

***RED RIVER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2023***

RED RIVER COUNTY, TEXAS
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WILF & HENDERSON, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Member of American Institute of Certified Public Accountants
Member of Private Company Practice Section
Member of AICPA Governmental Audit Quality Center

INDEPENDENT AUDITOR'S REPORT

Honorable Judge Robert Bridges and
The Commissioners Court of Red River County
Red River County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Red River County, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Red River County, Texas, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Red River County, Texas, 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 State 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 Red River County, Texas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Red River County, Texas'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 Red River County, Texas's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10, budgetary comparison information on pages 41-44, TMRS schedules of changes in net pension (asset) liability and related ratios on page 45, TMRS schedules of pension contributions and related notes on page 46, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Red River County, Texas's basic financial statements. The accompanying combining and individual nonmajor fund and fiduciary fund financial statements and schedule of expenditures of federal awards, as required by Title 2

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Wilf & Henderson, P.C.

Wilf & Henderson, P.C.
Certified Public Accountants
Texarkana, Texas
June 21, 2024

RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

As management of Red River County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities and performance for the year ended September 30, 2023. The information presented here should be read in conjunction with the independent auditor's report and the County's financial statements.

FINANCIAL HIGHLIGHTS

The County's total combined net position was \$20.2 million at September 30, 2023, of which, \$7.5 million is invested in capital assets, net of related debt. During the year, the County's expenses were \$2.3 million less than the \$11 million generated in taxes, charges for services, and other revenues from activities. This includes depreciation expense of \$712,282. The adjustment to the net position liability as required by GASB 68 resulted in an increase to income of the \$221,962.

The total cost of all the County's activities was \$8.7 million, an increase of \$1.8 million or 21%.

The general fund balance is \$8.3 million at September 30, 2023, which is an increase of approximately \$1.5 million as compared to an increase of approximately \$829 thousand the prior year. General fund revenue increased approximately \$902 thousand compared to the prior year with an increase of approximately \$451 thousand in tax revenue. Intergovernmental revenue decreased by approximately \$94 thousand. Current expenditures were up approximately \$101 thousand or 2%. Salaries increased approximately \$100 thousand of 5%. The main road and bridge fund balance decreased by approximately \$174 thousand to a balance of approximately \$1 million.

During the year, \$853,865 of fixed assets were added, and \$190,108 of principal was paid on debt.

Approximately 95% of the taxes levied for 2022-2023 were collected by September 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis (this section), basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the County's operations in more detail than the government-wide statements.
- The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as a commissary operation.
- Fiduciary fund statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. This fund contains trust funds.

**RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS - CONTINUED

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how they have changed. Net position, the difference between the County's assets and liabilities, is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, consideration should be given to additional nonfinancial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the governmental activities. The Authority's basic expenditures are included here, such as administration and finance, road and public works, corrections, law enforcement, judicial, and community services. Property taxes and charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

The County has the following kinds of funds:

- *Governmental Funds* – Most of the Authority's basic services are included in governmental funds, which focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out and 2) the balance remaining at year-end that is available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the following page that explains the relationship (or differences) between them.
- *Fiduciary Funds* – The County is the trustee, of *fiduciary*, for certain funds. It is also responsible for other assets that because of a trust arrangement- can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded for the County's government-wide financial statements because the County cannot use these assets to finance its operations.

RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS - CONTINUED

- *Proprietary Funds* – These funds distinguish operating revenues and expense from non-operating items. Operating revenues result from providing goods and services in connections with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expense can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position

The County's combined net position was approximately \$20.2 million at September 30, 2023.

NET POSITION
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current and other assets	\$ 14,479	\$ 14,766	\$ 460	\$ 434	\$ 14,939	\$ 15,200
Capital and non-current assets	<u>7,218</u>	<u>8,655</u>	<u>681</u>	<u>714</u>	<u>7,899</u>	<u>9,369</u>
Total Assets	21,697	23,421	1,141	1,148	22,838	24,569
Deferred Outflows of Resources						
Deferred outflows - pension plan	<u>402</u>	<u>170</u>	<u>-</u>	<u>-</u>	<u>402</u>	<u>170</u>
Total Deferred Outflows of Resources	\$ 402	\$ 170	\$ -	\$ -	\$ 402	\$ 170
Liabilities						
Long-term liabilities	\$ 318	\$ 303	\$ -	\$ -	\$ 318	\$ 303
Other liabilities	<u>2,707</u>	<u>2,099</u>	<u>-</u>	<u>-</u>	<u>2,707</u>	<u>2,099</u>
Total Liabilities	3,025	2,402	-	-	3,025	2,402
Deferred Inflows of Resources						
Unavailable revenues - taxes, fines, and fees	-	3,055	-	-	-	3,055
Deferred inflows - pension plan	<u>7</u>	<u>1,650</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>1,650</u>
Total Deferred Inflows of Resources	7	4,705	-	-	7	4,705
Net Position						
Invested in capital assets, net of related debt	6,828	6,867	681	714	7,509	7,581
Restricted	3,024	2,395	-	-	3,024	2,395
Unrestricted	<u>9,215</u>	<u>7,222</u>	<u>460</u>	<u>434</u>	<u>9,675</u>	<u>7,656</u>
Total Net Position	\$ 19,067	\$ 16,484	\$ 1,141	\$ 1,148	\$ 20,208	\$ 17,632

Net position invested in capital assets, net of related debt reflects the book value of the County's capital assets in excess of debt, which financed those assets. The \$9.7 million of unrestricted net position represents resources available to fund the programs of the County for the next fiscal year.

RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – CONTINUED

Net Position – Continued

The restricted net position of \$3 million is restricted as follows:

Restricted for debt service	\$ -
Restricted for special revenue funds	<u>3,024</u>
	<u><u>\$ 3,024</u></u>

Net position of the County increased by \$2.3 million. The County recorded depreciation of \$712,282, added fixed assets of \$853,865, and paid \$187,512 on principal of debt. The County's revenues exceeded expenditures by \$1.7 million in the governmental funds. Expenses exceeded revenues by \$7 thousand in the proprietary fund. The net pension liability increased \$1.7 million.

Changes in Net Position

Of the County's total revenue of \$11 million, 55% of this came from property taxes, 17% came from operating grants and contributions, 9% came from sales and other taxes, and 7% came from charges for services.

The total cost of all programs was approximately \$8.7 million. Approximately 26% of this was for public safety, 26% for road and public works, and 11% for community development.

Net position increased by \$2.3 million because of the excess of revenues over expenses. Depreciation expense was \$712,282 for the year.

RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – CONTINUED

Changes in Net Position – Continued

CHANGES IN NET POSITION
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 786	\$ 498	\$ 1	\$ 376	\$ 787	\$ 874
Operating Grants and Contributions	1,813	931	-	-	1,813	931
Capital Grants	227	-	-	-	-	-
General Revenues						
Property Taxes	6,053	5,149	-	-	6,053	5,149
Other Taxes	939	930	-	-	939	930
Investment Earnings	306	49	7	1	313	50
Other	819	357	26	46	845	403
Total Revenues	<u>10,943</u>	<u>7,914</u>	<u>34</u>	<u>423</u>	<u>10,977</u>	<u>8,337</u>
Expenses						
General Government	498	490	-	-	498	490
Judicial	551	567	-	-	551	567
Legal	59	149	-	-	59	149
Financial	429	417	-	-	429	417
Public Facility	134	116	-	-	134	116
Public Safety	2,287	2,071	41	131	2,328	2,202
Health and Welfare	613	465	-	-	613	465
Roads and Streets	2,164	1,673	-	-	2,164	1,673
Cultural and Recreational	136	111	-	-	136	111
Conservation	-	229	-	-	-	229
Community Development	953	-	-	-	953	-
Intergovernmental	232	2	-	-	232	2
Miscellaneous	548	446	-	-	548	446
Debt Service	11	14	-	-	11	14
Total Expenses	<u>8,615</u>	<u>6,750</u>	<u>41</u>	<u>131</u>	<u>8,656</u>	<u>6,881</u>
Other Sources (Uses)						
Transfers	<u>-</u>	<u>94</u>	<u>-</u>	<u>(94)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>2,328</u>	<u>1,258</u>	<u>(7)</u>	<u>198</u>	<u>2,321</u>	<u>1,456</u>
Net Position, Beginning	<u>16,825</u>	<u>15,281</u>	<u>1,148</u>	<u>950</u>	<u>17,973</u>	<u>16,231</u>
Prior Period Adjustment	<u>(86)</u>	<u>(55)</u>	<u>-</u>	<u>-</u>	<u>(86)</u>	<u>(55)</u>
Net Position, Ending	<u>\$ 19,067</u>	<u>\$ 16,484</u>	<u>\$ 1,141</u>	<u>\$ 1,148</u>	<u>\$ 20,208</u>	<u>\$ 17,632</u>

**RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – CONTINUED

- The cost of all governmental activities this year was \$8.7 million.
- The amount that taxpayers paid for these activities through property taxes was only \$6.1 million.
- Some of the cost of these activities was paid by those who directly benefited from the programs (\$786 thousand) or by grants and contributions (\$2 million).

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reported fund balance in its governmental funds of approximately \$11.1 million at September 30, 2023.

General	\$ 8,329
Restricted for special revenue funds	<u>2,838</u>
	<u>\$ 11,167</u>

Fund balance in the governmental funds increased approximately \$1.7 million. The general fund balance increased approximately \$1.6 million. Tax revenue was up approximately \$560 thousand as both property tax and sales tax increased. The road and bridge fund balance decreased approximately \$174 thousand. Tax revenue was up approximately \$74 thousand in the road and bridge fund. Tax revenue in other special revenue funds increased approximately \$35 thousand.

General Fund Budgetary Highlights

No budget amendments were made throughout the year. Actual expenditures were less than budgeted by approximately \$1.2 million. Actual revenues were approximately \$458 thousand or 8% more than budgeted. Actual transfers in were approximately \$31 thousand less than budgeted. The fund balance actually increased approximately \$1.6 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets as of September 30, 2023 amounted to \$7.5 million. This investment in capital assets included land, buildings, furniture and equipment, and infrastructure.

Debt

At September 30, 2023, the County had long-term liabilities outstanding of \$318 thousand, consisting of notes payable and a net pension liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In setting the fiscal year 2024 budget, the governing body, after careful consideration, increased the tax rate by \$0.0466. The overall property values remained constant, which will raise the 2024 county revenue.

***RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023***

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – CONTINUED

The only significant increases in expenditures budgeted for fiscal year 2024 was for a salary increase across the board, due to restructuring the salary scale. No other new programs or initiatives were added for fiscal year 2024.

We believe that the budget is reasonable, attainable, fiscally sound, and allows for services to be provided to the citizens of the County in a sound manner.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the County's Auditor's Office, 200 N. Walnut, Clarksville, TX 75426.

RED RIVER COUNTY, TEXAS
BASIC FINANCIAL STATEMENTS

RED RIVER COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 10,407,853	\$ 350,360	\$ 10,758,213
Certificates of Deposit	2,100,000	110,000	2,210,000
Receivables (net of allowance for uncollectible):			
Accounts	591,064	-	591,064
Property Taxes	1,015,952	-	1,015,952
Due from Fiduciary Funds	364,030	-	364,030
Capital Assets (net of accumulated depreciation):			
Land	132,709	22,431	155,140
Buildings and Improvements	3,384,856	658,476	4,043,332
Furniture and Equipment	870,162	-	870,162
Infrastructure	2,830,300	-	2,830,300
Total Assets	<u>21,696,926</u>	<u>1,141,267</u>	<u>22,838,193</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	401,864	-	401,864
Total Deferred Outflows of Resources	<u>401,864</u>	<u>-</u>	<u>401,864</u>
LIABILITIES			
Accounts Payable	394,009	-	394,009
Accrued Payroll	97,185	283	97,468
Compensated Absences	144,240	-	144,240
Unearned Revenue	1,681,651	-	1,681,651
Due to Other Governments	150,021	-	150,021
Non-current Liabilities:			
Due Within One Year:			
Notes Payable	239,376	-	239,376
Due In More Than One Year:			
Notes Payable	150,209	-	150,209
Net Pension Liability	167,999	-	167,999
Total Liabilities	<u>3,024,690</u>	<u>283</u>	<u>3,024,973</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	6,885	-	6,885
Total Deferred Inflows of Resources	<u>6,885</u>	<u>-</u>	<u>6,885</u>
NET POSITION			
Net Investment in Capital Assets	6,828,442	680,907	7,509,349
Restricted for:			
Various Funds	3,024,308	-	3,024,308
Unrestricted	9,214,465	460,077	9,674,542
Total Net Position	<u>\$ 19,067,215</u>	<u>\$ 1,140,984</u>	<u>\$ 20,208,199</u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Funds	Business- Type Activities	Total
Expenses							
Governmental Activities:							
General Government	\$ 497,824	\$ 483,042	\$ 9,942	\$ -	\$ (4,840)	\$ -	\$ (4,840)
Roads and Public Works	2,164,062	-	172,560	-	(1,991,502)	-	(1,991,502)
Legal	59,062	10,845	-	-	(48,217)	-	(48,217)
Judicial	551,489	15,168	-	-	(536,321)	-	(536,321)
Financial	428,405	266,013	-	-	(162,392)	-	(162,392)
Public Facilities	134,280	-	-	-	(134,280)	-	(134,280)
Public Safety	2,286,560	-	275,936	226,621	(1,784,003)	-	(1,784,003)
Intergovernmental	232,286	-	64,323	-	(167,963)	-	(167,963)
Miscellaneous	548,346	11,050	-	-	(537,296)	-	(537,296)
Health and Welfare	612,579	-	326,172	-	(286,407)	-	(286,407)
Culture and Recreation	136,004	-	10,789	-	(125,215)	-	(125,215)
Community Development	953,363	-	953,363	-	-	-	-
Interest on Long Term Debt	10,855	-	-	-	(10,855)	-	(10,855)
Total Governmental Activities	8,615,115	786,118	1,813,085	226,621	(5,789,291)	-	(5,789,291)
Business-Type Activities:							
Prisoner Housing	40,855	600	-	-	-	(40,255)	(40,255)
Total Business-Type Activities	40,855	600	-	-	-	(40,255)	(40,255)
Total Primary Government	\$ 8,655,970	\$ 786,718	\$ 1,813,085	\$ 226,621	(5,789,291)	(40,255)	(5,829,546)
General Revenues:							
Property Taxes					6,053,214	-	6,053,214
Other Taxes					938,509	-	938,509
Investment Earnings					305,851	6,895	312,746
Miscellaneous					819,352	26,492	845,844
Total General Revenues					8,116,926	33,387	8,150,313
Change in Net Position					2,327,635	(6,868)	2,320,767
Net Position at Beginning of Year, as Restated					16,739,580	1,147,852	17,887,432
Net Position at End of Year					\$ 19,067,215	\$ 1,140,984	\$ 20,208,199

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Road and Bridge Fund	Home Grant Fund	State and Local Fiscal Recovery Grant Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 6,942,850	\$ 620,308	\$ -	\$ 1,434,682	\$ 1,410,013	\$ 10,407,853
Certificates of Deposit	1,500,000	550,000	-	-	50,000	2,100,000
Receivables (net of allowances for uncollectible):						
Accounts	410,676	-	156,783	-	23,605	591,064
Property Taxes	822,430	193,522	-	-	-	1,015,952
Due from Fiduciary Funds	-	-	-	-	364,030	364,030
Total Assets	<u>\$ 9,675,956</u>	<u>\$ 1,363,830</u>	<u>\$ 156,783</u>	<u>\$ 1,434,682</u>	<u>\$ 1,847,648</u>	<u>\$ 14,478,899</u>
LIABILITIES						
Accounts Payable	\$ 56,101	\$ 158,507	\$ 156,783	\$ -	\$ 22,618	\$ 394,009
Accrued Payroll	77,454	19,591	-	-	140	97,185
Due to Other Governments	150,021	-	-	-	-	150,021
Unearned Revenue	260,655	-	-	1,333,295	87,701	1,681,651
Total Liabilities	<u>544,231</u>	<u>178,098</u>	<u>156,783</u>	<u>1,333,295</u>	<u>110,459</u>	<u>2,322,866</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	802,896	186,736	-	-	-	989,632
Total Deferred Inflows of Resources	<u>802,896</u>	<u>186,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>989,632</u>
FUND BALANCES						
Restricted for:						
Records Management	-	-	-	-	282,437	282,437
Courthouse Security	-	-	-	-	93,793	93,793
Roads and Public Works	-	998,996	-	-	61,559	1,060,555
Judicial	-	-	-	-	21,389	21,389
Public Safety	-	-	-	-	134,052	134,052
Health and Welfare	-	-	-	-	777,951	777,951
Special Projects	-	-	-	101,387	366,008	467,395
Unassigned:						
General Fund	8,328,829	-	-	-	-	8,328,829
Total Fund Balances	<u>8,328,829</u>	<u>998,996</u>	<u>-</u>	<u>101,387</u>	<u>1,737,189</u>	<u>11,166,401</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 9,675,956</u>	<u>\$ 1,363,830</u>	<u>\$ 156,783</u>	<u>\$ 1,434,682</u>	<u>\$ 1,847,648</u>	<u>\$ 14,478,899</u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total Fund Balances - Governmental Funds	\$ 11,166,401
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	7,218,027
Receivables reported in the statement of net position that are not available to provide current financial resources are not reported as receivables in the funds.	989,632
Long-term liabilities and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(533,825)
The net effect of the change in pension liabilities and the net effect of the change in deferred outflows and inflows in the governmental activities is to increase net position.	<u>226,980</u>
Net Position of Governmental Activities	<u><u>\$ 19,067,215</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Road and Bridge Fund	Home Grant Fund	State and Local Fiscal Recovery Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 4,567,671	\$ 1,036,691	\$ -	\$ -	\$ 430,974	\$ 6,035,336
Licenses and Permits	-	484,400	-	-	-	484,400
Intergovernmental Revenue and Grants	72,632	24,985	953,363	562,735	425,991	2,039,706
Charges for Services	592,480	-	-	-	37,865	630,345
Fines and Forfeitures	92,002	-	-	-	63,771	155,773
Interest	190,958	29,430	-	82,952	2,511	305,851
Miscellaneous	496,283	65,359	-	5,953	6,430	574,025
Total Revenues	6,012,026	1,640,865	953,363	651,640	967,542	10,225,436
EXPENDITURES						
Current:						
General Government	341,866	-	-	9,942	38,652	390,460
Roads and Public Works	-	1,551,014	-	-	147,575	1,698,589
Legal	57,240	-	-	-	1,822	59,062
Judicial	469,889	-	-	-	-	469,889
Financial	403,471	-	-	-	-	403,471
Public Facilities	134,280	-	-	-	-	134,280
Public Safety	1,944,936	-	-	-	304,259	2,249,195
Intergovernmental	232,286	-	-	-	-	232,286
Miscellaneous	548,346	-	-	-	-	548,346
Health and Welfare	-	-	-	326,172	286,407	612,579
Culture and Recreation	125,215	-	-	-	10,789	136,004
Community Development	-	-	953,363	-	-	953,363
Capital Outlay	62,340	564,904	-	226,621	-	853,865
Debt Service:						
Principal Retirement	67,547	122,561	-	-	-	190,108
Interest on Debt	7,831	3,024	-	-	-	10,855
Total Expenditures	4,395,247	2,241,503	953,363	562,735	789,504	8,942,352
Excess (Deficiency) of Revenues over Expenditures	1,616,779	(600,638)	-	88,905	178,038	1,283,084
OTHER FINANCING SOURCES (USES)						
Proceeds from Debt	-	276,776	-	-	-	276,776
Sale of Equipment	-	149,742	-	-	-	149,742
Transfers In	-	-	-	-	25,000	25,000
Transfers Out	(25,000)	-	-	-	-	(25,000)
Total Other Financing Sources (Uses)	(25,000)	426,518	-	-	25,000	426,518
Net Change in Fund Balance	1,591,779	(174,120)	-	88,905	203,038	1,709,602
Fund Balance, Beginning of Year, as Restated (Note 16)	6,737,050	1,173,116	-	12,482	1,534,151	9,456,799
Fund Balance, End of Year	\$ 8,328,829	\$ 998,996	\$ -	\$ 101,387	\$ 1,737,189	\$ 11,166,401

