REFUGIO COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2025

THE STATE OF TEXAS

COUNTY OF REFUGIO

REFUGIO COUNTY

COUNTY OFFICIALS

COUNTY JUDGE	JHIELA “GIGI” POYNTER
COUNTY COMMISSIONERS	
PRECINCT 1	ROY PAYNE
PRECINCT 2	STANLEY TUTTLE
PRECINCT 3	GARY LEE WRIGHT
PRECINCT 4	BLAINE WOLFSHOHL
COUNTY ATTORNEY	SIMON MCCLOUD III
COUNTY TREASURER	JACKIE SCHUBERT
COUNTY AUDITOR	RACHEL ELIZONDO
TAX ASSESSOR-COLLECTOR	LIZ KELLEY
COUNTY CLERK	MARGIE CASTELLANO
DISTRICT CLERK	SYLVIA LOPEZ
SHERIFF	MATTHEW TUTTLE

REFUGIO COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

TABLE OF CONTENTS

INTRODUCTORY SCHEDULE

	PAGE
TITLE PAGE	i
COUNTY OFFICIALS	ii
TABLE OF CONTENTS	iii

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 1

MANAGEMENT'S DISCUSSION AND ANALYSIS 4

BASIC FINANCIAL STATEMENTS 12

- STATEMENT OF NET POSITION 13
- STATEMENT OF ACTIVITIES 15
- BALANCE SHEET - GOVERNMENTAL FUNDS 16
- RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION 18
- STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS 19
- RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES 21
- STATEMENT OF NET POSITION – INTERNAL SERVICE FUND 22
- STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUND 23
- STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUND 24
- STATEMENT OF FIDUCIARY NET POSITION 25
- STATEMENT OF CHANGES IN FIDUCIARY NET POSITION 26
- NOTES TO BASIC FINANCIAL STATEMENTS 27

REQUIRED SUPPLEMENTARY INFORMATION 43

- SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
  - GENERAL FUND 44
  - ROAD AND BRIDGE FUND 46
- NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL 47
- SCHEDULE OF CHANGES - NET PENSION LIABILITY AND RELATED RATIOS 48
- SCHEDULE OF COUNTY CONTRIBUTIONS – PENSION PLAN 50

SUPPLEMENTARY INFORMATION 51

COMBINING BALANCE SHEET – NONMAJOR FUNDS 52
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR FUNDS 56
COMPARATIVE BALANCE SHEETS - GENERAL FUND 60
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND 61
COMPARATIVE BALANCE SHEETS - ROAD AND BRIDGE FUND 62
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ROAD AND BRIDGE FUND 63

COMPLIANCE SECTION

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* 65
REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE 67
REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH TEXAS UNIFORM GRANT MANAGEMENT STANDARDS 70
SCHEDULE OF FINDINGS AND QUESTIONED COSTS 73
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 75
SCHEDULE OF EXPENDITURES OF STATE AWARDS 76
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS 77

Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Judge and
Members of the Commissioners' Court
Refugio County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Refugio County, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregated remaining fund information of Refugio County, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 • Email: info@avacpa.com • www.avacpa.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* 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 Refugio 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 Refugio County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of changes and contributions for net pension liability as referred to in the table of contents, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Refugio County's financial statements as a whole. The combining and comparative fund statements (as listed in the table of contents) and schedules of expenditures of federal awards (as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) and state awards are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2026 on our consideration of Refugio County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Refugio County's internal control over financial reporting and compliance.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.
May 31, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Refugio County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended September 30, 2025. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

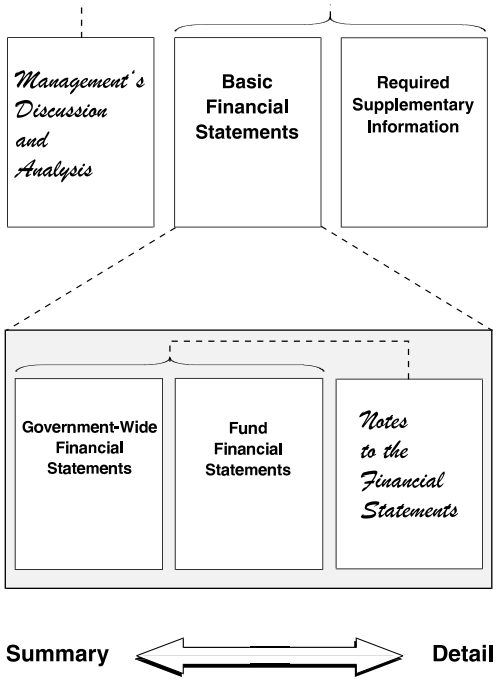
- The County's total net position was $32.9 million at September 30, 2025.
- The County's total revenues for 2025 increased $11.8 million over 2024. The increase was primarily in capital grants for several capital projects.
- The County's governmental activities expenses increased 18.8% to $15.6 million. Most of the increase was in administration as the capital grants were spent on capital improvements for other entities in the County (primarily water infrastructure). The resulting project will be an asset of those entities and not the County.
- The general fund reported a fund balance this year of $2.8 million, an increase of $0.9 million. Revenues were $0.5 million short of the budget but expenditures were under budget by $1.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.

Figure A-1, Required Components of the County's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2. Major Features of the County's Government-wide and Fund Financial Statements				
		Fund Statements		
Type of Statements	Government-wide	Governmental Funds	Internal Service Funds	Fiduciary Funds
Scope	Entire County's government (except fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary	Activities the County handles like a business where charges to users are meant to cover the costs.	Activities the County handles for other individuals, organizations, or governments.
Required financial statements	• Statement of net position	• Balance Sheet	• Statement of Net Position	• Statement of Fiduciary Net Position
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of Revenues, Expenses and Changes in Fund Net Position	• Statement of changes in Fiduciary Net Position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liabilitiy information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	Charges to users for goods and services that are designed to cover the cost of the goods and services provided to those users.	All additions and deductions during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

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

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

- Over time, increases or decreases in the County's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in the County's tax base.
- The government-wide financial statements of the County include the *Governmental activities*. All of the County's basic services are included here, such as administration, public safety and public transportation. Property taxes finance most of these activities.

