

Lubbock County, Texas
2025 Audit Committee Presentation

PRESENTED BY

KRISTY FRYE

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

CERTIFIED PUBLIC ACCOUNTANTS

LUBBOCK, TEXAS



Auditor's Opinion 2025

- **AUDITOR'S OPINION 2025**
 - Unmodified Opinion
- **RESPONSIBILITIES**
 - Management vs. Auditor's
- **CHANGES TO ACCOUNTING STANDARDS**
 - GASB Statement 101- Compensated Absences adopted in the current year. No major effect on the financial statements.

Statement of Net Position

(in thousands)

	2025	2024	Change
Assets:			
Cash and Investments	\$ 226,760	\$ 238,436	\$ (11,676)
Receivables	17,849	14,529	3,320
Other Assets	1,268	80	1,188
Capital Assets	279,060	242,500	36,560
Net Pension Asset	4,591		4,591
Total Assets	<u>\$ 529,528</u>	<u>\$ 495,545</u>	<u>\$ 33,983</u>
Deferred Outflows of Resources	<u>\$ 13,909</u>	<u>\$ 16,949</u>	<u>\$ (3,040)</u>
Liabilities:			
Accounts Payable and Other Current Liabilities	\$ 28,728	\$ 35,225	\$ (6,497)
Long Term Liabilities	<u>174,996</u>	<u>194,300</u>	<u>(19,304)</u>
Total Liabilities	<u>\$ 203,724</u>	<u>\$ 229,525</u>	<u>\$ (25,801)</u>
Deferred Inflows of Resources	<u>\$ 18,947</u>	<u>\$ 12,397</u>	<u>\$ 6,550</u>
Net Position:			
Invested in Capital Assets	\$ 212,446	\$ 177,886	\$ 34,560
Restricted	64,096	48,842	15,254
Unrestricted	<u>44,224</u>	<u>43,894</u>	<u>330</u>
	<u>\$ 320,766</u>	<u>\$ 270,622</u>	<u>\$ 50,144</u>

Increase in Net Position of \$50,144 with an increase of \$34,560 in the investment in Capital Assets – Outlay for the year was \$49,400 in 2025 vs. \$42,296 in 2024 with Depreciation of \$12,711 in 2025 vs. \$12,018 in 2024. Unrestricted Net Position increased \$330 comprising mostly of increased Property and Sales Tax Revenues of \$4,886 and Grants and contributions of \$9,000. Unrestricted Investment Earnings decreased 3,569 in 2025.

Statement of Activities – Revenues *(in thousands)*

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Revenues:			
Program Revenues			
Charges for Services	\$ 28,815	\$ 23,751	\$ 5,064
Operating Grants and Contributions	8,683	10,080	(1,397)
Capital Grants and Contributions	20,099	9,668	10,431
General Revenues			
Property Taxes	109,141	104,255	4,886
Sales Taxes	38,259	37,694	565
Investment Earnings	11,163	14,732	(3,569)
Other Taxes and Revenues	6,441	6,324	117
	<u>\$ 222,601</u>	<u>\$ 206,504</u>	<u>\$ 16,097</u>

Increase in revenues of \$16,097 driven mostly by increased nonexchange revenues in 2025 – Changes in Property and Sales Taxes. TAG Grant driving increase in Capital Grants in 2025.

Statement of Activities – Expenses *(in thousands)*

	2025	2024	Change
Expenses:			
General Government	\$ 17,956	\$ 18,199	\$ (243)
Financial Administration	5,988	5,387	601
Judicial	19,755	17,269	2,486
Legal	13,379	11,404	1,975
Public Safety	74,681	70,042	4,639
Correctional	10,752	10,508	244
Facilities	10,440	10,350	90
Welfare	651	602	49
Conservation	395	356	39
Elections	2,218	3,344	(1,126)
Culture/Recreation	729	515	214
Transportation	9,970	13,995	(4,025)
Issuance Costs and Interest	5,543	6,248	(705)
	<u>\$ 172,457</u>	<u>\$ 168,219</u>	<u>\$ 4,238</u>

Increase in Expenses of \$4,238 - The biggest reasons for decreased expenses in Elections was due to a decrease in contracted election services in the current year. Transportation costs decreased due to a decrease in maintenance costs and less road materials purchased. This was offset by 10,337 million dollar increase in expenses among the other functions driven by various causes but pay-raises and additional staff being the main factors.