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net Change in Fund Balances - Governmental Funds	\$ 1,709,602
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the effect of those differences.	174,395
The statement of activities reports a gain or loss on the sale of assets based on the proceeds received and the net book value of the assets at the time of disposal. This amount is the net effect of the difference between the cost of assets disposed and the accumulated depreciation of assets disposed.	(128,974)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, have any effect on net positions. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(86,667)
Pension related items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues in the government funds.	221,962
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in the government funds.	(37,266)
Revenues for property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the government funds.	474,583
Change in Net Position of Governmental Activities	<u><u>\$ 2,327,635</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2023

	Business-Type Activities
ASSETS	
Current Assets	
Cash	\$ 350,360
Certificate of Deposit	110,000
Total Current Assets	<u>460,360</u>
Non-current Assets	
Capital Assets	1,664,254
Less: Accumulated Depreciation	<u>(983,347)</u>
Total Non-current Assets	<u>680,907</u>
Total Assets	<u><u>\$ 1,141,267</u></u>
LIABILITIES	
Current Liabilities	
Accrued Payroll	\$ 283
Total Current Liabilities	<u>283</u>
Total Liabilities	<u>283</u>
NET POSITION	
Net Investment in Capital Assets	680,907
Unrestricted	<u>460,077</u>
Total Net Position	<u><u>\$ 1,140,984</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Business-Type Activities</u>
Operating Revenues	
Prisoner Housing	\$ 600
Other	26,492
Total Operating Revenues	<u>27,092</u>
Operating Expenses	
Payroll and Benefits	8,043
Depreciation	32,812
Total Operating Expenses	<u>40,855</u>
Operating Income (Loss)	(13,763)
Nonoperating Revenues (Expenses)	
Interest	6,895
Total Nonoperating Revenues (Expenses)	<u>6,895</u>
Change in Net Position	(6,868)
Net Position, Beginning	1,147,852
Net Position, Ending	<u><u>\$ 1,140,984</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities
Cash Flows from Operating Activities	
Cash Received for Providing Services	\$ 27,092
Cash Paid to Providers of Services	(7,760)
Net Cash Provided by Operating Activities	19,332
Cash Flows from Non-capital Financing Activities	
Net Cash Provided by Non-capital Financing Activities	-
Cash Flows from Capital and Related Financing Activities	
Net Cash Used by Financing Activities	-
Cash Flows from Investing Activities	
Interest Income	6,895
Net Cash Provided by Investing Activities	6,895
Increase (Decrease) in Cash	26,227
Cash, Beginning of Year	324,133
Cash, End of Year	\$ 350,360
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (13,763)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	32,812
Changes in Assets and Liabilities:	
Increase (Decrease) in Accrued Payroll	283
	\$ 19,332

The accompanying note are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 785,151
Certificates of Deposit	338,383
Total Assets	<u>\$ 1,123,534</u>
LIABILITIES	
Accounts Payable	\$ 385
Due to Other Funds	364,030
Total Liabilities	<u>364,415</u>
NET POSITION	
Restricted for:	
Individuals and Other Governments	759,119
Total Net Position	<u>\$ 759,119</u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds
ADDITIONS	
Amounts Collected for Individuals and Other Governments	\$ 2,217,086
Interest	10,575
Total Additions	<u>2,227,661</u>
DEDUCTIONS	
Amounts Distributed to Individuals and Other Governments	2,123,296
Total Deductions	<u>2,123,296</u>
Net Increase (Decrease) in Fiduciary Net Position	104,365
Net Position, Beginning of Year, as Restated (Note 16)	654,754
Net Position, End of Year	<u><u>\$ 759,119</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Red River County, Texas is a county government operating under the applicable laws and regulations of the State of Texas. It is governed by a four member Commissioners Court elected by registered voters of the County. The Commissioners Court serves as the principal decision making body of the County. The county judge serves as an administrative official and votes with the Commissioners Court as a tiebreaker only. The County prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants.

A. Reporting Entity

The Commissioners Court is elected by the public and it has the authority to make decisions and significantly influence operations. It has the primary accountability for fiscal matters. Therefore, the County is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 14, *The Financial Reporting Entity*. There are no component units included within the reporting entity.

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 Red River County with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, charges for services, grants and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the County operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the County. The "grants and contributions" column includes amounts paid by organizations outside the County to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the County's functions. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental funds and fiduciary funds appear as "due to" or "due from" on the Governmental Fund Balance Sheet and Statement of Fiduciary Net Position 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" or "due from" on the government-wide Statement of Activities.

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 County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials, labor and direct overhead. Other expenses are non-operating

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The County considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The County considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The proprietary and fiduciary fund financial statements use the flow of economic resources measurement focus and the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and measurable and recognizes expenses in the accounting period in which they are incurred and measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

D. Fund Accounting

The County reports the following major governmental funds:

The General Fund – The general fund is the County's primary operating fund. It accounts for financial resources except those required to be accounted for in another fund.

Road and Bridge Special Revenue Fund – These funds are aggregated on the financial statement and have the primary purpose of allocating revenues to the various precincts of the County where each elected commissioner is responsible for maintenance of County infrastructure.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (Continued)

Home Grant Special Revenue Fund – This fund was created to maintain and track the HOME Investment Partnership Program grant received from the U.S. Department of Housing and Urban Development passed through the Texas Department of Housing and Community Affairs.

State and Local Fiscal Recovery Grant Special Revenue Fund – This fund was created to maintain and track the Coronavirus State and Local Fiscal Recovery Funds grant received by the U.S. Department of the Treasury.

Additionally, the County reports the following fund types:

Other Governmental Funds – The County accounts for resources restricted to, or designated for, specific purposes in other nonmajor special revenue funds as scheduled at H-1 and H-2.

Proprietary Funds – The County's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The County's nonmajor enterprise fund is the jail housing fund.

Fiduciary Funds – The County accounts for resources held for others in a custodial capacity in custodial funds. Financial resources for these funds are recorded as assets, liabilities, and equity. Therefore, these funds do not include revenues and expenditures. If any unused resources are declared surplus, they are transferred to the general fund with a recommendation to the Commissioners Court for an appropriate utilization through a budgeted program.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Cash and Cash Equivalents

The County's cash and cash equivalents include amounts in demand and time deposit accounts. The County classifies all certificates of deposit as investments. 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.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

1. Cash and Cash Equivalents (Continued)

For the purposes of the statement of cash flows for proprietary funds, the County considers highly liquid investments to be cash equivalents if they have a maturity of three months or less.

2. Investments

Investments for the County are reported at fair value. Short-term investments, such as certificates of deposit and debt securities with a maturity date of less than one year, are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals.

3. Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the year is referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” All trade and property taxes receivables are shown net of an allowance for uncollectible. The property tax receivable allowance is shown at a 10-75% of outstanding property taxes receivable as of year-end, depending on the length of time outstanding. Property taxes are levied each October 1 and may be paid without penalty until January 31. A penalty is added to payments received February 1 through June 30. Optionally, taxes may be paid in two installments, one-half due November 30 and one-half due June 30. A 15% penalty is added to taxes remaining delinquent on July 1 and an enforceable lien attaches July 1.

4. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, and infrastructure are reported in the government-wide financial statements. Capital assets are defined by governmental activities as assets with a normal service life greater than one year and an initial individual cost of more than \$5,000.

Such assets are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of the underlying assets, are not capitalized. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings	50	Office Equipment	5 - 7
Building Improvements	50	Machinery	7 - 10
Vehicles	5	Roads	50

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

5. Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. Accrued Compensated Absences

Paid time off (PTO) hours are granted to all full-time permanent employees of the County. The number of hours range from twenty (20) to one hundred sixty (160) hours, depending upon length of continuous service. Unused PTO expires at the end of the calendar year. An employee that has worked at least one year and resigns, is discharged or is terminated for any other reason shall receive pay for all unused PTO hours up to half of the employee's maximum annual PTO benefit. An employee who has not worked for a minimum of one year in a position eligible for PTO shall not be eligible for any PTO pay upon termination of employment.

All full-time regular employees of the County are eligible to accrue sick leave at a rate of one-half work day per month (4 hours). Employees are not entitled to payment for unused sick leave upon termination. Sick leave is allowed to be accumulated but does not vest. Therefore, a liability for unused sick leave has not been recorded in the accompanying financial statements.

7. Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balances may be restricted or unrestricted (the total of committed, assigned, and unassigned fund balance). The government itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Fund balance for governmental funds can consist of the following:

Non-spendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term notes receivable.

Restricted fund balance – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance – includes amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision making authority. The Commissioners Court is the highest level of decision making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit a fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

7. Fund Equity (Continued)

Assigned fund balance – includes amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners Court has taken action to assign fund balance for specific purposes the current fiscal year. The Commissioners Court may by resolution authorize the county judge to assign fund balance. The Commissioners Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – generally, the general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

8. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category: the deferred pension outflows reported in the statement of net position. The deferred pension outflows consist of differences between expected and actual economic experience, differences between projected and actual investment earned, and contributions made by the County after the liability measurement date, but prior to the County year-end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category: the deferred pension inflows reported in the statement of net position and unavailable property tax revenue reported in the governmental funds balance sheet. The deferred pension inflows consist of changes in actuarial assumptions. Unavailable property tax revenue is comprised of property tax receivable that is not available to pay for current expenditures of the county.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

10. Pension

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund, and the special revenue funds. All annual budget appropriations lapse at year-end and are re-established in the succeeding year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to September 20, the County prepares a budget for the next succeeding year that begins October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Commissioners Court is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to October 1, the Commissioners Court legally enacts the budget through passage of a resolution. Once a budget is approved, it can only be amended at the fund level by approval of a majority of the members of the Court. Amendments are presented to the Court at its regular meetings. Each amendment must have Court approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Court, and are not made after fiscal year end. Because the County has a policy of careful budgetary control, budget amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure account level. Budgeted amounts are as amended by the Court. All budget appropriations lapse at year end.
5. The County does not employ encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase order and contracts. An encumbrance represents a commitment of Court appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance, but does not represent an expenditure for the period, only a commitment to expend resources.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Deficit Fund Equity

The County had no funds with deficit fund equity as of September 30, 2023.

NOTE 3 – DEPOSITS AND INVESTMENTS

County Policies and Legal and Contractual Provisions Governing Deposits:

Custodial Credit Risk for Deposits – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agents. Since the county complies with this law, it has no custodial credit risk for deposits.

