 30,380</u>	<u>\$ 4,386</u>	<u>\$ 14,473</u>	<u>\$ 88,834</u>

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CROSBY COUNTY, TEXAS

Exhibit C-6

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

	Nonmajor Special Revenue Funds							Total Nonmajor Special Revenue Funds (See Exhibit C-4)
	County Attorney Forfeiture Fund	Estacada Cemetery Fund	Veterans Memorial Fund	SPAG Disaster Relief Fund	Historical Commission Fund	Wheeler Memorial Fund	COVID Relief Grant Fund	
Revenue:								
Investment Earnings	\$ 329	\$ 442	\$ 184	\$	\$ 1,569	\$	\$	\$ 2,524
Intergovernmental Revenue and Grants							2,294	2,294
Other Revenue			2,399		500			2,899
Total Revenues	<u>\$ 329</u>	<u>\$ 442</u>	<u>\$ 2,583</u>	<u>\$ 0</u>	<u>\$ 2,069</u>	<u>\$ 0</u>	<u>\$ 2,294</u>	<u>\$ 7,717</u>
Expenditures:								
Current:								
General Administration	\$	\$	\$	\$	\$	\$	\$ 48,607	\$ 48,607
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,607</u>	<u>\$ 48,607</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 329</u>	<u>\$ 442</u>	<u>\$ 2,583</u>	<u>\$ 0</u>	<u>\$ 2,069</u>	<u>\$ 0</u>	<u>\$ (46,313)</u>	<u>\$ (40,890)</u>
Net Change in Fund Balances	\$ 329	\$ 442	\$ 2,583	\$ 0	\$ 2,069	\$ 0	\$ (46,313)	\$ (40,890)
Fund Balances - Beginning	<u>5,932</u>	<u>7,985</u>	<u>2,324</u>	<u>20,000</u>	<u>28,311</u>	<u>4,386</u>	<u>60,786</u>	<u>129,724</u>
Fund Balances - Ending	<u><u>\$ 6,261</u></u>	<u><u>\$ 8,427</u></u>	<u><u>\$ 4,907</u></u>	<u><u>\$ 20,000</u></u>	<u><u>\$ 30,380</u></u>	<u><u>\$ 4,386</u></u>	<u><u>\$ 14,473</u></u>	<u><u>\$ 88,834</u></u>

**OTHER INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

CERTIFIED PUBLIC ACCOUNTANTS

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LUBBOCK, TEXAS 79423-1954

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crosby County, Texas (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 3, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-001.

## **Crosby County, Texas' Response to Findings**

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

## **Purpose of this Report**

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

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

February 3, 2025



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**CROSBY COUNTY, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**Current Year Findings Related to the Financial Statements –**

*2024-001 – Noncompliance – Deposits not properly secured*

Criteria: The County is required to properly secure its deposits by FDIC insurance or pledged collateral.

Condition: We noted the bank accounts and certificates of deposit held at the County's depository bank were not entirely covered by FDIC insurance or pledged collateral.

Cause: Due to the County receiving \$350,000 in SB22 funding late in September 2024, the County did not have sufficient collateral in place to fully secure all funds in the bank at year end.

Effect: The County's bank accounts and certificates of deposit held at the County's depository bank were not entirely secured at year end. The combined balance on deposit was \$836,700. The market value was \$245,284 and FDIC coverage was \$250,000. Funds in the amount of \$341,416 were not properly secured at year end.

Recommendation: The County will implement procedures to ensure that all County funds are properly secured by FDIC insurance or pledged collateral.

View of Responsible Officials: See Corrective Action Plan.

**Corrective Action Plan –**

*2024- 001 – Noncompliance – Deposits not properly secured*

Responsible Party: Catie Wall, County Auditor

Corrective Action Plan: Procedures will be implemented to review bank account balances online regularly to ensure funds are properly collateralized at all times.

Expected Completion Date: Immediately

**Prior Year's Findings/Noncompliance –**

None

**Status of Prior Year Findings –**

N/A