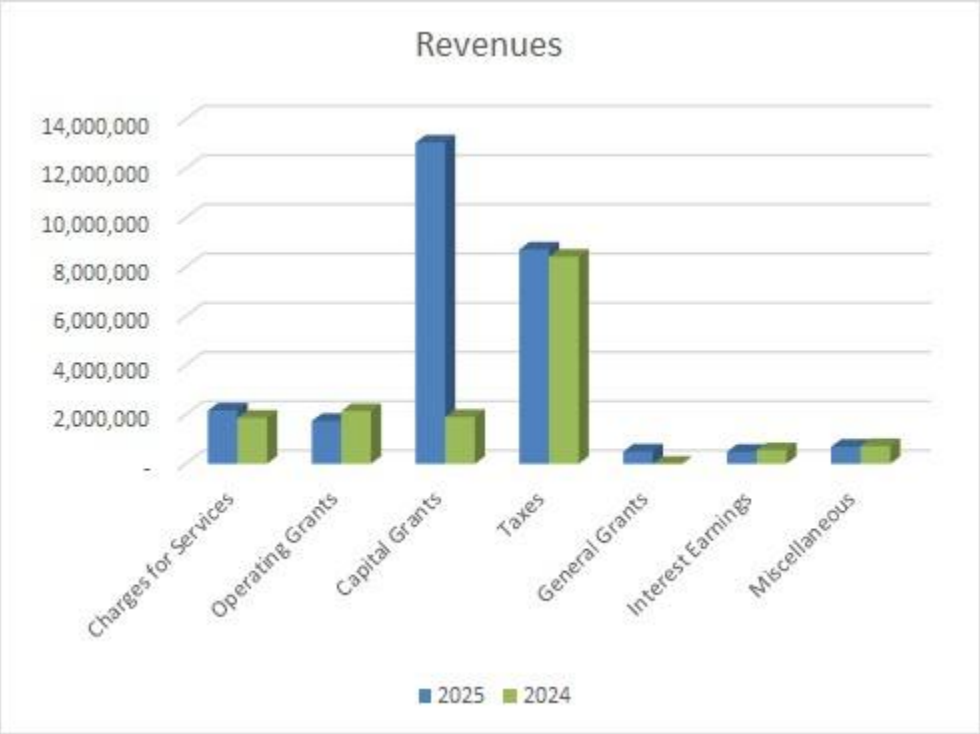
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's combined net position was $32.9 million at September 30, 2025. Of this amount, $15.9 million was invested in capital assets net of related debt. Another portion of net position ($13.6 million) is restricted for specific purposes. The unrestricted net position represents the remaining resources which are available to fund any programs of the County next year. (See Table A-1).

Table A-1
County's Net Position

	Governmental Activities		Percentage
	2025	2024	Change
Assets:			
Current Assets	$ 19,794,089	$ 17,974,285	10.1
Capital Assets	18,895,858	14,413,916	31.1
Other Assets	2,722,800	1,991,764	36.7
Total Assets	41,412,747	34,379,965	20.5
Deferred Outflows of Resources:	339,649	310,887	9.3
Liabilities:			
Current Liabilities	5,291,173	6,293,168	(15.9)
Long-term Liabilities	3,226,335	7,081,249	(54.4)
Total Liabilities	8,517,508	13,374,417	(36.3)
Deferred Inflows of Resources:	363,558	175,129	107.6
Net Position:			
Net Investment in Capital Assets	15,876,117	13,258,154	19.7
Restricted	13,626,153	5,111,889	166.6
Unrestricted	3,369,060	2,771,263	21.6
Total Net Position	$ 32,871,330	$ 21,141,306	55.5

Revenues for governmental activities are concentrated in property tax revenues. Tax revenues increased in 2024, primarily from increased property values. There were singificant grants utilized in 2025, primarily the community development block grant, which led to a large increase in total revenues. A portion of these grants went towards County owned capital projects but a large portion went to water infrastructure in the County that will be owned by other governmental entities upon completion. This led to higher expenses in administration for these capital projects. County owned capital projects will appear in future years as depreciation in each function. In addition to those capital grants, the County had a $6 million loan forgiven by the Texas Division of Emergency Management. The loan is effectively now treated as a capital grant for courthouse restoration. Thus, net position increased $11.7 million, almost all of which was invested in capital assets.