The captions and amounts of cash and cash equivalents and certificates of deposit on the Balance Sheet and Statements of Fiduciary Net Position as of September 30, 2023, consist of the following:

	General Fund	Road and Bridge Fund	Home Grant	State and Local Fiscal Recovery Grant Fund	Other Governmental Funds	Total Governmental Funds	Proprietary Funds	Fiduciary Funds
Cash in Bank	\$ 2,957,775	\$ 134,023	\$ -	\$ -	\$ 1,410,013	\$ 4,501,811	\$ 247,980	\$ 582,578
Investment Pools	3,985,075	486,285	-	1,434,682	-	5,906,042	102,380	202,573
Cash and Cash Equivalents	<u>\$ 6,942,850</u>	<u>\$ 620,308</u>	<u>\$ -</u>	<u>\$ 1,434,682</u>	<u>\$ 1,410,013</u>	<u>\$ 10,407,853</u>	<u>\$ 350,360</u>	<u>\$ 785,151</u>
Certificates of Deposits	<u>\$ 1,500,000</u>	<u>\$ 550,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 2,100,000</u>	<u>\$ 110,000</u>	<u>\$ 338,383</u>

The County's cash deposits at September 30, 2023 and during the year ended September 30, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District 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 District 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, (10) and common trust funds. The Public Funds Investment Act (PFIA) governs the District's investment policies and types of investments. The District's management believes that it complies with the requirements of the PFIA and the County's investments policies.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2023, the county had the following investment pool accounts:

<u>Investment Type</u>	<u>Amortized Cost</u>
TexPool	\$ 5,906,042
Total Investment Pools	<u>\$ 5,906,042</u>

Credit Risk – For an investment, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County’s investment policy details stipulations for approved investments in repurchase agreements, banker’s acceptance, commercial paper, mutual funds, money market mutual funds, and investment pools. As outlined in the County’s policy, a public fund investment pool must be continuously rated no lower than a AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2023, the County’s investments in TexPool are rated AAAM by Standard and Poor’s.

Interest Rate Risk – To limit the risk of changes in interest rates will adversely affect the fair value of investments, the County requires invested instruments maturities do not exceed one year from the time of purchase except when a longer maturity may be specifically authorized by the Board for a given investment provided legal limits are not exceeded.

NOTE 4 – PROPERTY TAX

The Red River County Tax Assessor Collector bills and collects property taxes for Red River County. Ad valorem tax revenue during the year ended September 30, 2023, was levied using a rate of \$0.66345 per one hundred dollars of assessed valuation. Taxes were allocated for the Maintenance and Operations of the General and Road funds at \$0.53998 and \$0.12347, respectively. The County elects to contribute 10% of General Fund’s property tax collections to the Indigent Health Care Special Revenue Fund.

The County levied property taxes for the 2022 tax roll totaling \$5,471,830. Such tax is based on the assessed valuation of approximately \$832 million with an applicable tax rate of \$0.66345 per \$100 valuation.

NOTE 5 – RECEIVABLES

As of September 30, 2023, the County had the following receivables:

	<u>General</u>	<u>Road and Bridge</u>	<u>Home Grant</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Receivables:					
Accounts	\$ 410,676	\$ -	\$ 156,783	\$ 23,605	\$ 591,064
Property Taxes	1,191,887	284,720	-	-	1,476,607
Gross Receivables	1,602,563	284,720	156,783	23,605	2,067,671
Less: Allowance for Uncollectibles	369,457	91,198	-	-	460,655
Net Total Receivables	<u>\$ 1,233,106</u>	<u>\$ 193,522</u>	<u>\$ 156,783</u>	<u>\$ 23,605</u>	<u>\$ 1,607,016</u>

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

	Primary Government		
	Balance 9/30/2022	Additions	Balance 9/30/2023
Governmental Activities:			
Capital Assets Not Being Depreciated			
Land	\$ 132,709	\$ -	\$ 132,709
Total Capital Assets Not Being Depreciated	132,709	-	132,709
Capital Assets Being Depreciated			
Building and Improvements	5,712,813	217,980	5,930,793
Machinery and Equipment	3,965,554	635,885	4,260,931
Roads	16,967,500	-	16,967,500
Total Capital Assets Being Depreciated	26,645,867	853,865	27,159,224
Less: Accumulated Depreciation			
Buildings and Improvements	(2,439,327)	(106,610)	(2,545,937)
Machinery and Equipment	(3,371,389)	(233,510)	(3,390,769)
Roads	(13,797,850)	(339,350)	(14,137,200)
Total Accumulated Depreciation	(19,608,566)	(679,470)	(20,073,906)
Government Activities Capital Assets, Net	<u>\$ 7,170,010</u>	<u>\$ 174,395</u>	<u>\$ 7,218,027</u>
Business-Type Activities:			
Capital Assets Not Being Depreciated			
Land	\$ 22,431	\$ -	\$ 22,431
Total Capital Assets Not Being Depreciated	22,431	-	22,431
Capital Assets Being Depreciated			
Buildings and Improvements	1,641,823	-	1,641,823
Total Capital Assets Being Depreciated	1,641,823	-	1,641,823
Less: Accumulated Depreciation			
Building and Improvements	(950,535)	(32,812)	(983,347)
Total Accumulated Depreciation	(950,535)	(32,812)	(983,347)
Business-Type Capital Assets, Net	<u>\$ 713,719</u>	<u>\$ (32,812)</u>	<u>\$ 680,907</u>

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:		Business-Type Activities:	
General Government	\$ 70,098	Public Safety	\$ 6,401
Public Safety	37,365	Judicial	26,411
Highways, Streets and Bridges	465,473		
Financial	24,934		
Judicial	81,600		
	<u>\$ 679,470</u>		<u>\$ 32,812</u>

NOTE 7 – INTERFUND TRANSFERS AND BALANCES

The composition of interfund transfers as of September 30, 2023 is as follows:

	<u>Transfer Out</u>	<u>Transfer In</u>
General Fund	\$ 25,000	\$ -
Other Governmental Funds	-	25,000
Total	<u>\$ 25,000</u>	<u>\$ 25,000</u>

Funds were transferred from the General Fund to the Juvenile Probation Fund (other governmental fund) to help cover program expenses.

The composition of interfund balances as of September 30, 2023 is as follows:

	<u>Due To</u>	<u>Due From</u>
Fiduciary Funds	\$ 364,030	\$ -
Other Governmental Funds	-	364,030
Total	<u>\$ 364,030</u>	<u>\$ 364,030</u>

Interfund balances consist of fines and fees collected and held in fiduciary accounts that are due to be remitted to the County Office Fees Special Revenue account (other governmental fund).

NOTE 9 – LONG-TERM LIABILITIES

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Payable at 10/1/2022</u>	<u>Additions (Reductions)</u>	<u>Payable at 9/30/2023</u>	<u>Due within One Year</u>
Note Payable - Metal Roof and Related Equipment	\$ 94,864	4.35%	\$ 57,813	\$ (6,214)	\$ 51,599	\$ 6,484
Note Payable - 2023 Mack Truck	\$ 127,500	2.41%	119,933	(119,933)	-	-
Note Payable - 2024 Mack Truck	\$ 145,337	5.78%	-	142,741	142,741	142,741
Note Payable - Election Equipment	\$ 293,100	4.26%	125,172	(61,365)	63,807	63,807
Note Payable - Tractor Tiger Mower	\$ 131,438	5.69%	-	131,438	131,438	26,344
			<u>\$ 302,918</u>	<u>\$ 86,667</u>	<u>\$ 389,585</u>	<u>\$ 239,376</u>

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

The County's long-term debt from notes as of September 30, 2023 is as follows:

(A) Note payable, Government Capital Corporation, due in annual payments of \$8,735 including interest at 4.348%. Annual payments began in December 2015 and continue through December 2029.	\$ 51,599
(B) Note payable, Government Capital Corporation, due in annual payments of \$66,706 including interest at 4.26%. Annual payments began in October 2019 and continue through October 2023.	63,807
(C) Note payable, Cadence Bank, due in monthly payments of \$1,995 including interest at 4.26% Monthly payments began in August 2023 and continue through August 2024.	142,741
(D) Note payable, First National Bank, due in annual payments of \$30,114 including interest at 5.69% Annual payments will begin in April 2024 and continue through April 2028.	131,438
(E) Note payable, Cadence Bank, due in monthly payments of \$1,510 including interest at 2.41% Monthly payments began in April 2022 and continue through July 2023.	-
	<u>\$ 389,585</u>

The annual requirements to amortize notes payable as of September 30, 2023 is as follows:

Years Ending			
9/30	Principal	Interest	Total
2024	\$ 239,376	\$ 15,958	\$ 255,334
2025	30,900	7,949	38,849
2026	32,568	6,281	38,849
2027	34,327	4,522	38,849
2028	36,181	2,668	38,849
2029-2032	16,233	1,077	17,310
	<u>\$ 389,585</u>	<u>\$ 38,455</u>	<u>\$ 428,040</u>

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2023:

	Balance Sept. 30, 2022	Additions	Payments	Balance Sept. 30, 2023	Current Portion
Notes Payable	\$ 302,918	\$ 276,775	\$ (190,108)	\$ 389,585	\$ 239,376
Accrued Compensated Absences	106,974	37,266	-	144,240	144,240
Net Pension Liability	-	167,999	-	167,999	-
Total	<u>\$ 409,892</u>	<u>\$ 482,040</u>	<u>\$ (190,108)</u>	<u>\$ 701,824</u>	<u>\$ 383,616</u>

The general fund is primarily responsible for the accrued compensated absences liability and net pension liability for the governmental activities.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 10 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County participates in a risk management program through Texas Association of Counties for workers compensation insurance. The County has not had any significant reductions in insurance coverage from coverage in prior years. The amount of settlements has not exceeded insurance coverage in any of the previous three years.

NOTE 11 – PENSION PLAN LIABILITY

Plan Description

The County participates as one of over 800 plans in a non-traditional, joint contributory, defined benefit plan administered by the state-wide Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the State of Texas and administered in accordance with the TCDRS Act, as an agent, multiple-employer public employee retirement system. The TCDRS Act places the general administration and management of the system with a nine member board of trustees. Although the governor, with advice and consent of the senate appoints the board, TCDRS is not fiscally dependent on the State of Texas. The system's comprehensive annual financial report can be obtained at www.tcdrs.org.

All full and part-time employees are required to participate in TCDRS, regardless of the hours they work in a year or their age. Only those employees who are classified as "temporary" are excluded from enrollment.

