

**FALLS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended
September 30, 2024**

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis	9
Statement of Activities – Cash Basis Fund Financial Statements:	10
Balance Sheet - Governmental Funds – Cash Basis	11
Statement of Receipts, Disbursements, and Changes in Fund Balances Governmental Funds – Cash Basis	12
Statement of Receipts, Disbursements, and Changes in Fund Balances Budget and Actual - General Fund – Cash Basis	13
Statement of Receipts, Disbursements, and Changes in Fund Balances Budget and Actual - Road and Bridge Fund – Cash Basis	14
Statement of Receipts, Disbursements, and Changes in Fund Balances Budget and Actual - Farm-to-Market Lateral Road Fund – Cash Basis	15
Combining Statement of Fiduciary Net Position – Cash Basis	16
Notes to the Financial Statements	18
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Cash Basis – Non-major Governmental Funds	25
Combining Statement of Receipts, Disbursements and Changes in Fund Balances Non-major Governmental Funds – Cash Basis	34

Single Audit Section:

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	43
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	45
Schedule of Expenditures of Federal, State and Regional Awards	46
Schedule of Findings and Questioned Costs	47
Notes to Schedule of Expenditures of Federal Awards	49
Schedule of Prior Audit Findings	50

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge and
Commissioners' Court
Falls County, Texas

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities and the major funds of the County as of September 30, 2024, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note A.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS and *Government Auditing Standards*, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2025, on our consideration of Falls County, Texas internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Falls County, Texas internal control over financial reporting and compliance.

P. Andrew Hall, LLC

P. Andrew Hall, LLC
June 27, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FALLS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

As management of Falls County, Texas, we offer readers of Falls County, Texas' cash-basis financial statements this narrative overview and analysis of the financial activities of Falls County, Texas for the fiscal year ended September 30, 2024.

Financial Highlights

The assets and equity of Falls County, Texas at the close of the most recent fiscal year are \$12,259,207 (net position). Of this amount, \$8,3092,393 or 66% (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$1,099,991. This increase is mainly attributable to excess sales tax revenue and careful budget management.

Falls County, Texas' total restricted and committed net position on September 30, 2024, is \$3,920,532 or 34% of net position. This was a decrease of \$1,120,00 from the previous year. This increase is mainly attributable to excess sales tax revenue and careful budget management.

Overview of the Financial Statements

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Falls County's finances.

The *statement of net position* presents information of Falls County, Texas' cash and investments and cash basis - net position. The reported change in financial condition is a change in cash position and not a change in the economic condition of Falls County, Texas.

The statement of activities presents information showing how Falls County, Texas' net position changed during the most recent fiscal year. All changes in net position are reported as cash receipts are received, and disbursements are made. Thus, receipts and disbursements are reported in these statements.

The governmental activities on the government-wide financial statements of Falls County, Texas are principally supplied by taxes and intergovernmental receipts. The governmental activities of Falls County, Texas include general government, legal, health and welfare, judicial, public safety, culture and recreation, roads and bridges and principal and interest on long-term debt.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Falls County, Texas maintains thirty-six (36) individual governmental funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of receipts, disbursements, and changes in cash basis fund balances for the General, Road and Bridge, Farm to Market Lateral Road, Falls County Renovation Grant funds, and the Grant fund, all of which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Falls County Commissioners Court adopts an annual appropriated budget for its General, Road and Bridge, and Farm to Market Lateral Road Funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

**FALLS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to supplement Falls County's own programs.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents combining fund statements that further support the information in the financial statements. The combining fund statements and schedules for non-major funds are presented immediately following the required supplementary schedule.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Falls County, cash, and net position were \$12,259,207 at the close of the most recent fiscal year.

	Governmental Activities	
	2024	2023
Current and Other Assets	\$ 12,259,207	\$ 11,159,216
Total Assets	12,259,207	11,159,216
Restricted	3,920,532	4,419,923
Unrestricted	8,338,675	6,739,293
Total Net position	\$ 12,259,207	\$ 11,159,216

A portion of Falls County, Texas' net position (34 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$8,338,675) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Falls County, Texas can report positive balances in all categories of net position, both for the government, as well as for its separate governmental activities.

The government's total net position increased by \$1,099,991. This increase is mainly attributable to excess sales tax revenue and careful budget management.

Governmental activities: There were no business-type activities so any analysis regarding governmental activities will be the same as the analysis of the Government-wide Financial Analysis. Governmental activities total net position increased by \$1,099,991. This increase is mainly attributable to excess sales tax revenue and careful budget management.

**FALLS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

CHANGE IN NET POSITION - CASH BASIS

	Governmental Activities	
	2024	2023
Receipts:		
Program Receipts:		
Charges for Services	\$ 1,261,654	\$ 1,460,694
Operating Grants and Contributions	1,722,892	572,533
General Receipts:		
Maintenance and Operations Taxes	10,191,357	9,776,467
Sales Taxes	977,910	1,505,427
Other Taxes	7,827	6,180
Unrestricted Investment Earnings	651,264	501,734
Miscellaneous	1,042,267	1,676,904
Total Revenue	<u>15,855,171</u>	<u>15,499,939</u>
Disbursements:		
General Administration	4,166,730	3,271,032
Legal	425,972	321,555
Judicial	322,436	594,813
Financial Administration	548,672	503,627
Public Facilities	142,147	1,101,355
Public Safety	3,576,168	2,661,104
Public Transportation	4,402,126	3,389,768
Culture and Recreation	22,317	21,174
Health and Welfare	712,174	383,607
Conservation - Agriculture	97,713	85,189
Equipment	-	43,912
Principal, Interest and Fiscal Charges	338,725	267,181
Total Disbursements	<u>14,755,180</u>	<u>12,644,317</u>
Increase in Net Position before	<u>1,099,991</u>	<u>2,855,622</u>
Net Position - Beginning of Year	<u>11,159,216</u>	<u>5,936,570</u>
Net Position - End of Year	<u><u>\$ 12,259,207</u></u>	<u><u>\$ 8,792,192</u></u>

**FALLS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

STATEMENT OF ACTIVITIES

Functions/Programs	Disbursements	Program Receipts		
		Operating Charges for Services	Grants and Contributions	Capital Grants and Contributions
Primary government				
Government activities:				
General Administration	\$ 4,166,730	\$ 269,262	\$ 804,213	\$ -
Legal	425,972	-	-	-
Judicial	322,436	13,032	-	-
Financial Administration	548,672	-	-	-
Public Facilities	142,147	-	-	-
Public Safety	3,576,168	379,452	322,405	-
Public Transportation	4,402,126	599,908	427,678	-
Culture and Recreation	22,317	-	-	-
Health and Welfare	712,174	-	-	-
Conservation - Agriculture	97,713	-	-	-
Principal, Interest and Fiscal Charges	338,725	-	-	-
Total government activities	<u>\$ 14,755,180</u>	<u>\$ 1,261,654</u>	<u>\$ 1,554,296</u>	<u>\$ -</u>

Receipts by source - Governmental Activities

	Receipts	%
Charges for Services	\$ 1,261,654	8%
Operating Grants and Contributions	1,554,296	10%
Maintenance and Operations Taxes	10,191,357	65%
Sales Taxes	977,910	6%
Other Taxes	7,827	0%
Unrestricted Investment Earnings	651,264	4%
Miscellaneous	1,060,119	7%
	<u>\$15,704,427</u>	<u>100.00%</u>

For the most part, the increases and decreases in expenses closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of Falls County's *governmental funds* is to provide information on cash receipts and disbursements.