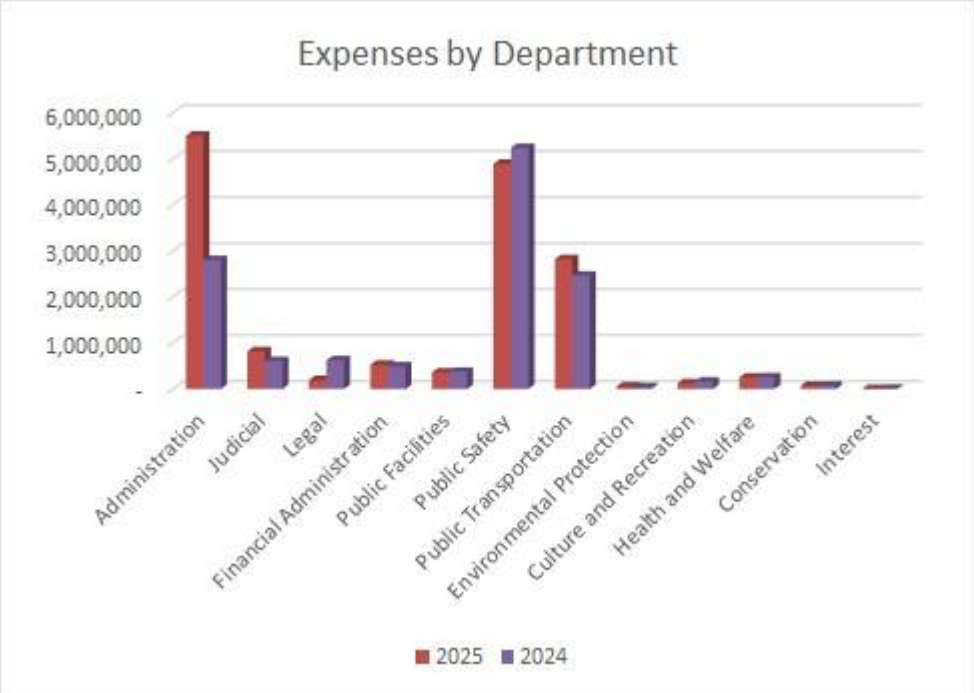


Table A-2 summarizes the changes in the County's net position for 2025 and 2024 fiscal years.

Table A-2

Changes in County's Net Position

	Governmental Activities		Percentage
	2025	2024	Change
Program Revenues:			
Charges for Services	$ 2,166,314	$ 1,873,249	15.6
Operating Grants	1,738,536	2,142,447	(18.9)
Capital Grants	13,061,871	1,899,240	587.7
General Revenues:			
Taxes	8,710,900	8,414,637	3.5
General Grants	499,708	-	100.0
Interest Earnings	489,882	553,599	(11.5)
Miscellaneous	691,606	722,411	(4.3)
TOTAL REVENUES	27,358,817	15,605,583	75.3
Progam Expenses:			
Administration	5,503,712	2,799,848	96.6
Judicial	820,497	610,048	34.5
Legal	192,954	627,398	(69.2)
Financial Administration	528,378	494,703	6.8
Public Facilities	359,734	375,497	(4.2)
Public Safety	4,894,781	5,240,660	(6.6)
Public Transportation	2,825,549	2,465,648	14.6
Environmental Protection	54,100	39,704	36.3
Culture and Recreation	127,214	164,317	(22.6)
Health and Welfare	247,334	255,027	(3.0)
Conservation	72,621	75,305	(3.6)
Interest	1,919	5,505	(65.1)
TOTAL EXPENSES	15,628,793	13,153,660	18.8
Change in Net Position	11,730,024	2,451,923	378.4
Beginning Net Position	21,141,306	18,689,383	
Ending Net Position	$ 32,871,330	$ 21,141,306	

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The Commissioners' Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

- *Internal Service Funds*—The County provides health benefits to employees and their dependents. Premiums are charged to the County and employees for these services. The charges to those participants are designed to fully cover the cost of those benefits.

- *Fiduciary funds*—The County collects and holds funds for various other entities such as property taxes for other governments, vehicle registrations for the State and court settlements for minors. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the County's government-wide financial statements because they are not resources for the County to use on operations.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled $21.2 million, an increase of $5.3 million. The increase was largely from community development block grant utilization. Governmental expenditures similarly increased from $16.1 million to $20.3 million. Grant funded projects accounted for an increase of $4.9 million.

The General Fund ended with a fund balance of $2.8 million, which is approximately 4 months of general fund operating expenditures. General fund expenditures increased 4% over the prior year.

Road and bridge fund revenues increased 6% primarily from increased grant revenue from the State. Expenditures increased 12%, causing a reduction in fund balance to $0.8 million or 4 months of operations.

Budgetary Highlights

The County's actual expenditures in the General Fund were $1.5 million less than final budgeted amounts. Most of the savings were in nondepartmental for unused contingencies and lower than expected property insurance premiums. Revenues were $483 thousand short of the budget, as final property tax values were not as strong as expected. The general fund balance increased $854 thousand compared to a budgeted decrease of $77 thousand.

The Road and Bridge Fund revenues were over budget by $147 thousand. Reductions in court fines were offset by increased grant revenue from the Texas Department of Transportation County Transportation Infrastructure Fund program. This also led to expenditures being over budget on some lines and overall by $183 thousand. The revenue and related expenditures from the grant were not budgeted. The Road and Bridge fund balance decreased $143 thousand compared to a budgeted reduction of $106 thousand.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2025, the County had invested $28.2 million in buildings and equipment. Significant additions in 2025 were several vehicles, a new animal control facility and continued grant funded street projects. (See Table A-3.)

Table A-3
County's Capital Assets

	Governmental Activities		Total Percentage
	2025	2024	Change
Land	$ 745,360	$ 745,360	0.0
Construction in Progress	6,821,997	3,885,597	75.6
Buildings and Improvements	10,621,485	9,376,702	13.3
Infrastructure	7,472,258	6,613,365	13.0
Vehicles and Equipment	7,926,724	7,469,119	6.1
Right of Use Equipment	130,403	130,403	0.0
Totals at Historical Cost	33,718,227	28,220,546	19.5
Accumulated Depreciation	(14,822,369)	(13,806,630)	7.4
Net Capital Assets	$ 18,895,858	$ 14,413,916	31.1

More detailed information about the County's capital assets is presented in the notes to the financial statements.

Long Term Debt

No new debt was issued in 2025. However, the County's first disaster loan of $6 million was forgiven by the Texas Department of Emergency Management. The proceeds of the loan are still held for pending courthouse preservation projects. Subsequent to the end of the fiscal year, the County had the second loan of $3 million forgiven. However, the loan is still reported on these financial statements as the loan was still outstanding as of September 30, 2025. More detailed information about the County's debt is presented in the notes to the financial statements.