Benefits

TCDRS provides retirement, disability and death benefits to eligible employees. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

At retirement, the benefit is calculated based on the employee's account balance and the employer's matching. The employee's account balance with the employer's matching contributions is converted to an annuity at retirement and then he or she receives a payment every month for the rest of his or her life. Retirees elect to receive their monthly retirement benefit by choosing from one of seven actuarially equivalent payment options. Each employer may elect the partial lump-sum option. This payment option allows the retiring member to receive an immediate lump-sum payment not to exceed his or her account balance, and choose a reduced monthly lifetime benefit from any of the payment options.

Members can retire, with full benefits, when their age and years of service total 75, at ages 60 and above with 8 or more years of service or with 30 years of service regardless of age. A member is vested after 8 years, but must leave their accumulated contributions in the plan to receive any employer-financed benefits.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	173
Active employees	86
	<hr/> 326 <hr/>

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 – PENSION PLAN LIABILITY (CONTINUED)

Contributions

The contribution rates for employees in TCDRS is 4%, 5%, 6% or 7% of employee gross earnings, as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for the County is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance any unfunded accrual liability. The TCDRS Act allows and the employer may elect to make an additional optional contribution to its account during the year, in addition to its regular monthly contributions.

The employees of Red River County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the County was 11.20% for October through December 2022 and 11.74% for January through September 2023. The County's contributions for the year ended September 30, 2023 was equal to the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall Payroll Growth	3.00%
Investment Rate of Return	7.50% , net of administrative and investment expense, including inflation

The County has no automatic cost of living adjustments (COLA) and one is not considered to be substantially automatic. Each year the County may elect an ad-hoc COLA for its retirees.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TCDRS over the four year period from January 1, 2017 to December 31, 2020. These assumptions were adopted in 2021 and first used in the December 31, 2021 actuarial valuation.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 – PENSION PLAN LIABILITY (CONTINUED)

The mortality actuarial assumptions for active members, retirees and beneficiaries, which were first used in December 2021 actuarial valuation, are as follows:

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultants. The numbers shown are based on January 2023 information for a 10-year time horizon.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD I	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	7.60%
REIT Equities	67%FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	20.00%

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 – PENSION PLAN LIABILITY (CONTINUED)

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.6%. The discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

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

The projection of cash flows used to determine the discount rate assumed that employees and employer contributions will be made at the rates specified. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Balance at 12/31/2021	\$12,302,547	\$13,786,965	\$ (1,484,418)
Changes for the year:			
Service cost	367,642	-	367,642
Interest	938,961	-	938,961
Effects of economic/demographic gains/losses	(13,771)	-	(13,771)
Refund of contributions	(45,321)	(45,321)	-
Contributions - employer	-	275,775	(275,775)
Contributions - employee	-	179,240	(179,240)
Net investment income	-	(792,211)	792,211
Benefit payments, including refunds of contributions	(597,332)	(597,332)	-
Administrative expense	-	(7,492)	7,492
Other changes	-	(14,897)	14,897
Net changes	650,179	(1,002,238)	1,652,417
Balance at 12/31/2022	<u>\$12,952,726</u>	<u>\$12,784,727</u>	<u>\$ 167,999</u>

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 – PENSION PLAN LIABILITY (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (6.6%)	Discount Rate (7.6%)	1% Increase in Discount Rate (8.6%)
Total Pension Liability	\$ 14,644,069	\$ 12,952,726	\$ 11,549,657
Fiduciary Net Position	<u>12,784,728</u>	<u>12,784,727</u>	<u>12,784,728</u>
Net Pension Liability/Asset as of December 31, 2022	<u>\$ 1,859,341</u>	<u>\$ 167,999</u>	<u>\$ (1,235,071)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the internet at www.tcdrs.org.

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

For the year ended September 30, 2023, the County recognized pension income of \$221,962.

At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 6,885	\$ -
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	-	231,261
Contributions subsequent to the measurement date	-	170,603
	<u>\$ 6,885</u>	<u>\$ 401,864</u>

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 – PENSION PLAN LIABILITY (CONTINUED)

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (172,422)
2024	(9,300)
2025	39,261
2026	366,438
2027	-
Thereafter	-
Total	<u>\$ 223,977</u>

NOTE 13 – CONTINGENT LIABILITIES

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at September 30, 2023 may be impaired. In the opinion of the county, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 14 – TAX ABATEMENTS

The County is allowed to enter into property tax abatement agreements for the purpose of stimulating business and commercial activity in the County in accordance with Sec. 312.007 of the *Texas Tax Code* and Sec. 381.004(g) of the *Texas Local Government Code*.

The County has entered into an Economic Development Agreement to reduce property taxes. The agreement calls for a reduction of taxable property values of 100% for eligible property over a period not to exceed 10 years. As a condition of the abatement, the party eligible for abatement anticipates construction improvements on the reinvestment zone site consisting of photovoltaic solar powered electricity generation facility. The project is expected to have an overall minimum investment in the County of \$2,000,000. The project is expected to achieve commercial operations by December 31, 2024. Once improvements are constructed and commercial operations are achieved, the eligible party agrees to make annual PILOT payments of the greater of \$750 per megawatt of nameplate capacity or \$187,500 for a total of ten payments.

During the year ended September 30, 2023, commercial operations had not been achieved and therefore no PILOT payments were due or received.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 15 – IMPLEMENTATION OF NEW ACCOUNTING STANDARD

For 2023, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription –Based Information Technology Arrangements*, issued May 2020. GASB Statement No. 96 addresses accounting and financial reporting for SBITAs by governments. A SBITA is defined as a contract that conveys control of the right to use another party’s information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. This statement provides an exception for short-term SBITAs. Short term SBITAs have a maximum possible term under the SBITA contract of 12 months or less, including any options to extend, regardless of the probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources. The county had no SBITAs as of September 30, 2023.

NOTE 16 –RESTATEMENT

During the year ended September 30, 2023, it was discovered that accrued payroll was not recorded as of September 30, 2022. The amount of accrued payroll was \$85,451. In addition, it was discovered that some fees due to the county were not included in revenue in prior years. The amount of these fees was \$341,180.

The addition of these accounts had the following effect on the net position as of September 30, 2022:

	General Fund	Road and Bridge Fund	State and Local Fiscal Recovery Grant Fund	Other Governmental Funds	Total Governmental Funds
Net Position September 30, 2022	\$ 6,806,311	\$ 1,189,306	\$ 12,482	\$ 1,192,971	\$ 9,201,070
Adjustments:					
Accrued Payroll	(69,261)	(16,190)	-	-	(85,451)
County Office Fees	-	-	-	341,180	341,180
Restated Net Position September 30, 2022	<u>\$ 6,737,050</u>	<u>\$ 1,173,116</u>	<u>\$ 12,482</u>	<u>\$ 1,534,151</u>	<u>\$ 9,456,799</u>

During the year ended September 30, 2023, it was discovered that some funds had not been included in the fiduciary statements. The amount of these funds were \$408,840.

The addition of these accounts had the following effect on the fiduciary net position as of September 30, 2022:

	Total Custodial Funds
Net Position September 30, 2022	\$ -
Adjustments:	
Cash and Certificates of Deposit	654,754
Restated Net Position September 30, 2022	<u>\$ 654,754</u>

NOTE 17 – MANAGEMENT REVIEW

In preparing these financial statements, management of the County has evaluated events and transactions for potential recognition or disclosure through June 21, 2024, the date the financial statements were available to be issued.