At the end of fiscal year 2024, Falls County's *governmental funds* reported combined ending cash basis fund balances of \$12,259,207 an increase of \$1,120,366 in comparison with the prior year. Governmental Funds total net position increased by \$3,027,533. This increase is mainly attributable to excess sales tax revenue and careful budget management.

The General Fund is the chief operating fund of Falls County. At the end of fiscal year 2024, the General Fund had an ending cash basis fund balance of \$6,564,191. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance of \$5,534,165 to total fund expenditures. Unassigned cash basis fund balance represents 72% of total General Fund disbursements.

The fund balance of Falls County's General Fund increased by \$1,224,095 during 2024. This increase is primarily due to careful budget management.

**FALLS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

The Road and Bridge Fund had an ending fund balance of \$1,213,002 an increase of \$158,263, and the Farm-to-Market Lateral Road Fund ending fund balance was \$1,065,293, an increase of \$37,403. The increase in the Road and Bridge Fund was primarily due to increased property tax receipts and the increase in the Farm-to-Market Lateral Road Fund was due to a decrease in gravel expenditures. The cash basis fund balance represents 57% of total Road and Bridge Fund disbursements and 64% of total Farm-to-Market Lateral Road Fund disbursements.

There is no analysis of the Falls County Renovation Grant fund and the Grant fund because they are construction and rehabilitation funds making comparison illusory in nature.

Budgetary Highlights:

There was no difference between the original budget and the final amended budget in the general fund.

Economic Factors:

The County's elected officials considered many factors when setting the 2025 budget. The County continues to follow a conservative approach for budget preparation. The primary goal of the 2025 budget was to adopt a balanced budget for all funds. With hard work and dedication of the County staff and Commissioners Court, this goal was accomplished.

Requests for Information

This financial report is designed to provide our citizen's taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If questions are encountered regarding this report; contact Falls County Auditor's Office, 125 Bridge Room, Marlin, TX. 76661.

BASIC FINANCIAL STATEMENTS

FALLS COUNTY, TEXAS
STATEMENT OF NET POSITION - CASH BASIS
SEPTEMBER 30, 2024

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and Cash Equivalents	\$ 9,830,147	\$ 9,830,147
Investments	2,429,060	2,429,060
Total Assets	<u>\$ 12,259,207</u>	<u>\$ 12,259,207</u>
NET POSITION - CASH BASIS		
Restricted		
Administration	\$ 601,643	\$ 601,643
Culture and Recreation	2,450	2,450
Debt Service	96,691	96,691
Elections	54,867	54,867
Judicial	565,650	565,650
Legal	24,483	24,483
Public Facilities	153,917	153,917
Public Safety	142,536	142,536
Public Transportation	2,278,295	2,278,295
Unrestricted	<u>8,338,675</u>	<u>8,338,675</u>
Total Net Position - Cash Basis	<u><u>\$ 12,259,207</u></u>	<u><u>\$ 12,259,207</u></u>

The accompanying notes are an integral part of these statements.

FALLS COUNTY, TEXAS
STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2024

Functions/ Programs	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in	
					Governmental Activities	Total
Primary government						
Government activities:						
General Administration	\$ 4,166,730	\$ 269,262	\$ 804,213	\$ -	\$ (3,093,255)	\$ (3,093,255)
Legal	425,972	-	-	-	(425,972)	(425,972)
Judicial	322,436	13,032	18,596	-	(290,808)	(290,808)
Financial Administration	548,672	-	-	-	(548,672)	(548,672)
Public Facilities	142,147	-	-	-	(142,147)	(142,147)
Public Safety	3,576,168	379,452	322,405	-	(2,874,311)	(2,874,311)
Public Transportation	4,402,126	599,908	427,678	-	(3,374,540)	(3,374,540)
Culture and Recreation	22,317	-	-	-	(22,317)	(22,317)
Health and Welfare	712,174	-	-	-	(712,174)	(712,174)
Conservation - Agriculture	97,713	-	150,000	-	52,287	52,287
Debt Service						
Principal, Interest and Fiscal Charges	338,725	-	-	-	(338,725)	(338,725)
Total government activities	14,755,180	1,261,654	1,722,892	-	(11,770,634)	(11,770,634)
Total Primary Government	<u>\$ 14,755,180</u>	<u>\$ 1,261,654</u>	<u>\$ 1,722,892</u>	<u>\$ -</u>	<u>\$ (11,770,634)</u>	<u>\$ (11,770,634)</u>
General Receipts						
Property Taxes, Levies for General Purposes					\$ 10,191,357	\$ 10,191,357
Sales Taxes					977,910	977,910
Other Taxes					7,827	7,827
Unrestricted Investment Earnings					651,264	651,264
Miscellaneous					1,042,267	1,042,267
Total General Receipts and Transfers					12,870,625	12,870,625
Change in Net Position - Cash Basis					1,099,991	1,099,991
Net Position - Cash Basis - Beginning					11,159,216	11,159,216
Net Position - Cash Basis - Ending					<u>\$ 12,259,207</u>	<u>\$ 12,259,207</u>

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

FALLS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
SEPTEMBER 30, 2024

	General Fund	Road and Bridge	F.M. Lateral Road Fund	American Rescue Plan	Budget Stabilization	Non-major Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 5,534,165	\$ 1,213,002	\$ 1,065,293	\$ 436,389	\$ 87,788	\$ 1,493,510	\$ 9,830,147
Investments	-	-	-	-	2,429,060	-	2,429,060
Total Assets	<u>\$ 5,534,165</u>	<u>\$ 1,213,002</u>	<u>\$ 1,065,293</u>	<u>\$ 436,389</u>	<u>\$ 2,516,848</u>	<u>\$ 1,493,510</u>	<u>\$ 12,259,207</u>
FUND BALANCES:							
Fund Balances:							
Restricted							
Administration	19,746	-	-	436,389	-	145,508	601,643
Culture and Recreation	-	-	-	-	-	2,450	2,450
Debt Service	-	-	-	-	-	96,691	96,691
Elections	-	-	-	-	-	54,867	54,867
Judicial	-	-	-	-	-	565,650	565,650
Legal	-	-	-	-	-	24,483	24,483
Public Facilities	-	-	-	-	-	153,917	153,917
Public Safety	63,114	-	-	-	-	79,422	142,536
Public Transportation	-	1,213,002	1,065,293	-	-	-	2,278,295
Committed					-		
Cemetery	-	-	-	-	-	279	279
Equipment Replacement	-	-	-	-	-	246,003	246,003
Unassigned	5,451,305	-	-	-	2,516,848	124,240	8,092,393
Total Fund Balance	<u>5,534,165</u>	<u>1,213,002</u>	<u>1,065,293</u>	<u>436,389</u>	<u>2,516,848</u>	<u>1,493,510</u>	<u>12,259,207</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,534,165</u>	<u>\$ 1,213,002</u>	<u>\$ 1,065,293</u>	<u>\$ 436,389</u>	<u>\$ 2,516,848</u>	<u>\$ 1,493,510</u>	<u>\$ 12,259,207</u>