Table A-4
County's Long-Term Debt

	Governmental Activities		Total Percentage
	2025	2024	Change
Notes Payable	$ 3,000,000	$ 9,170,544	(67.3)
Leases Payable	19,740	37,269	(47.0)
Total Long-Term Debt	$ 3,019,740	$ 9,207,813	(67.2)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2025-2026 budget kept property tax rates at $0.80 per $100 of valuation, which will result in an 3% increase in property tax revenue. Spending in the General Fund is expected to increase modestly as the County does not anticipate any significant changes to County services or operations. Significant improvements are planned for the County Courthouse from the disaster loans and other granting agencies.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's office at (361)-526-2245.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
    - Governmental Funds
    - Internal Service Fund
    - Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

REFUGIO COUNTY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 12,131,671
Certificates of Deposit	5,544,881
Ad Valorem Taxes Receivable (net)	545,799
Other Receivables	1,248,975
Prepaid Expenses	322,763
Total Current Assets	19,794,089
Capital Assets:	
Land	745,360
Construction in Progress	6,821,997
Buildings and Improvements (net)	6,338,405
Vehicles and Equipment (net)	1,455,608
Infrastructure (net)	3,534,488
Total Capital Assets	18,895,858
Other Assets:	
Net Pension Asset	2,722,800
Total Other Assets	2,722,800
TOTAL ASSETS	41,412,747
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Related Outflows	339,649
TOTAL DEFERRED OUTFLOWS	$ 339,649

See accompanying notes to basic financial statements.

REFUGIO COUNTY
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2025

	Governmental Activities
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 1,944,826
Accrued Wages	346,953
Unearned Revenue	2,913,161
Current Portion Accrued Compensated Absences	73,207
Current Portion of Long-term Debt	13,026
Total Current Liabilities	5,291,173
Long-term Liabilities:	
Accrued Compensated Absences (net of current)	219,621
Long-term Debt (net of current)	3,006,714
Total Long-term Liabilities	3,226,335
TOTAL LIABILITIES	8,517,508
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Related Inflows	363,558
TOTAL DEFERRED INFLOWS	363,558
NET POSITION	
Net Investment in Capital Assets	15,876,117
Restricted for:	
Net Pension Asset	2,722,800
Elections	7,672
Legal	258,834
Judicial	283,130
Public Safety	229,085
Records Management	439,275
Sheriff	307,339
Library	62,747
Elderly Services	517,821
Courthouse Maintenance	7,889,608
Road and Bridge Maintenance	845,008
Other	62,834
Unrestricted	3,369,060
TOTAL NET POSITION	$ 32,871,330

See accompanying notes to basic financial statements.

THE STATE OF TEXAS

COUNTY OF REFUGIO

REFUGIO COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues			Net Revenue (Expense) and Change in Net Position
Functions and Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary Government:					
Governmental Activities:					
Administration	$ 5,503,712	$ 275,242	$ 30,332	$ 6,196,842	$ 998,704
Judicial	820,497	816,389	109,660	-	105,552
Legal	192,954	84,792	56,426	-	(51,736)
Financial Administration	528,378	296,869	-	-	(231,509)
Public Facilities	359,734	-	-	6,367,923	6,008,189
Public Safety	4,894,781	324,016	1,303,247	151,001	(3,116,517)
Public Transportation	2,825,549	366,478	62,639	343,077	(2,053,355)
Environmental Protection	54,100	-	-	3,028	(51,072)
Culture and Recreation	127,214	2,528	-	-	(124,686)
Health and Welfare	247,334	-	176,232	-	(71,102)
Conservation - Agriculture	72,621	-	-	-	(72,621)
Interest	1,919	-	-	-	(1,919)
Total Primary Government	$ 15,628,793	$ 2,166,314	$ 1,738,536	$ 13,061,871	1,337,928
General Revenues:					
Ad Valorem Taxes					8,710,900
General Grants					499,708
Interest and Investment Earnings					489,882
Miscellaneous					691,606
Total General Revenues					10,392,096
Change in Net Position					11,730,024
Net Position at Beginning of Year					21,141,306
Net Position at End of Year					$ 32,871,330

See accompanying notes to basic financial statements.

REFUGIO COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Road & Bridge	Grant Fund
ASSETS			
Cash and Cash Equivalents	$ 2,724,601	$ 991,984	$ 803,835
Certificates of Deposit	-	-	-
Ad Valorem Taxes Receivable (net)	545,799	-	-
Other Receivables	21,301	-	995,816
Prepaid Items	322,763	-	-
Due from Other Funds	139,845	-	-
TOTAL ASSETS	$ 3,754,309	$ 991,984	$ 1,799,651
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 158,444	$ 90,740	$ 1,621,577
Accrued Wages	279,645	56,236	-
Unearned Revenue	5,000	-	178,074
Due to Other Funds	-	-	-
Total Liabilities	443,089	146,976	1,799,651
Deferred Inflows of Resources:			
Unavailable Property Tax Revenue	545,799	-	-
Total Deferred Inflows	545,799	-	-
Fund Balances:			
Nonspendable:			
Prepaid Items	322,763	-	-
Restricted for:			
Elections	-	-	-
Legal	-	-	-
Judicial	-	-	-
Public Safety	-	-	-
Records Management	-	-	-
Sheriff	-	-	-
Library	-	-	-
Elderly Services	-	-	-
Courthouse Maintenance	-	-	-
Road and Bridge Maintenance	-	845,008	-
Other	-	-	-
Committed for:			
Capital Projects	-	-	-
Unassigned	2,442,658	-	-
Total Fund Balances	2,765,421	845,008	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 3,754,309	$ 991,984	$ 1,799,651

See accompanying notes to basic financial statements.