RED RIVER COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts GAAP Basis	Final Budget
REVENUES				
Taxes	\$ 4,645,503	\$ 4,645,503	\$ 4,567,671	\$ (77,832)
Intergovernmental Revenue and Grants	100,714	100,714	72,632	(28,082)
Charges for Services	607,158	607,158	592,480	(14,678)
Fines and Forfeitures	86,000	86,000	92,002	6,002
Interest	15,500	15,500	190,958	175,458
Miscellaneous	99,300	99,300	496,283	396,983
Total Revenues	<u>5,554,175</u>	<u>5,554,175</u>	<u>6,012,026</u>	<u>457,851</u>
EXPENDITURES				
Current:				
General Government	379,094	379,094	341,866	37,228
Legal	146,948	146,948	57,240	89,708
Judicial	571,224	571,224	469,889	101,335
Financial	459,387	459,387	403,471	55,916
Public Facilities	164,923	164,923	134,280	30,643
Public Safety	2,478,947	2,478,947	1,944,936	534,011
Intergovernmental	264,050	264,050	232,286	31,764
Miscellaneous	768,900	768,900	548,346	220,554
Culture and Recreation	134,507	134,507	125,215	9,292
Capital Outlay	116,089	116,089	62,340	53,749
Debt Service:				
Principal Retirement	68,215	68,240	67,547	693
Interest on Debt	7,921	7,896	7,831	65
Total Expenditures	<u>5,560,205</u>	<u>5,560,205</u>	<u>4,395,247</u>	<u>1,164,958</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(6,030)</u>	<u>(6,030)</u>	<u>1,616,779</u>	<u>1,622,809</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	31,030	31,030	-	(31,030)
Transfers Out	(25,000)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	<u>6,030</u>	<u>6,030</u>	<u>(25,000)</u>	<u>(31,030)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>1,591,779</u>	<u>1,591,779</u>
Fund Balance, Beginning of Year	<u>6,737,050</u>	<u>6,737,050</u>	<u>6,737,050</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,737,050</u>	<u>\$ 6,737,050</u>	<u>\$ 8,328,829</u>	<u>\$ 1,591,779</u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts GAAP Basis	Final Budget
REVENUES				
Taxes	\$ 1,050,926	\$ 1,050,926	\$ 1,036,691	\$ (14,235)
Licenses and Permits	500,000	500,000	484,400	(15,600)
Intergovernmental Revenue and Grants	25,000	25,000	24,985	(15)
Interest	3,075	3,075	29,430	26,355
Miscellaneous	-	-	106,620	106,620
Total Revenues	<u>1,579,001</u>	<u>1,579,001</u>	<u>1,682,126</u>	<u>103,125</u>
EXPENDITURES				
Current:				
Roads and Public Works	1,560,001	2,660,917	1,551,014	1,109,903
Capital Outlay	-	-	564,904	(564,904)
Debt Service:				
Principal Retirement	16,000	15,976	119,933	(103,957)
Interest on Debt	3,000	3,024	3,024	-
Total Expenditures	<u>1,579,001</u>	<u>2,679,917</u>	<u>2,238,875</u>	<u>441,042</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(1,100,916)</u>	<u>(556,749)</u>	<u>544,167</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Bond Issue	-	-	276,776	276,776
Sale of Equipment	-	-	105,853	105,853
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>382,629</u>	<u>382,629</u>
Net Change in Fund Balance	-	(1,100,916)	(174,120)	926,796
Fund Balance, Beginning of Year	<u>1,173,116</u>	<u>1,173,116</u>	<u>1,173,116</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,173,116</u>	<u>\$ 72,200</u>	<u>\$ 998,996</u>	<u>\$ 926,796</u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOME GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts GAAP Basis	Final Budget
REVENUES				
Intergovernmental Revenue and Grants	\$ 1,166,050	\$ 1,166,050	\$ 953,363	\$ (212,687)
Total Revenues	<u>1,166,050</u>	<u>1,166,050</u>	<u>953,363</u>	<u>(212,687)</u>
EXPENDITURES				
Current:				
Community Development	1,166,050	1,166,050	953,363	212,687
Total Expenditures	<u>1,166,050</u>	<u>1,166,050</u>	<u>953,363</u>	<u>212,687</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STATE AND LOCAL FISCAL RECOVERY GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			GAAP Basis	
REVENUES				
Intergovernmental Revenue and Grants	\$ -	\$ 562,735	\$ 562,735	\$ -
Interest	800	800	82,952	82,152
Miscellaneous	-	-	5,953	5,953
Total Revenues	<u>800</u>	<u>563,535</u>	<u>651,640</u>	<u>88,105</u>
EXPENDITURES				
Current:				
General Government	-	9,942	9,942	-
Health and Welfare	-	326,172	326,172	-
Capital Outlay	-	226,621	226,621	-
Total Expenditures	<u>-</u>	<u>562,735</u>	<u>562,735</u>	<u>-</u>
Net Change in Fund Balance	800	800	88,905	88,105
Fund Balance, Beginning of Year	12,482	12,482	12,482	-
Fund Balance, End of Year	<u>\$ 13,282</u>	<u>\$ 13,282</u>	<u>\$ 101,387</u>	<u>\$ 88,105</u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension (Asset) Liability									
Service Cost	\$ 367,642	\$ 379,251	\$ 311,901	\$ 283,757	\$ 297,224	\$ 275,683	\$ 298,019	\$ 277,381	\$ 295,844
Interest on Total Pension Liability	938,961	902,549	868,219	820,239	787,213	745,666	700,798	679,496	645,512
Effect of Plan Changes	-	-	-	-	-	-	-	(46,545)	-
Effect of Assumption Changes or Inputs	-	(71,846)	654,243	-	-	46,253	-	94,566	-
Effect of Economic/Demographic (Gains) Losses	(13,771)	(79,076)	(112,355)	75,152	(43,695)	48,098	3,961	(189,287)	(22,415)
Benefit Payments, Including Refunds of Contributions	(642,653)	(637,773)	(626,648)	(603,670)	(634,837)	(614,182)	(544,040)	(534,542)	(493,989)
Net Change in Total Pension Liability	650,179	493,105	1,095,360	575,478	405,905	501,518	458,738	281,069	424,952
Total Pension Liability, Beginning	12,302,548	11,809,443	10,714,083	10,138,605	9,732,700	9,231,182	8,772,444	8,491,375	8,066,423
Total Pension Liability, Ending (a)	12,952,727	12,302,548	11,809,443	10,714,083	10,138,605	9,732,700	9,231,182	8,772,444	8,491,375
Total Fiduciary Net Position									
Employer Contributions	275,775	259,915	271,989	226,078	219,039	195,702	187,406	179,972	189,655
Member Contributions	179,240	181,820	186,840	168,354	162,250	150,704	148,567	141,395	144,617
Net Investment Income	(792,211)	2,501,543	1,092,531	1,523,854	(184,095)	1,270,944	614,895	(8,336)	550,859
Benefit Payments, Including Refunds of Contributions	(642,653)	(637,773)	(626,648)	(603,670)	(634,837)	(614,182)	(544,040)	(534,542)	(493,989)
Administrative Expense	(7,492)	(7,459)	(8,408)	(8,062)	(7,452)	(6,471)	(6,681)	(6,057)	(6,419)
Other	(14,895)	(2,389)	(3,918)	(5,690)	(6,577)	(3,650)	18,211	12,207	11,902
Net Change in Plan Fiduciary Net Position	(1,002,236)	2,295,657	912,386	1,300,864	(451,672)	993,047	418,358	(215,361)	396,625
Total Pension Liability, Beginning	13,786,964	11,491,307	10,578,921	9,278,057	9,729,729	8,736,682	8,318,324	8,533,685	8,137,060
Total Pension Liability, Ending (b)	12,784,728	13,786,964	11,491,307	10,578,921	9,278,057	9,729,729	8,736,682	8,318,324	8,533,685
Net Pension (Asset) Liability, Ending (a) - (b)	\$ 167,999	\$ (1,484,416)	\$ 318,136	\$ 135,162	\$ 860,548	\$ 2,971	\$ 494,500	\$ 454,120	\$ (42,310)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.70%	112.07%	97.31%	98.74%	91.51%	99.97%	94.64%	94.82%	100.50%
Covered Employee Payroll	\$ 2,560,577	\$ 2,597,430	\$ 2,669,139	2,405,062	2,317,863	2,152,909	2,122,379	2,019,929	2,030,546
Net Pension (Asset) Liability as a Percentage of Covered Covered Employee Payroll	6.56%	-57.15%	11.92%	5.62%	37.13%	0.14%	23.30%	22.48%	-2.08%

Notes to the Schedule:

GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

RED RIVER COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2023

Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2013*	173,285	173,285	-	1,969,158	8.8%
2014*	189,655	189,655	-	2,030,546	9.3%
2015*	179,972	179,972	-	2,019,929	8.9%
2016*	187,406	187,406	-	2,122,379	8.8%
2017	195,702	195,702	-	2,152,909	9.1%
2018	219,039	219,039	-	2,317,863	9.5%
2019	226,078	226,078	-	2,405,062	9.4%
2020	271,989	271,989	-	2,669,139	10.2%
2021	259,743	259,915	(172)	2,597,430	10.0%
2022	275,775	275,775	-	2,560,577	10.8%

Note: GASB #68, paragraph 81.2.b requires that the data in this schedule be presented as of the County's fiscal year as of the time period covered by the measurement date.

* The amounts presented for years 2013-2016 are on a calendar year.

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	16.3 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub 2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Other Information

Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New Inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New Inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Contributions	2015: Employer contributions reflect the current service matching rate was increased to 155% for future benefits and a 10% CPI COLA was adopted. 2016: No changes in plan provisions were reflected in the schedule. 2017: Employer contributions reflect that the current service matching rate was increased to 165% for future benefits. Also, new annuity purchase rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the schedule. 2019: No changes in plan provisions were reflected in the schedule. 2020: No changes in plan provisions were reflected in the schedule. 2021: Employer contributions reflect that the current service matching rate was increased to 170% for future benefits and a 1% flat COLA was adopted. 2022: No changes in plan provisions were reflected in the Schedule

RED RIVER COUNTY, TEXAS
COMBINING FINANCIAL STATEMENTS

RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

H-1

	Special Revenue Funds			
	<i>Law Library</i>	<i>Drug Fund</i>	<i>Courthouse Security</i>	<i>Indigent Health Care</i>
ASSETS				
Cash and Cash Equivalents	\$ 6,690	\$ 85,506	\$ 93,793	\$ 777,937
Certificates of Deposit	-	-	-	-
Receivables (net of allowances):				
Accounts	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 6,690</u>	<u>\$ 85,506</u>	<u>\$ 93,793</u>	<u>\$ 777,937</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ (14)
Accrued Payroll	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14)</u>
FUND BALANCES				
Restricted for:				
Records Management	-	-	-	-
Courthouse Security	-	-	93,793	-
Roads and Public Works	-	-	-	-
Judicial	6,690	-	-	-
Public Safety	-	85,506	-	-
Health and Welfare	-	-	-	777,951
Special Projects	-	-	-	-
Total Fund Balances	<u>6,690</u>	<u>85,506</u>	<u>93,793</u>	<u>777,951</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 6,690</u>	<u>\$ 85,506</u>	<u>\$ 93,793</u>	<u>\$ 777,937</u>

RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

H-1

	Special Revenue Funds			
	<i>Book Preservation</i>	<i>Record Management</i>	<i>Right of Way</i>	<i>Juvenile Probation</i>
ASSETS				
Cash and Cash Equivalents	\$ 117,141	\$ 10,964	\$ 11,559	\$ 21,819
Certificates of Deposit	-	-	50,000	-
Receivables (net of allowances):				
Accounts	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u><u>\$ 117,141</u></u>	<u><u>\$ 10,964</u></u>	<u><u>\$ 61,559</u></u>	<u><u>\$ 21,819</u></u>
LIABILITIES				
Accounts Payable	\$ 441	\$ -	\$ -	\$ 1,518
Accrued Payroll	-	-	-	140
Unearned Revenue	-	-	-	-
Total Liabilities	<u><u>441</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,658</u></u>
FUND BALANCES				
Restricted for:				
Records Management	116,700	10,964	-	-
Courthouse Security	-	-	-	-
Roads and Public Works	-	-	61,559	-
Judicial	-	-	-	-
Public Safety	-	-	-	20,161
Health and Welfare	-	-	-	-
Special Projects	-	-	-	-
Total Fund Balances	<u><u>116,700</u></u>	<u><u>10,964</u></u>	<u><u>61,559</u></u>	<u><u>20,161</u></u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u><u>\$ 117,141</u></u>	<u><u>\$ 10,964</u></u>	<u><u>\$ 61,559</u></u>	<u><u>\$ 21,819</u></u>

**RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

H-1

	Special Revenue Funds			
	<i>Juvenile Probation Comm. Corr.</i>	<i>Diversionsary Placement</i>	<i>Title VI-E</i>	<i>Bail Bond Board</i>
ASSETS				
Cash and Cash Equivalents	\$ 7,846	\$ 11,254	\$ 43,784	\$ 13,871
Certificates of Deposit	-	-	-	-
Receivables (net of allowances):				
Accounts	11,105	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 18,951</u>	<u>\$ 11,254</u>	<u>\$ 43,784</u>	<u>\$ 13,871</u>
LIABILITIES				
Accounts Payable	\$ 6,211	\$ -	\$ 74	\$ -
Accrued Payroll	-	-	-	-
Unearned Revenue	-	9,734	35,423	-
Total Liabilities	<u>6,211</u>	<u>9,734</u>	<u>35,497</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Records Management	-	-	-	-
Courthouse Security	-	-	-	-
Roads and Public Works	-	-	-	-
Judicial	-	-	-	13,871
Public Safety	12,740	1,520	8,287	-
Health and Welfare	-	-	-	-
Special Projects	-	-	-	-
Total Fund Balances	<u>12,740</u>	<u>1,520</u>	<u>8,287</u>	<u>13,871</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 18,951</u>	<u>\$ 11,254</u>	<u>\$ 43,784</u>	<u>\$ 13,871</u>

RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

H-1

	Special Revenue Funds			
	<i>Hot Check Fee</i>	<i>County Attorney Drug Forf.</i>	<i>Co. Attny Welfare Fraud</i>	<i>Sheriff Comm. Svc. Program</i>
ASSETS				
Cash and Cash Equivalents	\$ 210	\$ 1,901	\$ 618	\$ 16
Certificates of Deposit	-	-	-	-
Receivables (net of allowances):				
Accounts	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 210</u>	<u>\$ 1,901</u>	<u>\$ 618</u>	<u>\$ 16</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 189	\$ -	\$ -
Accrued Payroll	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>189</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Records Management	-	-	-	-
Courthouse Security	-	-	-	-
Roads and Public Works	-	-	-	-
Judicial	210	0	618	-
Public Safety	-	1,712	-	16
Health and Welfare	-	-	-	-
Special Projects	-	-	-	-
Total Fund Balances	<u>210</u>	<u>1,712</u>	<u>618</u>	<u>16</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 210</u>	<u>\$ 1,901</u>	<u>\$ 618</u>	<u>\$ 16</u>

**RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

H-1

	Special Revenue Funds			
	<i>Economic Development</i>	<i>County Clerk Vital Stats Record</i>	<i>County Clerk Archive Fees</i>	<i>Tx Dept of Ag. CDBG</i>
ASSETS				
Cash and Cash Equivalents	\$ 1,978	\$ 4,110	\$ 154,773	\$ -
Certificates of Deposit	-	-	-	-
Receivables (net of allowances):				
Accounts	-	-	-	12,500
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 1,978</u>	<u>\$ 4,110</u>	<u>\$ 154,773</u>	<u>\$ 12,500</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 12,500
Accrued Payroll	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,500</u>
FUND BALANCES				
Restricted for:				
Records Management	-	-	154,773	-
Courthouse Security	-	-	-	-
Roads and Public Works	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	4,110	-	-
Health and Welfare	-	-	-	-
Special Projects	1,978	-	-	-
Total Fund Balances	<u>1,978</u>	<u>4,110</u>	<u>154,773</u>	<u>-</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,978</u>	<u>\$ 4,110</u>	<u>\$ 154,773</u>	<u>\$ 12,500</u>

**RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

H-1

	Special Revenue Funds			Total
	<i>Homeland</i>	<i>County</i>	<i>Tx DOT</i>	Nonmajor
	<i>Security Grant</i>	<i>Office</i>	<i>NE TX Trail</i>	Governmental
		<i>Fees</i>	<i>Grant</i>	Funds
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 44,243	\$ 1,410,013
Certificates of Deposit	-	-	-	50,000
Receivables (net of allowances):				
Accounts	-	-	-	23,605
Due from Other Funds	-	364,030	-	364,030
Total Assets	<u>\$ -</u>	<u>\$ 364,030</u>	<u>\$ 44,243</u>	<u>\$ 1,847,648</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 1,699	\$ 22,618
Accrued Payroll	-	-	-	140
Unearned Revenue	-	-	42,544	87,701
Total Liabilities	<u>-</u>	<u>-</u>	<u>44,243</u>	<u>110,459</u>
FUND BALANCES				
Restricted for:				
Records Management	-	-	-	282,437
Courthouse Security	-	-	-	93,793
Roads and Public Works	-	-	-	61,559
Judicial	-	-	-	21,389
Public Safety	-	-	-	134,052
Health and Welfare	-	-	-	777,951
Special Projects	-	364,030	-	366,008
Total Fund Balances	<u>-</u>	<u>364,030</u>	<u>-</u>	<u>1,737,189</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ -</u>	<u>\$ 364,030</u>	<u>\$ 44,243</u>	<u>\$ 1,847,648</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES

NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-2

	Special Revenue Funds			
	<i>Law Library</i>	<i>Drug Fund</i>	<i>Courthouse Security</i>	<i>Indigent Health Care</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 430,974
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	5,740	-	-	-
Fines and Forfeitures	-	6,395	8,773	-
Interest	-	131	133	1,168
Miscellaneous	5	1,743	-	902
Total Revenues	5,745	8,269	8,906	433,044
EXPENDITURES				
Current:				
General Government	-	-	-	-
Roads and Public Works	-	-	-	-
Legal	-	-	-	-
Public Safety	-	10,646	-	-
Health and Welfare	-	-	-	286,407
Culture and Recreation	-	-	-	-
Total Expenditures	-	10,646	-	286,407
Excess (Deficiency) of Revenues over Expenditures	5,745	(2,377)	8,906	146,637
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	5,745	(2,377)	8,906	146,637
Fund Balance, Beginning of Year	945	87,883	84,887	631,314
Fund Balance, End of Year	\$ 6,690	\$ 85,506	\$ 93,793	\$ 777,951

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-2

	Special Revenue Funds			
	<i>Book Preservation</i>	<i>Record Management</i>	<i>Right of Way</i>	<i>Juvenile Probation</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	26,587	5,122	-	-
Fines and Forfeitures	-	-	-	-
Interest	166	12	418	219
Miscellaneous	-	-	-	-
Total Revenues	<u>26,753</u>	<u>5,134</u>	<u>418</u>	<u>219</u>
EXPENDITURES				
Current:				
General Government	18,652	-	-	-
Roads and Public Works	-	-	-	-
Legal	-	-	-	-
Public Safety	-	-	-	25,173
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Total Expenditures	<u>18,652</u>	<u>-</u>	<u>-</u>	<u>25,173</u>
Excess (Deficiency) of Revenues over Expenditures	8,101	5,134	418	(24,954)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	25,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net Change in Fund Balance	8,101	5,134	418	46
Fund Balance, Beginning of Year	108,599	5,830	61,141	20,115
Fund Balance, End of Year	<u>\$ 116,700</u>	<u>\$ 10,964</u>	<u>\$ 61,559</u>	<u>\$ 20,161</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-2

	Special Revenue Funds			
	<i>Juvenile Probation Comm. Corr.</i>	<i>Diversionary Placement</i>	<i>Title VI-E</i>	<i>Bail Bond Board</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	154,916	2,861	71,450	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	-	-	21
Miscellaneous	3,780	-	-	-
Total Revenues	<u>158,696</u>	<u>2,861</u>	<u>71,450</u>	<u>21</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Roads and Public Works	-	-	-	-
Legal	-	-	-	-
Public Safety	145,956	1,341	71,450	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Total Expenditures	<u>145,956</u>	<u>1,341</u>	<u>71,450</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	12,740	1,520	-	21
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	12,740	1,520	-	21
Fund Balance, Beginning of Year	-	-	8,287	13,850
Fund Balance, End of Year	<u>\$ 12,740</u>	<u>\$ 1,520</u>	<u>\$ 8,287</u>	<u>\$ 13,871</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-2

	Special Revenue Funds			
	<i>Hot Check</i>	<i>County</i>	<i>Co. Attny</i>	<i>Sheriff</i>
	<i>Fee</i>	<i>Attorney</i>	<i>Welfare</i>	<i>Comm. Svc.</i>
		<i>Drug Forf.</i>	<i>Fraud</i>	<i>Program</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	416	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	13	1	-
Miscellaneous	-	-	-	-
Total Revenues	<u>416</u>	<u>13</u>	<u>1</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Roads and Public Works	-	-	-	-
Legal	1,822	-	-	-
Public Safety	-	11,293	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Total Expenditures	<u>1,822</u>	<u>11,293</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(1,406)	(11,280)	1	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,406)	(11,280)	1	-
Fund Balance, Beginning of Year	1,616	12,992	617	16
Fund Balance, End of Year	<u>\$ 210</u>	<u>\$ 1,712</u>	<u>\$ 618</u>	<u>\$ 16</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-2

	Special Revenue Funds			
	<i>Economic Development</i>	<i>County Clerk Vital Stats Record</i>	<i>County Clerk Archive Fees</i>	<i>Tx Dept of Ag. CDBG</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	147,575
Charges for Services	-	-	-	-
Fines and Forfeitures	-	981	24,772	-
Interest	-	6	223	-
Miscellaneous	-	-	-	-
Total Revenues	-	987	24,995	147,575
EXPENDITURES				
Current:				
General Government	-	720	19,280	-
Roads and Public Works	-	-	-	147,575
Legal	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Total Expenditures	-	720	19,280	147,575
Excess (Deficiency) of Revenues over Expenditures	-	267	5,715	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	267	5,715	-
Fund Balance, Beginning of Year	1,978	3,843	149,058	-
Fund Balance, End of Year	\$ 1,978	\$ 4,110	\$ 154,773	\$ -

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES

NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-2

	Special Revenue Funds			Total
	<i>Homeland</i>	<i>County</i>	<i>Tx DOT</i>	Nonmajor
	<i>Security Grant</i>	<i>Office</i>	<i>NE TX Trail</i>	Governmental
		<i>Fees</i>	<i>Grant</i>	Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 430,974
Intergovernmental Revenue and Grants	38,400	-	10,789	425,991
Charges for Services	-	-	-	37,865
Fines and Forfeitures	-	22,850	-	63,771
Interest	-	-	-	2,511
Miscellaneous	-	-	-	6,430
Total Revenues	<u>38,400</u>	<u>22,850</u>	<u>10,789</u>	<u>967,542</u>
EXPENDITURES				
Current:				
General Government	-	-	-	38,652
Roads and Public Works	-	-	-	147,575
Legal	-	-	-	1,822
Public Safety	38,400	-	-	304,259
Health and Welfare	-	-	-	286,407
Culture and Recreation	-	-	10,789	10,789
Total Expenditures	<u>38,400</u>	<u>-</u>	<u>10,789</u>	<u>789,504</u>
Excess (Deficiency) of Revenues over Expenditures	-	22,850	-	178,038
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	25,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net Change in Fund Balance	-	22,850	-	203,038
Fund Balance, Beginning of Year	-	341,180	-	1,534,151
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 364,030</u>	<u>\$ -</u>	<u>\$ 1,737,189</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2023