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

FALLS COUNTY, TEXAS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Road and Bridge	F.M. Lateral Road Fund	American Rescue Plan	Budget Stabilization	Non-major Governmental Funds	Total Governmental Funds
RECEIPTS							
Taxes							
Property	\$ 6,564,191	\$ 1,645,727	\$ 1,508,274	\$ -	\$ -	\$ 473,165	\$ 10,191,357
Sales	600,000	-	-	-	377,910	-	977,910
Other	7,827	-	-	-	-	-	7,827
Intergovernmental	39,691	23,308	-	-	-	1,659,893	1,722,892
Licenses and Permits	-	599,508	-	-	-	-	599,508
Charges for Services	510,007	-	-	-	-	151,739	661,746
Fines and Forfeitures	235,413	-	-	-	-	-	235,413
Interest	517,522	-	65,243	49,034	-	19,465	651,264
Miscellaneous	420,575	7,380	126,646	-	390,594	114,924	1,060,119
Total Receipts	<u>8,895,226</u>	<u>2,275,923</u>	<u>1,700,163</u>	<u>49,034</u>	<u>768,504</u>	<u>2,419,186</u>	<u>16,108,036</u>
DISBURSEMENTS							
Current:							
General Administration	2,509,031	-	-	203,674	262,673	1,191,352	4,166,730
Legal	425,972	-	-	-	-	-	425,972
Judicial	299,636	-	-	-	-	22,800	322,436
Financial Administration	548,672	-	-	-	-	-	548,672
Public Facilities	142,147	-	-	-	-	-	142,147
Public Safety	2,941,703	-	-	-	-	634,465	3,576,168
Public Transportation	-	2,117,660	1,589,966	694,500	-	-	4,402,126
Culture and Recreation	22,317	-	-	-	-	-	22,317
Health and Welfare	526,231	-	-	185,943	-	-	712,174
Conservation - Agriculture	97,713	-	-	-	-	-	97,713
Equipment	107,033	-	-	-	-	125,457	232,490
Debt Service							
Principal, Interest and Fiscal Charges	-	-	72,794	-	-	265,931	338,725
Total Disbursements	<u>7,620,455</u>	<u>2,117,660</u>	<u>1,662,760</u>	<u>1,084,117</u>	<u>262,673</u>	<u>2,240,005</u>	<u>14,987,670</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	1,274,771	158,263	37,403	(1,035,083)	505,831	179,181	1,120,366
OTHER FINANCING SOURCES (USES):							
Other Financing Sources							
Operating Transfers In	1,432	-	-	-	-	52,353	53,785
Operating Transfers Out	(52,108)	-	-	-	(245)	(1,432)	(53,785)
Total Other Financing Sources (Uses)	<u>(50,676)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(245)</u>	<u>50,921</u>	<u>-</u>
Net Changes in Fund Balances	1,224,095	158,263	37,403	(1,035,083)	505,586	230,102	1,120,366
Fund Balances - Beginning	4,310,070	1,054,739	1,027,890	1,471,472	2,011,262	1,263,408	11,138,841
Fund Balances - Ending	<u>\$ 5,534,165</u>	<u>\$ 1,213,002</u>	<u>\$ 1,065,293</u>	<u>\$ 436,389</u>	<u>\$ 2,516,848</u>	<u>\$ 1,493,510</u>	<u>\$ 12,259,207</u>

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

FALLS COUNTY, TEXAS
GENERAL FUND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes				
Property	\$ 6,501,916	\$ 6,501,916	\$ 6,564,191	\$ 62,275
Sales	580,000	580,000	600,000	20,000
Other	6,500	6,500	7,827	1,327
Intergovernmental	395,532	395,532	39,691	(355,841)
Charges for Services	626,702	626,702	510,007	(116,695)
Fines and Forfeitures	2,000	2,000	235,413	233,413
Interest	1	1	517,522	517,521
Miscellaneous	104,433	104,433	420,575	316,142
Contingency	160,682	160,682	-	(160,682)
Total Receipts	<u>8,377,766</u>	<u>8,377,766</u>	<u>8,895,226</u>	<u>517,460</u>
DISBURSEMENTS				
Current:				
General Administration				
County Judge	152,473	152,473	139,630	12,843
Court Reporter	115,663	115,663	112,260	3,403
Elections Administration	169,429	169,429	156,551	12,878
Non-Departmental	2,310,115	2,310,115	1,883,380	426,735
Legal				
County/District Attorney	438,808	438,808	436,488	2,320
Judicial				
County and District Clerk	424,699	424,699	470,886	(46,187)
Justice's of the Peace	247,822	247,822	244,801	3,021
Financial Administration				
County Treasurer	123,346	123,346	109,241	14,105
County Auditor	212,693	212,693	169,606	43,087
Tax Assessor-Collector	286,296	286,296	269,827	16,469
Public Facilities				
Building and Yards	131,346	131,346	142,147	(10,801)
Comm. Towers	11,800	11,800	-	11,800
Public Safety				
Emergency Management	104,718	104,718	102,201	2,517
Constables	308,105	308,105	301,712	6,393
Jail	1,380,068	1,380,068	1,172,370	207,698
Sheriff	1,306,270	1,306,270	1,246,423	59,847
Culture and Recreation				
Brazos Park	28,751	28,751	22,317	6,434
Health and Welfare				
Indigent Health	526,231	526,231	526,231	-
Conservation - Agriculture				
Agriculture Extension Service	99,133	99,133	114,384	(15,251)
Total Disbursements	<u>8,377,766</u>	<u>8,377,766</u>	<u>7,620,455</u>	<u>757,311</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>-</u>	<u>-</u>	<u>1,274,771</u>	<u>(239,851)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	-	-	(50,676)	50,676
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(50,676)</u>	<u>50,676</u>
Net Changes in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,224,095</u>	<u>\$ (1,224,095)</u>
Fund Balances - Beginning			4,310,070	
Fund Balances - Ending			<u>\$ 5,534,165</u>	

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

**FALLS COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes				
Property	\$ 1,496,914	\$ 1,496,914	\$ 1,645,727	\$ 148,813
Licenses and Permits	635,001	635,001	599,508	(35,493)
Miscellaneous	17,572	17,572	30,688	13,116
Total Receipts	<u>2,149,487</u>	<u>2,149,487</u>	<u>2,275,923</u>	<u>126,436</u>
DISBURSEMENTS				
Current				
Public Transportation				
Road and Bridge	2,149,487	2,149,487	2,117,660	31,827
Total Disbursements	<u>2,149,487</u>	<u>2,149,487</u>	<u>2,117,660</u>	<u>31,827</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>\$ -</u>	<u>\$ -</u>	\$ 158,263	<u>\$ 158,263</u>
			1,054,739	
			<u>\$ 1,213,002</u>	