Coastal Protection	Courthouse Capital	Other Nonmajor Funds	Total Governmental Funds
$ 2,730,488	$ 2,468,322	$ 2,412,442	$ 12,131,672
-	5,544,881	-	5,544,881
-	-	-	545,799
-	-	231,858	1,248,975
-	-	-	322,763
-	-	-	139,845
$ 2,730,488	$ 8,013,203	$ 2,644,300	$ 19,933,935
$ 400	$ 4,535	$ 69,130	$ 1,944,826
-	446	10,626	346,953
2,730,088	-	-	2,913,162
-	-	139,845	139,845
2,730,488	4,981	219,601	5,344,786
-	-	-	545,799
-	-	-	545,799
-	-	-	322,763
-	-	7,672	7,672
-	-	258,834	258,834
-	-	283,130	283,130
-	-	229,085	229,085
-	-	439,275	439,275
-	-	307,339	307,339
-	-	62,747	62,747
-	-	517,821	517,821
-	8,008,222	181,386	8,189,608
-	-	-	845,008
-	-	62,834	62,834
-	-	74,576	74,576
-	-	-	2,442,658
-	8,008,222	2,424,699	14,043,350
$ 2,730,488	$ 8,013,203	$ 2,644,300	$ 19,933,935

THE STATE OF TEXAS

COUNTY OF REFUGIO

REFUGIO COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 14,043,350
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		18,895,858
Net Pension Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in governmental funds.		
Net Pension Asset	2,722,800	
Pension Related Deferred Outflows	339,649	
Pension Related Deferred Inflows	(363,558)	2,698,891
Long-term liabilities, including notes and leases payable, are not due and payable with current financial resources, therefore, are not reported in the funds.		
Long-term Debt		(3,019,740)
Other liabilities are not due and payable in the current period, and therefore, not reported in the funds.		
Accrued Compensated Absences		(292,828)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.		545,799
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ 32,871,330

See accompanying notes to basic financial statements.

REFUGIO COUNTY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Road & Bridge	Grant Fund
REVENUES			
Ad Valorem Taxes	$ 7,620,222	$ 1,039,121	$ -
Fines and Forfeitures	151,584	707,675	-
Charges for Services	181,257	-	-
Licenses, Permits, and Fees	447,291	414,317	-
Interest Income	92,071	18,474	-
Miscellaneous	588,802	5,369	-
Grants and Donations	60,720	348,040	7,013,074
TOTAL REVENUES	9,141,947	2,532,996	7,013,074
EXPENDITURES			
Current:			
Administration	2,598,033	-	306,399
Judicial	623,483	-	183,021
Legal	147,218	-	56,426
Financial Administration	565,114	-	-
Public Facilities	278,749	-	-
Public Safety	3,395,116	-	8,627
Public Transportation	-	2,461,813	-
Culture and Recreation	74,341	-	-
Health and Welfare	-	-	-
Conservation - Agriculture	76,099	-	-
Capital Outlay	114,594	213,959	6,645,134
Debt Service:			
Principal	42,073	-	-
Interest	1,919	-	-
TOTAL EXPENDITURES	7,916,739	2,675,772	7,199,607
Excess (Deficiency) in Revenue Over (Under) Expenditures	1,225,208	(142,776)	(186,533)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	186,533
Transfers Out	(371,533)	-	-
TOTAL OTHER FINANCING SOURCES	(371,533)	-	186,533
Net Change in Fund Balance	853,675	(142,776)	-
BEGINNING FUND BALANCE	1,911,746	987,784	-
ENDING FUND BALANCE	$ 2,765,421	$ 845,008	$ -

See accompanying notes to basic financial statements.

Coastal Protection	Courthouse Capital	Other Nonmajor Funds	Total Governmental Funds
$ -	$ -	$ -	$ 8,659,343
-	-	110,590	969,849
-	-	207,453	388,710
-	-	-	861,608
51,072	291,005	37,130	489,752
-	-	8,379	602,550
3,028	-	1,764,773	9,189,635
54,100	291,005	2,128,325	21,161,447
-	-	17,660	2,922,092
-	-	67,274	873,778
-	-	-	203,644
-	-	-	565,114
-	10,589	-	289,338
-	-	1,296,466	4,700,209
-	-	76,552	2,538,365
-	-	40,000	114,341
-	-	234,484	234,484
-	-	-	76,099
54,100	324,246	362,193	7,714,226
-	-	-	42,073
-	-	-	1,919
54,100	334,835	2,094,629	20,275,682
-	(43,830)	33,696	885,765
-	-	185,000	371,533
-	-	-	(371,533)
-	-	185,000	-
-	(43,830)	218,696	885,765
-	8,052,052	2,206,003	13,157,585
$ -	$ 8,008,222	$ 2,424,699	$ 14,043,350

THE STATE OF TEXAS

COUNTY OF REFUGIO

REFUGIO COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ 885,765
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay	5,497,681	
Depreciation Expense	(1,015,739)	4,481,942
The issuance of long-term debt (e.g. bonds and capital leases) provide current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report interest expense and compensated absences when they are due and payable, while the statement of activities recognizes interest expense and compensated absences when incurred.		
Forgiveness of Long-Term Debt	6,146,000	
Principal Payments on Long-term Debt	42,073	
Change in Compensated Absences	(174,210)	6,013,863
Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the expense for the pension is recorded based on the actuarially determined cost of the plan. This is the amount that the actuarially determined pension expense exceeded contributions.		571,367
Revenues and expenses in the internal service funds are reported separately from the governmental funds but are combined for reporting on the statement of activities. This amount represents the net revenues of internal service funds.		(274,154)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		51,241
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		$ 11,730,024

See accompanying notes to basic financial statements.