H-3

	<i><u>Law Enforcement</u></i>	<i><u>State Trust</u></i>	<i><u>Arrest Fees</u></i>	<i><u>Justice of the Peace</u></i>
ASSETS				
Cash and Cash Equivalents	\$ 14,729	\$ 290,742	\$ 40,040	\$ -
Certificates of Deposit	-	203,237	73,236	-
Total Assets	<u>\$ 14,729</u>	<u>\$ 493,979</u>	<u>\$ 113,276</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 385	\$ -	\$ -
Due to Other Funds	-	364,030	-	-
Total Liabilities	<u>-</u>	<u>364,415</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for:				
Individuals and Other Governments	14,729	129,564	113,276	-
Total Net Position	<u>\$ 14,729</u>	<u>\$ 129,564</u>	<u>\$ 113,276</u>	<u>\$ -</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2023

H-3

	<u><i>Sheriff</i></u>	<u><i>Tax Collector</i></u>	<u><i>County Attorney</i></u>	<u><i>County Clerk</i></u>
ASSETS				
Cash and Cash Equivalents	\$ 168,591	\$ 26,255	\$ 76,558	\$ 5,117
Certificates of Deposit	-	-	-	5,953
Total Assets	<u>\$ 168,591</u>	<u>\$ 26,255</u>	<u>\$ 76,558</u>	<u>\$ 11,070</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for:				
Individuals and Other Governments	168,591	26,255	76,558	11,070
Total Net Position	<u>\$ 168,591</u>	<u>\$ 26,255</u>	<u>\$ 76,558</u>	<u>\$ 11,070</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2023

H-3

	<i><u>District Clerk</u></i>	<i><u>Emergency Services</u></i>	<i><u>Total Custodial Funds</u></i>
ASSETS			
Cash and Cash Equivalents	\$ 153,678	\$ 9,441	\$ 785,151
Certificates of Deposit	55,957	-	338,383
Total Assets	<u><u>\$ 209,635</u></u>	<u><u>\$ 9,441</u></u>	<u><u>\$ 1,123,534</u></u>
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 385
Due to Other Funds	-	-	364,030
Total Liabilities	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>364,415</u></u>
NET POSITION			
Restricted for:			
Individuals and Other Governments	209,635	9,441	759,119
Total Net Position	<u><u>\$ 209,635</u></u>	<u><u>\$ 9,441</u></u>	<u><u>\$ 759,119</u></u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-4

	<i><u>Law Enforcement</u></i>	<i><u>State Trust</u></i>	<i><u>Arrest Fees</u></i>	<i><u>Justice of the Peace</u></i>
ADDITIONS				
Amounts collected for individuals and other governments	\$ 2,354	\$ 108,711	\$ 2,790	\$ 10,593
Interest	-	9,355	-	-
Total Additions	<u>2,354</u>	<u>118,066</u>	<u>2,790</u>	<u>10,593</u>
DEDUCTIONS				
Amounts distributed to individuals and other governments	<u>2,203</u>	<u>108,399</u>	<u>953</u>	<u>10,593</u>
Total Deductions	<u>2,203</u>	<u>108,399</u>	<u>953</u>	<u>10,593</u>
Net increase (decrease) in fiduciary net position	151	9,667	1,837	-
Net Position, Beginning of Year, as restated, Note 16	14,578	119,897	111,439	-
Net Position, End of Year	<u>\$ 14,729</u>	<u>\$ 129,564</u>	<u>\$ 113,276</u>	<u>\$ -</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-4

	<u><i>Sheriff</i></u>	<u><i>Tax Collector</i></u>	<u><i>County Attorney</i></u>	<u><i>County Clerk</i></u>
ADDITIONS				
Amounts collected for individuals and other governments	\$ 190,922	\$ 1,755,348	\$ 14,929	\$ 5,953
Interest	29	505	-	-
Total Additions	<u>190,951</u>	<u>1,755,853</u>	<u>14,929</u>	<u>5,953</u>
DEDUCTIONS				
Amounts distributed to individuals and other governments	218,119	1,748,371	5,269	-
Total Deductions	<u>218,119</u>	<u>1,748,371</u>	<u>5,269</u>	<u>-</u>
Net increase (decrease) in fiduciary net position	(27,168)	7,482	9,660	5,953
Net Position, Beginning of Year, as restated, Note 16	195,759	18,773	66,898	5,117
Net Position, End of Year	<u>\$ 168,591</u>	<u>\$ 26,255</u>	<u>\$ 76,558</u>	<u>\$ 11,070</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

H-4

	<u><i>District Clerk</i></u>	<u><i>Emergency Services</i></u>	<u><i>Total Custodial Funds</i></u>
ADDITIONS			
Amounts collected for individuals and other governments	\$ 116,045	\$ 9,441	\$ 2,217,086
Interest	686	-	10,575
Total Additions	<u>116,731</u>	<u>9,441</u>	<u>2,227,661</u>
DEDUCTIONS			
Amounts distributed to individuals and other governments	<u>29,389</u>	<u>-</u>	<u>2,123,296</u>
Total Deductions	<u>29,389</u>	<u>-</u>	<u>2,123,296</u>
Net increase (decrease) in fiduciary net position	87,342	9,441	104,365
Net Position, Beginning of Year, as restated, Note 16	122,293	-	654,754
Net Position, End of Year	<u>\$ 209,635</u>	<u>\$ 9,441</u>	<u>\$ 759,119</u>

***RED RIVER COUNTY, TEXAS
REPORT ON COMPLIANCE AND INTERNAL CONTROLS***



WILF & HENDERSON, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Member of American Institute of Certified Public Accountants
Member of Private Company Practice Section
Member of AICPA Governmental Audit Quality Center

**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 *GOVERNMENTAL AUDITING STANDARDS***

Honorable Judge Robert Bridges and
The Commissioners Court of Red River County
Red River County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Red River County, Texas (County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 21, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Wilf & Henderson, P.C.

Wilf & Henderson, P.C.
Certified Public Accountants
Texarkana, Texas
June 21, 2024



WILF & HENDERSON, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Member of American Institute of Certified Public Accountants
Member of Private Company Practice Section
Member of AICPA Governmental Audit Quality Center

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Judge Robert Bridges and
The Commissioners' Court of Red River County
Red River County, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Red River County, Texas's (County's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2023. Red River County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Red River County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Red River County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Wilf & Henderson, P.C.

Wilf & Henderson, P.C.
Certified Public Accountants
Texarkana, Texas
June 21, 2024

RED RIVER COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

I. Summary of the Auditor's Results:

- a. The auditor's report expresses an unmodified opinion on whether the financial statements of Red River County, Texas were prepared in accordance with GAAP.
- b. No significant deficiencies or material weaknesses related to the audit of the financial statements are reported on the internal control over financial reporting and on compliance and other matters required by the GAO's *Government Auditing Standards*.
- c. No instances of noncompliance material to the financial statements of Red River County, Texas were disclosed during the audit.
- d. No significant deficiencies or material weaknesses relating to the audit of the major federal award program were reported in the report on internal control over compliance required by Uniform Guidance.
- e. The type of report the auditor issued on compliance for major programs was an unmodified opinion.
- f. No audit findings relative to the major federal award programs were disclosed by the audit that were required to be reported under 2 CFR 200.516(a).
- g. The program tested as major program was:

ALN 14.239 HOME Investment Partnerships Program

- h. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i. Red River County, Texas was determined not to be a low-risk auditee.

II. Findings Relating to the Financial Statements Which are Required to Be Reported in Accordance with Generally Accepted Government Auditing Standards

No findings required to be reported.

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in I.f Above.

No findings required to be reported.

***RED RIVER COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023***

There were no prior year audit findings.

RED RIVER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the Texas Department of Agriculture: Community Development Block Grant Program	14.228	17560011243	\$ 147,575	\$ -
Passed through the Texas Department of Housing and Community Affairs: HOME Investment Partnerships Program	14.239	079358719	953,363	-
Total U.S. Department of Housing and Urban Development			<u>1,100,938</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Passed through the Texas Office of the Governor: Violence Against Women Act Formula Grants	16.588	3953203	8,309	-
Total U.S. Department of Justice			<u>8,309</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		562,735	-
Total U.S. Department of the Treasury			<u>562,735</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Passed through the Texas Office of the Governor: Homeland Security Grant Program	97.067	4404401	38,400	-
Total U.S. Department of Homeland Security			<u>38,400</u>	<u>-</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,710,382</u></u>	<u><u>\$ -</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of all federal award programs of Red River County, Texas for the year ended September 30, 2023. The grant programs are administered by the various departments of the County. The activities of these departments are monitored by County staff to ensure compliance with requirements of the underlying grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Significant Accounting Policies - The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting and other significant accounting policies are described in Note 1 of the financial statements.

NOTE 3 - USE OF 10% DE MINIMIS COST RATE

Red River County, Texas has elected not to use the 10 percent de minimis cost rate as allowed under Uniform Guidance.

NOTE 4 - RELATIONSHIP TO GRANT FINANCIAL REPORTS

The amounts reported in the accompanying schedule may not agree with the amounts reported in the related grant financial reports filed with the grantor agencies due to the fact that the accompanying schedule represents activity for the twelve months ended September 30, 2023, while some grant reports are prepared monthly, quarterly, or annually on a grant fiscal year end that is different.

NOTE 5 - RECONCILIATION TO TOTAL INTERGOVERNMENTAL REVENUES AND EXPENDITURES

A reconciliation of federal program revenues and expenditures is as follows:

Federal Revenues and Expenses:

General Fund	\$ 8,309
Home Grant Fund	953,363
State and Local Fiscal Recovery Grant Fund	562,735
Other Governmental Funds	<u>185,975</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>1,710,382</u>

Intergovernmental Revenues from State and Local Sources:

General Fund	64,323
Road and Bridge Fund	24,985
Other Governmental Funds	<u>240,016</u>
Total State and Local Revenues	<u>329,324</u>
Total Intergovernmental Revenues per Schedule C-3	<u><u>\$ 2,039,706</u></u>