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

FALLS COUNTY, TEXAS
FARM TO MARKET LATERAL FUND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RECEIPTS				
Taxes				
Property	\$ 1,480,463	\$ 1,480,463	\$ 1,508,274	\$ 27,811
Licenses and Permits	4,500	4,500	-	(4,500)
Interest	1,500	1,500	65,243	63,743
Miscellaneous	32,010	32,010	-	(32,010)
Carryover	1,124,414	1,124,414	126,646	(997,768)
Total Receipts	<u>2,642,887</u>	<u>2,642,887</u>	<u>1,700,163</u>	<u>(942,724)</u>
DISBURSEMENTS				
Current				
Public Transportation				
Road and Bridge	<u>2,642,887</u>	<u>-</u>	<u>1,662,760</u>	<u>(1,662,760)</u>
Total Disbursements	<u>2,642,887</u>	<u>-</u>	<u>1,662,760</u>	<u>(1,662,760)</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>-</u>	<u>2,642,887</u>	<u>37,403</u>	<u>(2,605,484)</u>
OTHER FINANCING SOURCES (USES):				
Contingency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>\$ -</u>	<u>\$ 2,642,887</u>	<u>37,403</u>	<u>\$ (2,605,484)</u>
Fund Balances - Beginning			<u>1,027,890</u>	
Fund Balances - Ending			<u>\$ 1,065,293</u>	

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

FALLS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
AGENCY FUNDS
SEPTEMBER 30, 2024

	Agency Funds	
	County Officer Accounts	TOTAL
<i>ASSETS</i>		
Cash and Cash Equivalents	\$ 251,049	\$ 251,049
Total Assets	<u>\$ 251,049</u>	<u>\$ 251,049</u>
LIABILITIES:		
Due to Others	\$ 251,049	\$ 251,049
Total Liabilities	<u>\$ 251,049</u>	<u>\$ 251,049</u>

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

FALLS COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Agency Funds	
	County Officer Accounts	TOTAL
ADDITIONS		
Contributions:		
Receipts from governments and Others	\$ 1,207,714	\$ 1,207,714
Interest Received	-	-
TOTAL ADDITIONS	1,207,714	1,207,714
DEDUCTIONS		
Distributions to other governments and Others	1,201,747	1,201,747
Total Deductions	1,201,747	1,201,747
Change in Net Position	5,967	5,967
Net Position-Beginning	245,082	245,082
Net Position-Ending	\$ 251,049	\$ 251,049

Note: The Agency funds were the only fiduciary fund type of the County in the 2024 year.

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

NOTES TO FINANCIAL STATEMENTS

**FALLS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because receipts (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and disbursements or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

A. Reporting Entity

The financial statements of Falls County, Texas are intended to present the financial position - cash basis and the changes in financial position - cash basis of only the portion of governmental activities, each major fund, and the aggregate remaining fund information of the County. They do not purport to, and do not, present fairly the financial position of Falls County, Texas, as of September 30, 2024, and the changes in its financial position - cash basis for the year ended in conformity with accounting principles generally accepted in the United States.

B. Government-wide Fund Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts, and other non-exchange receipts.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The County has presented all major funds that met those qualifications.

The County reports the following major governmental funds:

General Fund - Is the primary operating fund of Falls County, Texas and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Road and Bridge Fund - Is a Special Revenue Fund used to account for revenue derived from ad valorem taxes, vehicle registration fees and rebates from the State of Texas. Disbursements are for maintenance and construction of County roads and bridges.

Farm-to-Market Lateral Road Fund - Is a Special Revenue Fund used to account for revenue derived from ad valorem taxes. Disbursements are for maintenance and construction of County farm-to-market roads.

American Rescue Plan fund - Is a Special Revenue Fund used to account for COVID-19 related grant and reimbursement activity.

Budget Stabilization Fund - Is a special revenue fund used to account for revenue derived from solar farms.

**FALLS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Additionally, Falls County, Texas reports the following fund types:

Fiduciary Funds are used to account for assets held by Falls County, Texas as an agent for individuals and other governments. Agency Funds are custodial in nature and do not include measurements of results of operations.

The government-wide and fund financial statements are presented under the cash basis of accounting. The cash basis of accounting involves the measurement of cash and investments and changes in cash and investments resulting from cash receipt and disbursement transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As a result of the use of this cash basis of accounting, certain assets, and their related receipts (such as capital assets, accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as long-term debt, accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. If Falls County, Texas utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the government-wide financials would be presented on the accrual basis of accounting.

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

Amounts reported as program receipts include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general revenue includes all taxes.

Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

The government's cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value. For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

Property Taxes

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

The County bills and collects property taxes for itself and for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, and Debt Service Funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

**FALLS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The appraisal of property within the County is the responsibility of the County- wide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district based on 100 percent of its appraised value and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

Net Position

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

Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - net position that does not meet the definition of "restricted."

It is Falls County, Texas' policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by resolution of the Commissioners ' Court, the County's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Commissioners ' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When a disbursement is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When a disbursement is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**FALLS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following table presents the County's fund balances at September 30, 2024:

Fund Balances:	
Restricted	
Administration	\$ 601,643
Culture and Recreation	2,450
Debt Service	96,691
Elections	54,867
Judicial	565,650
Legal	24,483
Public Facilities	153,917
Public Safety	142,536
Public Transportation	2,278,295
Committed	
Cemetery	279
Equipment Replacement	246,003
Unassigned	8,092,393
Total Fund Balance	<u><u> \$ 12,259,207</u></u>

Stewardship, Compliance, and Accountability

Budgetary Information

The original budget is adopted by the Commissioner's Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioner's Court.

The final amended budget is used in this report. The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioner's Court, the County Auditor prepares an estimate of receipts and a compilation of requested departmental disbursements and submits this data to the Commissioner's Court.

The Commissioner's Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioner's Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of receipts and available cash. The final budget can be legally amended by the Commissioner's Court to whatever extent the Court desires if the amended figures do not exceed the County Auditor's estimate of receipts and available cash.

When the Budget has been adopted by the Commissioner's Court, the County Auditor is responsible for monitoring the disbursements of the various departments of the County to prevent disbursements from exceeding budgeted appropriations and for keeping the members of the Commissioner's Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund.

Budgets for the 2024 fiscal year were adopted for the General Fund, the Road and Bridge Fund, and the Farm-to-Market Lateral Road Fund.

**FALLS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Excess of Disbursements over Appropriations

For the year ended September 30, 2024, disbursements did not exceed appropriations in any fund.

Deficit fund equity

At September 30, 2024, no funds had a deficit fund balance

NOTE 2: **DEPOSITS AND INVESTMENTS**

Legal and Contractual Provisions Governing Deposits and Investments

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 County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy does address the following risks:

As of September 30, 2024, the government had investments totaling \$.2,429,060.

Custodial credit risk – Deposits

This is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2024, the government's bank balance of \$10,081,196 with the Bancorp Bank was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent. The book balance of the cash on September 30, 2024 is \$9,830,147.

**FALLS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 3: RISK MANAGEMENT

The government 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 government carries commercial insurance. There were no instances where settlements exceeded insurance coverage in any of the three previous years. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and number of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claim's liability estimate.

General Liability Insurance

The County is insured for general, police officers and automobile liability.

The County has joined with other governments in the Texas Association of Counties Risk Management Pool. The County pays an annual premium to Risk Management for auto vehicle insurance coverage. The agreement with Risk Management provides that Risk Management will be self-sustaining through member premiums and will reinsure through commercial companies for claims more than \$100,000 to \$300,000 for each insurance event. The County anticipates no contingent losses. Texas Association of Counties Risk Management Pool has published its own financial report that can be obtained from the Texas Association of Counties Risk Management Pool.

The County carries commercial fidelity bonds for elected officials and for management.

Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Association of Counties Risk Management Pool.

Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Association of Counties Risk Management Pool.

Group Health and Life Insurance

The County maintains a group health insurance plan for active employees and their eligible dependents. Costs are recorded in the fund from which the employees' compensation is paid.