REFUGIO COUNTY
STATEMENT OF NET POSITION – INTERNAL SERVICE FUND
SEPTEMBER 30, 2025

	Governmental Activities
	Employee Insurance
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ -
TOTAL ASSETS	-
LIABILITIES	
Current Liabilities:	
Accounts Payable	-
TOTAL LIABILITIES	-
NET POSITION:	
Unrestricted	-
TOTAL NET POSITION	$ -

See accompanying notes to basic financial statements.

REFUGIO COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION –
INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Governmental Activities
	Employee Insurance
OPERATING REVENUES	
Premiums Charged to Employees and Dependants	$ 704,447
TOTAL OPERATING REVENUES	704,447
OPERATING EXPENSES	
Insurance and Administrative	978,730
TOTAL OPERATING EXPENSES	978,730
OPERATING INCOME (LOSS)	(274,283)
NONOPERATING REVENUES (EXPENSES)	
Interest Income	129
TOTAL NONOPERATING REVENUES (EXPENSES)	129
CHANGE IN NET POSITION	(274,154)
NET POSITION AT BEGINNING OF YEAR	274,154
NET POSITION AT END OF YEAR	$ -

See accompanying notes to basic financial statements.

THE STATE OF TEXAS

COUNTY OF REFUGIO

REFUGIO COUNTY
STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Governmental Activities Employee Insurance
Cash Flows From Operating Activities:	
Cash Received From Customers	$ 704,447
Cash Paid to Suppliers for Goods and Services	(897,747)
Net Cash Provided (Used) by Operating Activities	(193,300)
Cash Flows From Investing Activities:	
Investment Interest Received	129
Net Cash Provided (Used) by Investing Activities	129
Net Increase (Decrease) in Cash and Cash Equivalents	(193,171)
Cash and Cash Equivalents at Beginning of Year	193,171
Cash and Cash Equivalents at End of Year	$ -
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	$ (274,283)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Operating Assets and Deferred Outflows:	
Prepaid Expenses	80,983
Total Adjustments to Reconcile Operating Activities	80,983
Net Cash Provided (Used) by Operating Activities	$ (193,300)

See accompanying notes to basic financial statements.

REFUGIO COUNTY
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	$ 1,257,964
TOTAL ASSETS	1,257,964
LIABILITIES	
Accounts Payable	163,554
Accrued Wages	5,888
TOTAL LIABILITIES	169,442
NET POSITION	
Restricted for:	
Individuals, Organizations and other Governments	1,088,522
TOTAL NET POSITION	$ 1,088,522

See accompanying notes to basic financial statements.

REFUGIO COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Custodial Funds
ADDITIONS	
Ad Valorem Tax Collections for Other Governments	$ 19,819,369
Fines and Forfeitures	496,266
Court Settlements	178,225
Motor Vehicle Collections for the State	175,323
Interest Income	7,761
Grant Revenues Collected for Others	180,299
TOTAL ADDITIONS	20,857,243
DEDUCTIONS	
Juvenile Probation Program Disbursements	165,231
Property Tax Distributions to Other Governments	19,770,167
State Court Fines	516,265
Motor Vehicle Distributions to the State	272,252
Jail Commissary Purchases	132,731
TOTAL DEDUCTIONS	20,856,646
Net Increase in Fiduciary Net Position	597
BEGINNING NET POSITION	1,087,925
ENDING NET POSITION	$ 1,088,522

See accompanying notes to basic financial statements.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Refugio County ("County") is a public corporation and political subdivision of the State of Texas. The County is governed by four elected Commissioners (divided into precincts) and the elected County Judge. The County provides the following services: general government (administration, judicial, legal, elections and financial administration), public safety (corrections, constables, and sheriff), public transportation (roads and bridges), environmental protection, health and conservation.

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

1. REPORTING ENTITY

   Component Units
   Component units are legally separate entities that are, in substance, part of the government's operations; thus, data from these units, would be combined with data of the primary government. The County does not have any component units.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

   The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the County. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues.

   The statement of activities reflects the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

   Separate **fund financial statements** are provided for governmental, proprietary and fiduciary funds. The General Fund, Grant Fund, Coastal Protection, Courthouse Capital, and Road and Bridge Fund meet the criteria as ***major funds***.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types which have been accrued consist of revenue from taxes, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues.* Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs, investment earnings, and other miscellaneous revenues.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

General Fund is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property and sales taxes. Primary expenditures are for general administration, judicial, and public safety.

Road and Bridge Fund is used to account for property taxes and licenses committed to road and bridge maintenance in the County.

Grant Fund is used to account for federal and other grants received during the year that tend to be supplemental to the operations of the County.

Coastal Protection Fund is used to account for federal allocations from the GoMESA program which are held for coastal preservation projects.

Courthouse Capital Fund holds debt proceeds and grants for restoration of the County Courthouse.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONT.)

Proprietary fund level financial statements are used to account for charges to users and customers that cover the costs of goods and services provided to those users and customers. The County's maintains one proprietary internal service fund that provides health benefits to employees and dependents.

Fiduciary fund level financial statements are used to account resources held for others. The County's custodial funds holds property taxes for other governments, motor vehicle fees for the State and various other settlements.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the County. For the County, this includes investments in local government investment pools that are liquid and maintain a stable net asset value.

5. INVESTMENTS

State statutes authorize the County to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments in local government investment pools are reported as net asset value of $1 per share, which approximates fair value. Investments in local government pools are liquid and available on demand. Thus, they are reported in cash and cash equivalents. The County reports investments in certificates of deposit at amortized cost.

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

5. INVESTMENTS (CONT.)

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets. ·
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the County believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

6. ACCOUNTS RECEIVABLE/REVENUE RECOGNITION

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2024 and past due after January 31, 2025. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for credit losses.

7. PREPAID ITEMS

Payments made for goods and services in advance are recorded as prepaid items on the balance sheet.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

8. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements.

9. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of $5,000 or more and a useful life in excess of two years. Infrastructure assets include County-owned streets, water system, and sewer system. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset	Estimated Life
Buildings and Improvements	15-40 years
Infrastructure	40 years
Vehicles and Equipment	3-10 years

10. COMPENSATED ABSENCES

The County's employees earn vacation and sick leave which may either be taken or accumulated, up to certain amounts. Only unused vacation will be paid upon termination. Compensated absences are accrued in the government-wide and proprietary fund financial statements as they accumulate based on an estimate of the leave more likely than not to be taken as time off or paid out. Only accumulated leave expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. The County uses the first in first out flows assumption in determining the liability.

11. UNAVAILABLE/UNEARNED REVENUE

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue not expected to be available for the current period are reflected as unavailable revenue (a deferred inflow of resources). Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

12. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period, while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

13. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt (including capital leases) and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the discount. Bond issuance costs are expensed as incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. PENSIONS

The net pension liability, deferred inflows, and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS), and additions to and deductions from TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

16. FUND BALANCES

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable - Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can only be used for a specific purpose by a resolution of Commissioners' Court. Committed amounts cannot be used for any other purpose unless Commissioners' Court removes those constraints through the same formal action.

Assigned - Represents amounts which the County intends to use for a specific purpose but do not meet the criteria of restricted or committed. The Commissioners' Court may delegate authority for assignments to other officials in the County.

Unassigned - Represents the residual balance that may be spent on any other purpose of the County.

When an expenditure is incurred for a purpose in which multiple classifications are available, the County considers restricted balances spent first, committed second and assigned third.

17. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

NOTE B -- DEPOSITS AND INVESTMENTS

1. Deposits

The County maintains deposits at one institution that provides a combination of pledged collateral and FDIC insurance to completely collateralize the County's deposits, including certificates.

2. Investments

As of September 30, 2025, the County's investments are only in certificates of deposit, rendering compliance with the Public Funds Investment Act unnecessary.

NOTE C -- PROPERTY TAX CALENDAR

The County's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the County. Assessed values are established by the Refugio County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2024, upon which the fiscal 2025 levy was based, was $1.1 billion (i.e., market value less exemptions).

The County is permitted by the Constitution of the State of Texas to levy taxes up to $0.80 per $100 of taxable assessed valuation for all governmental purposes. Taxes for voter approved debt service are generally unlimited. The tax rate to finance general governmental services for the year ended September 30, 2025 was $0.80 per $100 of assessed value.

NOTE D -- RECEIVABLES

Receivables for the County as of September 30, 2025 are as follows:

	General Fund	Grant Fund	Nonmajor Funds
Ad Valorem Taxes	$ 606,443	$ -	$ -
Allowance for Credit Losses	(60,644)	-	-
Grant Receivable	-	995,816	231,858
Other Receivables	21,301	-	-
Total Receivables	$ 567,100	$ 995,816	$ 231,858

NOTE E -- INTERFUND TRANSACTIONS

As of September 30, 2025, nonmajor governmental funds owed $139,845 to the general fund for purchases that will be reimbursed by grants.

The following transfers occurred during the year ending September 30, 2025:

From	To	Amount	Purpose
General Fund	Grant Fund	$ 186,533	Grant Match
General Fund	Nonmajor Governmental	185,000	Grant Match
		$ 371,533	

NOTE F -- CAPITAL ASSETS

Capital asset activity in the governmental funds for the year ended September 30, 2025, was as follows:

	Balance 10/1/2024	Additions	Disposals/ Transfers	Balance 9/30/2025
Governmental Activities				
Land	$ 745,360	$ -	$ -	$ 745,360
Construction in Progress	3,885,597	4,643,427	(1,707,027)	6,821,997
Buildings and Improvements	9,376,702	212,001	1,032,782	10,621,485
Infrastructure	6,613,365	184,648	674,245	7,472,258
Vehicles and Equipment	7,469,119	457,605	-	7,926,724
Right of Use Equipment	130,403	-	-	130,403
	28,220,546	5,497,681	-	33,718,227
Less Accumulated Depreciation				
Buildings and Improvements	(4,023,542)	(259,538)	-	(4,283,080)
Infrastructure	(3,751,863)	(185,907)	-	(3,937,770)
Vehicles and Equipment	(5,930,681)	(540,435)	-	(6,471,116)
Right of Use Equipment	(100,544)	(29,859)	-	(130,403)
	(13,806,630)	(1,015,739)	-	(14,822,369)
Governmental Activities, Net	$ 14,413,916	$ 4,481,942	$ -	$ 18,895,858

Land and Construction in Progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

Administration	$ 185,617
Public Facilities	71,383
Public Safety	327,720
Public Transportation	385,557
Culture and Recreation	19,568
Health and Welfare	25,894
Total Depreciation Expense - Governmental Activities	$ 1,015,739

NOTE G -- LONG-TERM DEBT

Changes in long-term debt were as follows:

	Balance 10/1/2024	Additions	Reductions	Balance 9/30/2025	Due within One Year
Governmental Activities:					
Notes Payable	$ 24,544	$ -	$ (24,544)	$ -	$ -
Disaster Recovery Loans	9,146,000	-	(6,146,000)	3,000,000	-
Leases Payable	37,269	-	(17,529)	19,740	13,026
Compensated Absences	118,618	174,210	-	292,828	73,207
Net Pension Liability (Asset)	(1,991,764)	2,463,802	(3,194,838)	(2,722,800)	-
Total Government	$ 7,334,667	$ 2,638,012	$ (9,382,911)	$ 589,768	$ 86,233

In October 2022, the County issued a promissory note to the Texas Division of Emergency Management (TDEM) for $6.146 million in a disaster recovery loan. Another $3.0 million was issued in 2024 through the same program. The Texas State Auditor's office performed an inspection of the County's ability to repay the first loan and has determined the County is not able to repay the loan. Thus, scheduled payments have not been made and TDEM has forgiven the loan. Forgiveness of the second loan was received in January 2026.