Balance Sheet of General Fund *(in thousands)*

	2025	2024	Change
Cash and Investments	\$ 69,016	\$ 68,348	\$ 668
Receivables, net	10,013	9,571	442
Other Assets	5,361	2,802	2,559
Total Assets	\$ 84,390	\$ 80,721	\$ 3,669
Accounts Payable	\$ 4,255	\$ 7,121	\$ (2,866)
Other Current Liabilities	5,084	2,963	2,121
Deferred Inflows of Resources	1,739	1,639	100
Total Liabilities and Deferred Inflows	\$ 11,078	\$ 11,723	\$ (645)
Fund Balance			
Nonspendable	\$ 1,261	\$ 75	\$ 1,186
Committed - Capital Improvements	10,000	10,000	-
Assigned - Insurance Claims/ARPA	3,699	3,274	425
Unassigned - Available for FY 2025/24	58,352	55,649	2,703
	\$ 73,312	\$ 68,998	\$ 4,314

Increase in Fund Balance of \$4,314 driven mostly by the cumulative effect of \$4,561 increase in revenues in the general fund driven by property taxes. Expenditures increased by \$4,234 in the general fund the biggest factor is Public Safety – Law Enforcement, Salaries, and Capital Outlays. Transfers out was increased by \$8,466 for the general fund in 2025.

Balance Sheet of American Rescue Plan Act Fund (in thousands)

	2025	2024
Cash and Investments	\$ 7,280	\$ 12,677
Receivables	15	
Total Assets	\$ 7,295	\$ 12,677
Accounts Payable	\$ 28	\$ 1,127
Unspend Grant Funds	7,267	11,550
Total Liabilities and Deferred Inflows	\$ 7,295	\$ 12,677

Special Revenue Fund – Major and the Major program in 2025. No additional funds received in 2025. The reduction in Cash and Investments is related to use of \$4,283 in funds under the grant program.

Balance Sheet of Tax Road Bond Construction (in thousands)

	2025	2024
Cash and Investments	\$ 56,529	\$ 56,993
Receivables, net	86	89
Total Assets	\$ 56,615	\$ 57,082
Accounts Payable	\$ 98	\$ 223
Total Liabilities and Deferred Inflows	\$ 98	\$ 223
Fund Balance - Restrict - Capital Projects	\$ 56,517	\$ 56,859

This fund used \$2,740 of bond funds for construction projects during the year.

Balance Sheet of Medical Examiner's Building Construction (in thousands)

	2025	2024
Cash and Investments	\$ 20,042	\$ 32,430
Receivables, net	30	51
Total Assets	\$ 20,072	\$ 32,481
Accounts Payable	\$ 4,638	\$ 1,886
Total Liabilities and Deferred Inflows	\$ 4,638	\$ 1,886
Fund Balance - Restrict - Capital Projects	\$ 15,434	\$ 30,595

This fund issued \$35.7 million, including premiums, of bonds in 2024 and used \$16,216 of bond funds for construction projects during the year.

Net Position – Internal Service Fund *(in thousands)*

	2025	2024
Statement of Net Position		
Fund Assets	\$ 13,056	\$ 15,014
Fund End of Year Liabilities	(2,183)	(3,031)
Total Net Position	\$ 10,873	\$ 11,983
Changes in Net Position		
Billings to Departments	\$ 15,995	\$ 15,372
Less: Claims and Other Fees	(17,661)	(16,176)
Operating Loss	\$ (1,666)	(804)

Net position is down by \$1,110 driven by increase in claims paid year over year. \$15,164 of claims were paid in 2024 and \$16,842 of claims were paid in 2025.

Schedule of Expenditures of Federal and State Awards (in thousands)

	<u>Federal</u>	<u>State</u>	<u>Passed Through</u>
Major Programs			
American Rescue Plan Act	\$ 4,282	\$	\$ -
Texas Anti-Gang Center		18,183	
Total Major Programs	<u>\$ 4,282</u>	<u>\$ 18,183</u>	<u>\$ -</u>
All Other NonMajor Programs	\$ 931	\$ 2,151	\$ -
Total Awards Expended	<u>\$ 5,213</u>	<u>\$ 20,334</u>	<u>\$ -</u>

Opinion on Report on Compliance and Internal Controls – Federal - Unmodified
 Opinion on Report on Compliance and Internal Controls – State- Unmodified
 No reported findings in 2025 on any major programs.

Other Important Notes

No new bonds issued during 2025

\$117 million Bonds outstanding

\$16 million financing leases outstanding

- Pension Plan – TCDRS – Up to 101.25% Funded ratio from 2024 – The plan earned income of \$34 million in 2025. Net Pension Asset at the end of 2025.
- Medical Plan Obligation Decreased by \$4.7 million in 2025 to make the total unfunded obligation \$23.8 million in 2025. Plan is handled on a Pay as you go basis.
- Arbitrage Payable – based on earnings on tax free bonds, estimated liability as of year end was \$2.7 million.

Other Reports and Information

Internal Control Over Financial Reporting and On Compliance (Government Auditing Standards)

- No Material Weaknesses or Significant Deficiencies Identified
- No issues found from compliance testing – non grant related (Bond Covenants, PFIA, Etc.)

SAS 114 Letter – Letter to Governance at the Conclusion of an Audit

- GASB Statement 101- Compensated Absences adopted in 2025.
- No disagreements with Management
- Records appeared to be in good shape based on the audit.
- Accounting staff was very knowledgeable and integral to the writing of the audit report.

Nonattest Services Provided

- Drafting the financial statements

***QUESTIONS OR INPUT?
THANK YOU!***

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