Unemployment Compensation Insurance

The County insures against unemployment compensation claims through an agreement with the Texas Association of Counties.

**FALLS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4: **RELATED PARTY TRANSACTIONS**

Jay T. Elliott (County Judge) is Madison Elliott's (Justice of Peace #4) father.

Milton Albright (County Commissioner) and Sheryl Pringle (County Treasurer) are cousins.

Preble Polk (Justice of the Peace #3) is Kristy Pruitt's (Chief Deputy to County Tax Assessor) mother.

Laurie Smith (County District Clerk) is Lisa Reneau's (Tax Deputy Clerk) sister.

Kayci Nehring (County Tax Assessor) is Edd Nehring's (part-time Jailer) daughter-in-law.

Sheryl Pringle (County Treasurer) is Blake Odenbach's (full-time Dispatcher) aunt.

Elizabeth Garcia (District Attorney's Administrative Assistant) is Maggie Garcia's (Sheriff's Administrative Assistant) mother.

Sharon Scott (Chief Deputy to County Clerk) is Raymond Scott's (full-time Jailer) spouse.

Tonya Martinez (Chief Deputy to District Clerk) is Gabriel Martinez's (Jail Maintenance) spouse.

Thomas Jeff Watkins (Emergency Management Coordinator) is Lisa Watkin's (Election Administrator's Assistant Deputy) father.

NOTE 5: **SUBSEQUENT EVENTS**

In preparing the financial statements, Falls County has evaluated events and transactions for potential recognition or disclosure through June 27, 2025, the date that the financial statements were available to be issued.

NOTE 6: **CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of disbursements that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTE 7 **LITIGATION**

At September 30, 2024, the County is involved in various lawsuits pending against the County. These lawsuits involve claims relating to general liability, automobile liability, civil rights actions and various contractual matters. Any settlements arising out of these lawsuits will be paid from the County's insurance. In the opinion of management, any liabilities resulting from such suits would not have a material adverse effect on the County's financial statements.

COMBINING AND INDIVIDUAL FUND STATEMENTS

FALLS COUNTY, TEXAS
COMBINING BALLANCE SHEETS - CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2024

	SPECIAL REVENUE			
	911 FUND	CHAPTER 19 FUND	CHILD SAFETY FUND	COURT REPORTER
ASSETS				
Cash and Cash Equivalents	\$ 10,698	\$ 1,963	\$ 145,508	\$ 24,483
Total Assets	<u>\$ 10,698</u>	<u>\$ 1,963</u>	<u>\$ 145,508</u>	<u>\$ 24,483</u>
FUND BALANCES - CASH BASIS				
Fund Balance - Cash Basis				
Restricted				
Administration	-	-	145,508	-
Culture and Recreation	-	-	-	-
Debt Service	-	-	-	-
Elections	-	1,963	-	-
Judicial	-	-	-	-
Legal	-	-	-	24,483
Public Facilities	-	-	-	-
Public Safety	10,698	-	-	-
Committed				
Cemetery	-	-	-	-
Equipment Replacement	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance - Cash Basis	<u>10,698</u>	<u>1,963</u>	<u>145,508</u>	<u>24,483</u>
TOTAL LIABILITIES AND				
FUND BALANCES - CASH BASIS	<u>\$ 10,698</u>	<u>\$ 1,963</u>	<u>\$ 145,508</u>	<u>\$ 24,483</u>

(continued)

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

FALLS COUNTY, TEXAS
COMBINING BALLANCE SHEETS - CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2024

	SPECIAL REVENUE FUNDS			
	COST EQUIP	CO & DIST COURT TECH	D.A. - DEPT HUMAN SERVICES	DISTRICT ATTORNEY
ASSETS				
Cash and Cash Equivalents	\$ 207,975	\$ 6,839	\$ 85	\$ 5,205
Total Assets	<u>\$ 207,975</u>	<u>\$ 6,839</u>	<u>\$ 85</u>	<u>\$ 5,205</u>
FUND BALANCES - CASH BASIS				
Fund Balance - Cash Basis				
Restricted				
Administration	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service	-	-	-	-
Elections	-	-	-	-
Judicial	-	6,839	85	5,205
Legal	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Committed				
Cemetery	-	-	-	-
Equipment Replacement	207,975	-	-	-
Unassigned	-	-	-	-
Total Fund Balance - Cash Basis	<u>207,975</u>	<u>6,839</u>	<u>85</u>	<u>5,205</u>
TOTAL LIABILITIES AND FUND BALANCES - CASH BASIS	<u><u>\$ 207,975</u></u>	<u><u>\$ 6,839</u></u>	<u><u>\$ 85</u></u>	<u><u>\$ 5,205</u></u>

(continued)

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

FALLS COUNTY, TEXAS
COMBINING BALLANCE SHEETS - CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2024

	SPECIAL REVENUE FUNDS			
	D.A. - STATE FUND	ELECTION SERVICE FUND	ESTRAY FUND	FAMILY PROTECTION FUND
ASSETS				
Cash and Cash Equivalents	\$ 1,000	\$ 52,904	\$ 3,472	\$ 10,340
Total Assets	<u>\$ 1,000</u>	<u>\$ 52,904</u>	<u>\$ 3,472</u>	<u>\$ 10,340</u>
FUND BALANCES - CASH BASIS				
Fund Balance - Cash Basis				
Restricted				
Administration	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service	-	-	-	-
Elections	-	52,904	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	3,472	10,340
Committed				
Cemetery	-	-	-	-
Equipment Replacement	-	-	-	-
Unassigned	1,000	-	-	-
Total Fund Balance - Cash Basis	<u>1,000</u>	<u>52,904</u>	<u>3,472</u>	<u>10,340</u>
TOTAL LIABILITIES AND FUND BALANCES - CASH BASIS	<u><u>\$ 1,000</u></u>	<u><u>\$ 52,904</u></u>	<u><u>\$ 3,472</u></u>	<u><u>\$ 10,340</u></u>

(continued)

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

FALLS COUNTY, TEXAS
COMBINING BALANCE SHEETS - CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2024

	SPECIAL REVENUE FUNDS			
	GASSAWAY CEMETERY TRUST	INTER GOVERNMENTAL TRANSFERS	JUSTICE COURT TECH	KEEP FALLS CO BEAUTIFUL
ASSETS				
Cash and Cash Equivalents	\$ 279	\$ -	\$ 3,985	\$ 2,450
Total Assets	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 3,985</u>	<u>\$ 2,450</u>
FUND BALANCES - CASH BASIS				
Fund Balance - Cash Basis				
Restricted				
Administration	-	-	-	-
Culture and Recreation	-	-	-	2,450
Debt Service	-	-	-	-
Elections	-	-	-	-
Judicial	-	-	3,985	-
Legal	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Committed				
Cemetery	279	-	-	-
Equipment Replacement	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance - Cash Basis	<u>279</u>	<u>-</u>	<u>3,985</u>	<u>2,450</u>
TOTAL LIABILITIES AND				
FUND BALANCES - CASH BASIS	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 3,985</u>	<u>\$ 2,450</u>

(continued)

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

FALLS COUNTY, TEXAS
COMBINING BALANCE SHEETS - CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2024

	SPECIAL REVENUE FUNDS			
	LAW ENFORCEMENT EDUCATION	OFFICE OF AG-VCLG	PERMANENT IMPROVEMENT	RECORDS MGMT
ASSETS				
Cash and Cash Equivalents	\$ 23,117	\$ 5,258	\$ 38,028	\$ 457,882
Total Assets	<u>\$ 23,117</u>	<u>\$ 5,258</u>	<u>\$ 38,028</u>	<u>\$ 457,882</u>
FUND BALANCES - CASH BASIS				
Fund Balance - Cash Basis				
Restricted				
Administration	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service	-	-	-	-
Elections	-	-	-	-
Judicial	-	-	-	457,882
Legal	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	23,117	-	-	-
Committed				
Cemetery	-	-	-	-
Equipment Replacement	-	-	38,028	-
Unassigned	-	5,258	-	-
Total Fund Balance - Cash Basis	<u>23,117</u>	<u>5,258</u>	<u>38,028</u>	<u>457,882</u>
TOTAL LIABILITIES AND FUND BALANCES - CASH BASIS	<u><u>\$ 23,117</u></u>	<u><u>\$ 5,258</u></u>	<u><u>\$ 38,028</u></u>	<u><u>\$ 457,882</u></u>

(continued)

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

FALLS COUNTY, TEXAS
COMBINING BALANCE SHEETS - CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2024

	SPECIAL REVENUE FUNDS			
	SHERIFF FORFEITURE FUND	VAWA INVESTIGATOR	CRIME VICTIM RESTITUTION	Pre-Trial Intervention Program
ASSETS				
Cash and Cash Equivalents	\$ 17,967	\$ 3,885	\$ 224	\$ 54,458
Total Assets	<u>\$ 17,967</u>	<u>\$ 3,885</u>	<u>\$ 224</u>	<u>\$ 54,458</u>
FUND BALANCES - CASH BASIS				
Fund Balance - Cash Basis				
Restricted				
Administration	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service	-	-	-	-
Elections	-	-	-	-
Judicial	-	-	-	54,458
Legal	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	17,967	-	-	-
Committed				
Cemetery	-	-	-	-
Equipment Replacement	-	-	-	-
Unassigned	-	3,885	224	-
Total Fund Balance - Cash Basis	<u>17,967</u>	<u>3,885</u>	<u>224</u>	<u>54,458</u>
TOTAL LIABILITIES AND FUND BALANCES - CASH BASIS	<u><u>\$ 17,967</u></u>	<u><u>\$ 3,885</u></u>	<u><u>\$ 224</u></u>	<u><u>\$ 54,458</u></u>

(continued)

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

FALLS COUNTY, TEXAS
COMBINING BALLANCE SHEETS - CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2024

	SPECIAL REVENUE FUNDS			
	TWDB Grant	Falls County Grant	Falls on Brazos Park Project	Opioid Abatement
ASSETS				
Cash and Cash Equivalents	\$ 37,196	\$ 113,873	\$ 153,917	\$ 12,945
Total Assets	<u>\$ 37,196</u>	<u>\$ 113,873</u>	<u>\$ 153,917</u>	<u>\$ 12,945</u>
FUND BALANCES - CASH BASIS				
Fund Balance - Cash Basis				
Restricted				
Administration	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service	-	-	-	-
Elections	-	-	-	-
Judicial	37,196	-	-	-
Legal	-	-	-	-
Public Facilities	-	-	153,917	-
Public Safety	-	-	-	12,945
Committed				
Cemetery	-	-	-	-
Equipment Replacement	-	-	-	-
Unassigned	-	113,873	-	-
Total Fund Balance - Cash Basis	<u>37,196</u>	<u>113,873</u>	<u>153,917</u>	<u>12,945</u>
TOTAL LIABILITIES AND FUND BALANCES - CASH BASIS	<u><u>\$ 37,196</u></u>	<u><u>\$ 113,873</u></u>	<u><u>\$ 153,917</u></u>	<u><u>\$ 12,945</u></u>

(continued)

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

FALLS COUNTY, TEXAS
COMBINING BALLANCE SHEETS - CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2024

	SPECIAL REVENUE FUNDS			
	SB22 GRANTS			HS
	Sheriff	Constable	Prosecutor	Security System
ASSETS				
Cash and Cash Equivalents	\$ 882	\$ -	\$ 1	\$ -
Total Assets	\$ 882	\$ -	\$ 1	\$ -
FUND BALANCES - CASH BASIS				
Fund Balance - Cash Basis				
Restricted				
Administration	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service	-	-	-	-
Elections	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	882	-	1	-
Committed				
Cemetery	-	-	-	-
Equipment Replacement	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance - Cash Basis	882	-	1	-
TOTAL LIABILITIES AND				
FUND BALANCES - CASH BASIS	\$ 882	\$ -	\$ 1	\$ -

(continued)

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

FALLS COUNTY, TEXAS
COMBINING BALLANCE SHEETS - CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2024

	SPECIAL REVENUE FUNDS	
	I & S 2010 FUND	TOTAL
ASSETS		
Cash and Cash Equivalents	\$ 96,691	\$ 1,493,510
Total Assets	\$ 96,691	\$ 1,493,510
 FUND BALANCES - CASH BASIS		
Fund Balance - Cash Basis		
Restricted		
Administration	-	145,508
Culture and Recreation	-	2,450
Debt Service	96,691	96,691
Elections	-	54,867
Judicial	-	565,650
Legal	-	24,483
Public Facilities	-	153,917
Public Safety	-	79,422
Committed		
Cemetery	-	279
Equipment Replacement	-	246,003
Unassigned	-	124,240
Total Fund Balance - Cash Basis	96,691	1,493,510
 TOTAL LIABILITIES AND		
FUND BALANCES - CASH BASIS	\$ 96,691	\$ 1,493,510

(concluded)

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

FALLS COUNTY, TEXAS
COMBINING STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	SPECIAL REVENUE FUNDS			
	911 FUND	CHAPTER 19 FUND	CHILD SAFETY FUND	COURT REPORTER
RECEIPTS				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	3,594	-	-
Charges for Services	-	-	23,083	5,350
Interest	-	-	-	-
Miscellaneous	14,950	-	-	-
Total Receipts	<u>14,950</u>	<u>3,594</u>	<u>23,083</u>	<u>5,350</u>
DISBURSEMENTS				
Current:				
General Administration	-	-	975	-
Judicial	-	-	-	1,401
Public Facilities	-	-	-	-
Public Safety	20,365	-	-	-
Equipment	-	3,320	-	-
Debt Service				
Principal, Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>20,365</u>	<u>3,320</u>	<u>975</u>	<u>1,401</u>
Excess (Deficiency) of Receipts				
Over (Under) Disbursements	<u>(5,415)</u>	<u>274</u>	<u>22,108</u>	<u>3,949</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance - Cash Basis	<u>(5,415)</u>	<u>274</u>	<u>22,108</u>	<u>3,949</u>
Fund Balance - Cash Basis - Beginning	16,113	1,689	123,400	20,534
Fund Balance - Cash Basis - Ending	<u>\$ 10,698</u>	<u>\$ 1,963</u>	<u>\$ 145,508</u>	<u>\$ 24,483</u>

(Continued)

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

FALLS COUNTY, TEXAS
COMBINING STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	SPECIAL REVENUE FUNDS			
	COST EQUIP	CO & DIST COURT TECH	D.A. - DEPT HUMAN SERVICES	DISTRICT ATTORNEY
RECEIPTS				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	-	595	-	-
Interest	-	-	-	-
Miscellaneous	74,386	-	-	-
Total Receipts	<u>74,386</u>	<u>595</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS				
Current:				
General Administration	-	-	-	-
Judicial	-	-	-	109
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Equipment	104,187	-	-	-
Debt Service				
Principal, Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>104,187</u>	<u>-</u>	<u>-</u>	<u>109</u>
Excess (Deficiency) of Receipts				
Over (Under) Disbursements	<u>(29,801)</u>	<u>595</u>	<u>-</u>	<u>(109)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance - Cash Basis	<u>(29,801)</u>	<u>595</u>	<u>-</u>	<u>(109)</u>
Fund Balance - Cash Basis - Beginning	237,776	6,244	85	5,314
Fund Balance - Cash Basis - Ending	<u>\$ 207,975</u>	<u>\$ 6,839</u>	<u>\$ 85</u>	<u>\$ 5,205</u>

(Continued)

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

FALLS COUNTY, TEXAS
COMBINING STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	SPECIAL REVENUE FUNDS			
	D.A. - STATE FUND	ELECTION SERVICE FUND	ESTRAY FUND	FAMILY PROTECTION FUND
RECEIPTS				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	30,828	2,032	5,648	-
Interest	-	-	-	-
Miscellaneous	-	6,000	-	-
Total Receipts	<u>30,828</u>	<u>8,032</u>	<u>5,648</u>	<u>-</u>
DISBURSEMENTS				
Current:				
General Administration	28,418	3,729	-	-
Judicial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	4,685	-
Equipment	-	-	-	-
Debt Service				
Principal, Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>28,418</u>	<u>3,729</u>	<u>4,685</u>	<u>-</u>
Excess (Deficiency) of Receipts				
Over (Under) Disbursements	<u>2,410</u>	<u>4,303</u>	<u>963</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance - Cash Basis	<u>2,410</u>	<u>4,303</u>	<u>963</u>	<u>-</u>
Fund Balance - Cash Basis - Beginning	(1,410)	48,601	2,509	10,340
Fund Balance - Cash Basis - Ending	<u>\$ 1,000</u>	<u>\$ 52,904</u>	<u>\$ 3,472</u>	<u>\$ 10,340</u>

(Continued)

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

FALLS COUNTY, TEXAS
COMBINING STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	SPECIAL REVENUE FUNDS			
	GASSAWAY CEMETERY TRUST	INTER GOVERNMENTAL TRANSFERS	JUSTICE COURT TECH	KEEP FALLS CO BEAUTIFUL
RECEIPTS				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	530,000	-	-
Charges for Services	-	-	418	-
Interest	1	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	<u>1</u>	<u>530,000</u>	<u>418</u>	<u>-</u>
DISBURSEMENTS				
Current:				
General Administration	-	530,000	-	-
Judicial	-	-	3,050	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Equipment	-	-	-	-
Debt Service				
Principal, Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>-</u>	<u>530,000</u>	<u>3,050</u>	<u>-</u>
Excess (Deficiency) of Receipts				
Over (Under) Disbursements	<u>1</u>	<u>-</u>	<u>(2,632)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance - Cash Basis	<u>1</u>	<u>-</u>	<u>(2,632)</u>	<u>-</u>
Fund Balance - Cash Basis - Beginning	278	-	6,617	2,450
Fund Balance - Cash Basis - Ending	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 3,985</u>	<u>\$ 2,450</u>

(Continued)

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

FALLS COUNTY, TEXAS
COMBINING STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	SPECIAL REVENUE FUNDS			
	LAW ENFORCEMENT EDUCATION	OFFICE OF AG-VCLG	PERMANENT IMPROVEMENT	RECORDS MGMT
RECEIPTS				
Taxes				
Property	\$ -	\$ -	\$ 187,652	\$ -
Intergovernmental	-	52,225	-	-
Charges for Services	9,909	-	-	73,876
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	<u>9,909</u>	<u>52,225</u>	<u>187,652</u>	<u>73,876</u>
DISBURSEMENTS				
Current:				
General Administration	-	63,140	229,758	10,502
Judicial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	4,975	-	-	-
Equipment	-	-	-	-
Debt Service				
Principal, Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>4,975</u>	<u>63,140</u>	<u>229,758</u>	<u>10,502</u>
Excess (Deficiency) of Receipts				
Over (Under) Disbursements	<u>4,934</u>	<u>(10,915)</u>	<u>(42,106)</u>	<u>63,374</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	16,838	245	-
Operating Transfers Out	-	-	-	(1,432)
Total Other Financing Sources (Uses)	<u>-</u>	<u>16,838</u>	<u>245</u>	<u>(1,432)</u>
Net Changes in Fund Balance - Cash Basis	<u>4,934</u>	<u>5,923</u>	<u>(41,861)</u>	<u>61,942</u>
Fund Balance - Cash Basis - Beginning	18,183	(665)	79,889	395,940
Fund Balance - Cash Basis - Ending	<u>\$ 23,117</u>	<u>\$ 5,258</u>	<u>\$ 38,028</u>	<u>\$ 457,882</u>

(Continued)

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

FALLS COUNTY, TEXAS
COMBINING STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	SPECIAL REVENUE FUNDS			
	SHERIFF FORFEITURE FUND	VAWA INVESTIGATOR	CRIME VICTIM RESTITUTION	Pre-Trial Intervention Program
RECEIPTS				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	30,878	-	-
Charges for Services	-	-	-	-
Interest	-	-	17	-
Miscellaneous	-	-	-	11,980
Total Receipts	-	30,878	17	11,980
DISBURSEMENTS				
Current:				
General Administration	-	-	-	-
Judicial	-	-	-	18,240
Public Facilities	-	-	-	-
Public Safety	-	64,422	-	-
Equipment	-	-	-	-
Debt Service				
Principal, Interest and Fiscal Charges	-	-	-	-
Total Disbursements	-	64,422	-	18,240
Excess (Deficiency) of Receipts				
Over (Under) Disbursements	-	(33,544)	17	(6,260)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	33,895	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	33,895	-	-
Net Changes in Fund Balance - Cash Basis	-	351	17	(6,260)
Fund Balance - Cash Basis - Beginning	17,967	3,534	207	60,718
Fund Balance - Cash Basis - Ending	\$ 17,967	\$ 3,885	\$ 224	\$ 54,458

(Continued)

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

FALLS COUNTY, TEXAS
COMBINING STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	SPECIAL REVENUE FUNDS			
	TWDB Grant	Falls County Grant	Falls on Brazos Park Project	Opioid Abatement
RECEIPTS				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	322,405	22,300	150,000	-
Charges for Services	-	-	-	-
Interest	1,863	-	-	-
Miscellaneous	-	-	5,500	2,108
Total Receipts	<u>324,268</u>	<u>22,300</u>	<u>155,500</u>	<u>2,108</u>
DISBURSEMENTS				
Current:				
General Administration	310,968	6,779	7,083	-
Judicial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Equipment	-	-	-	-
Debt Service				
Principal, Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>310,968</u>	<u>6,779</u>	<u>7,083</u>	<u>-</u>
Excess (Deficiency) of Receipts				
Over (Under) Disbursements	<u>13,300</u>	<u>15,521</u>	<u>148,417</u>	<u>2,108</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance - Cash Basis	<u>13,300</u>	<u>15,521</u>	<u>148,417</u>	<u>2,108</u>
Fund Balance - Cash Basis - Beginning	23,896	98,352	5,500	10,837
Fund Balance - Cash Basis - Ending	<u>\$ 37,196</u>	<u>\$ 113,873</u>	<u>\$ 153,917</u>	<u>\$ 12,945</u>

(Continued)

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

FALLS COUNTY, TEXAS
COMBINING STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	SPECIAL REVENUE FUNDS			
	SB22 GRANTS			HS
	Sheriff	Constable	Prosecutor	Security System
RECEIPTS				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	353,907	2,748	175,261	16,575
Charges for Services	-	-	-	-
Interest	6,752	1	2,232	-
Miscellaneous	-	-	-	-
Total Receipts	<u>360,659</u>	<u>2,749</u>	<u>177,493</u>	<u>16,575</u>
DISBURSEMENTS				
Current:				
General Administration	-	-	-	-
Judicial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	359,777	2,749	177,492	-
Equipment	-	-	-	17,950
Debt Service				
Principal, Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>359,777</u>	<u>2,749</u>	<u>177,492</u>	<u>17,950</u>
Excess (Deficiency) of Receipts				
Over (Under) Disbursements	<u>882</u>	<u>-</u>	<u>1</u>	<u>(1,375)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	-	-	1,375
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,375</u>
Net Changes in Fund Balance - Cash Basis	<u>882</u>	<u>-</u>	<u>1</u>	<u>-</u>
Fund Balance - Cash Basis - Beginning	-	-	-	-
Fund Balance - Cash Basis - Ending	<u>\$ 882</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>

(Continued)

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

FALLS COUNTY, TEXAS
COMBINING STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	SPECIAL REVENUE FUNDS	
	I & S 2010 FUND	TOTAL
RECEIPTS		
Taxes		
Property	\$ 285,513	\$ 473,165
Intergovernmental	-	1,659,893
Charges for Services	-	151,739
Interest	8,599	19,465
Miscellaneous	-	114,924
Total Receipts	<u>294,112</u>	<u>2,419,186</u>
DISBURSEMENTS		
Current:		
General Administration	-	1,191,352
Judicial	-	22,800
Public Facilities	-	-
Public Safety	-	634,465
Equipment	-	125,457
Debt Service		
Principal, Interest and Fiscal Charges	<u>265,931</u>	<u>265,931</u>
Total Disbursements	<u>265,931</u>	<u>2,240,005</u>
		-
Excess (Deficiency) of Receipts		
Over (Under) Disbursements	<u>28,181</u>	<u>179,181</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers In	-	52,353
Operating Transfers Out	<u>-</u>	<u>(1,432)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>50,921</u>
Net Changes in Fund Balance - Cash Basis	<u>28,181</u>	<u>230,102</u>
Fund Balance - Cash Basis - Beginning	<u>68,510</u>	<u>1,263,408</u>
Fund Balance - Cash Basis - Ending	<u>\$ 96,691</u>	<u>\$ 1,493,510</u>
		(Concluded)

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

SINGLE AUDIT SECTION

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

To the County Judge and Commissioners' Court Falls
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 Falls County, Texas (the "County"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 27, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

P. Andrew Hall, LLC

P. Andrew Hall, LLC
Corpus Christi, Texas
June 27, 2025

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

To the County Judge and Commissioners' Court
Falls County, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Falls County, Texas (the "County") compliance with the types of compliance requirements described 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, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Falls County, Texas 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 Falls County, Texas 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 Falls County, Texas 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 Falls County, Texas 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 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 Falls County, Texas compliance with the requirements of each major federal program.

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 Falls County, Texas compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Falls County, Texas 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 Falls County, Texas 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

P. Andrew Hall, LLC

P. Andrew Hall, LLC
Corpus Christi, Texas
June 27, 2025

FALL COUNTY, TEXAS
SCHEDULE OF FEDERAL AND STATE EXPENDITURES
SEPTEMBER 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	FEDERAL CFDA NUMBER	OTHER AWARD NUMBER	TOTAL FUND EXPENDITURES
<u>Federal Expenditures</u>			
U.S. Department of the Treasury			
Passed Through the Texas Division of Emergency Management			
Corona Virus State and Local Fiscal Recovery Funds	21.027	JJUYXQ3LFJJ1	\$ 1,327,115
Total U.S. Department of the Treasury			<u>1,327,115</u>
Total Federal Expenditures			<u>\$ 1,327,115</u>
<u>State Grantor/Pass-Through Grantor/Program Title</u>			
<u>State Expenditures</u>			
Passed Through:			
Texas Attorney General (OAG)			
VINE/SAVNS		2218709	\$ 6,779
HSGP - Homeland Security Grant		4791401	17,950
VCLG		4240501	62,390
VAWA Investigator		4257701	64,383
Total Texas Attorney General (OAG)			<u>151,502</u>
Passed Through:			
Texas Water Development Board (TWDB)			
Flood Control Planning Project No. 40002		G1001409	310,968
Total Texas Water Development Board (TWDB)			<u>310,968</u>
Passed Through:			
Texas Department of Transportation (TxDOT)			
County Transportation Infrastructure Fund (CTIF)		none	29,338
Total Texas Department of Transportation (TXDOT)			<u>29,338</u>
Passed Through:			
Texas Parks & Wildlife Department (TPWD)			
Local Park Grant Program - FOBP		54-24014	7,083
Total Texas Parks and Wildlife (TPWD)			<u>7,083</u>
Passed Through:			
Texas Comptroller of Public Accounts			
Rural Law Enforcement Salary Assistance Program - Sheriff		IA-0000000165	359,777
Rural Law Enforcement Salary Assistance Program - Sheriff		IA-0000000229	2,821
Rural Law Enforcement Salary Assistance Program - Sheriff		IA-0000000210	177,492
Total Texas Comptroller of Public Accounts			<u>540,090</u>
Total State Expenditures			<u>\$ 1,038,981</u>
<u>Regional Expenditures</u>			
Heart of Texas Council of Governments			
9-1-1 Program			\$ 20,365
Total Regional Expenditures			<u>20,365</u>
TOTAL EXPENDITURES OF FEDERAL, STATE AND REGIONAL AWARDS			<u>\$ 2,386,461</u>

FALLS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024

I. Summary of Auditor's Results

A. Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiency(ies) identified that are not considered to be material ☐ Yes ☒ None Reported
3. Noncompliance material to financial statements noted? ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major programs:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiency(ies) identified that are not considered to be material ☐ Yes ☒ None Reported
2. Type of auditor's report issued on compliance for major programs: Unmodified
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance? ☐ Yes ☒ No

3. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.027	Corona Virus State and Local Fiscal Recovery Funds
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

FALLS COUNTY, TEXAS
NOTES TO SCHEDULE EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE A-BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards (the Schedule) includes the state award activity of the Falls County, Texas under programs of the state government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of the standards applicable to financial audits contained in Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter 1 - Comptroller. Because the Schedule presents only a selected portion of the operations of Falls County, Texas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Falls County, Texas.

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Grant Management Standards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C-INDIRECT COST RATE

Falls County, Texas has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Grant Management Standards.

**FALLS COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Section II-Financial Statement Findings

None

Section III-Federal or State Award findings & Questioned Costs

None