The County entered into leases for equipment with terms ranging from 12 to 39 months. In addition, the County has entered into a few equipment notes maturing in the year ending September 30, 2025. Future debt service on these leases and loans are as follows:

Year Ending	Leases Payable	
September 30,	Principal	Interest
2026	$ 13,026	$ 515
2027	6,714	88
Total	$ 19,740	$ 603

NOTE H -- PENSION PLAN

Plan Description

The County participates as one of 830 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the state of Texas and administered in accordance with the TCDRS Act as an agent multiple-employer retirement system for County and District employees in the State of Texas. The Board of Trustees of TCDRS is responsible for the administration and management of the system. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

NOTE H -- PENSION PLAN (Continued)

The plan provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years of service equals 75 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan. Members who withdraw their personal contributions in a partial lump sum are entitled to any amounts contributed by the employer.

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

Benefits Provided

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the County-financed monetary credits with interest were used to purchase an annuity.

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	108
Inactive Employees Entitled to but Not Yet Receiving Benefits	118
Active employees	117
	343

Contributions

The County has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The actuarially determined rates were 5.08% and 4.61% for the calendar years of 2024 and 2025, respectively. The County contributed $20,441 more than the required amount for the year ending September 30, 2025.

The contribution rate payable by the employee members is 7% as adopted by the governing body of the County. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County has adopted a matching rate of 125%. Employees may take a partial lump sum on retirement.

NOTE H -- PENSION PLAN (Continued)

Actuarial Assumptions

The County's net pension liability (NPL) was measured as of December 31, 2024 and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date. The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	0.0 Years
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The long-term expected rate of return on pension plan investments is 7.50%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2025 information for a 10-year time horizon. Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in March 2021.

NOTE H -- PENSION PLAN (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return
U.S. Equities	13.0%	5.35%
Global Equity	4.0%	5.15%
International Developed Markets	6.0%	4.75%
International Emerging Markets	0.0%	4.75%
Investment Grade Bonds	3.0%	2.55%
Strategic Credit	9.0%	3.70%
Direct Lending	16.0%	6.85%
Distressed Debt	4.0%	6.80%
REIT Equities	2.0%	3.95%
Master Limited Partnerships (MLPs)	2.0%	4.95%
Commodities	2.0%	1.00%
Private Real Estate Partnerships	6.0%	5.75%
Private Equity	25.0%	8.15%
Hedge Funds	6.0%	3.60%
Cash Equivalents	2.0%	1.10%
	100%	

The discount rate used to measure the Total Pension Liability (or asset) was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability (or asset).

The following presents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate		
	1% Decrease	7.60%	1% Increase
Net Pension Liability (Asset)	$ 52,388	$ (2,722,800)	$ (5,070,014)

NOTE H -- PENSION PLAN (Continued)

Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2024:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2023	$ 22,594,474	$ 24,586,238	$ (1,991,764)
Changes for the year:			
Service Cost	585,882	-	585,882
Interest	1,706,388	-	1,706,388
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	157,224	-	157,224
Changes of Assumptions	-	-	-
Refund of Contributions	(217,414)	(217,414)	-
Benefit Payments	(1,265,504)	(1,265,504)	-
Administrative Expense	-	(14,308)	14,308
Contributions - Employee	-	427,756	(427,756)
Net Investment Income	-	2,490,364	(2,490,364)
Contributions - Employer	-	310,428	(310,428)
Other Changes	-	(33,710)	33,710
Net Changes	966,576	1,697,612	(731,036)
Balance at December 31, 2024	$ 23,561,050	$ 26,283,850	$ (2,722,800)

Pension Plan Fiduciary Net Position

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

NOTE H -- PENSION PLAN (Continued)

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

For the year ended September 30, 2025, the County recognized pension expense of ($257,571). Also as of September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ 118,707	$ 87,564
Changes in Actuarial Assumptions	-	-
Differences Between Projected and Actual Investment Earnings	-	275,994
Contributions Subsequent to the Measurement Date	220,942	-
	$ 339,649	$ 363,558

Deferred outflows of resources in the amount of $220,942 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Plan Year ended December 31,	
2025	$ (243,306)
2026	419,742
2027	(291,012)
2028	(130,275)
	$ (244,851)

NOTE I -- TAX ABATEMENTS

The County provides tax abatements to incentivize development and provide economic growth in the County. As of September 30, 2025, the County has three active agreements. In exchange for improvements in the County, the County will abate the incremental property tax revenue generated by the project for a term of 10 years. During the term of the abatement, the entities will make payments in lieu of taxes each year. The payments total $541,800 each year through September 30, 2031, $101,800 for the year ending September 30, 2032 and $25,000 for the years ending September 30, 2033 and 2034.

NOTE J -- RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The County contracts with the Texas Association of Counties Risk Management Pool ("Pool") to provide insurance coverage for liability, property and casualty, auto liability and workers compensation. The Pool is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the County is generally limited to the contributed amounts for losses up to coverage limits.

NOTE K -- LITIGATION

The County is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the County's liability in these cases, if decided adversely to the County, will not have a material effect on the County's financial position.

NOTE L -- COMMITMENTS

As of September 30, 2025, the County had the following outstanding commitments for contracts awarded:

Project	Estimated Project Cost to County	Expended through 9/30/25	Estimated Future Commitment
Courthouse Architecture	$ 2,400,000	$ 1,789,880	$ 610,120
Grant Funded Capital Projects	15,916,896	3,199,292	12,717,604
	$ 18,316,896	$ 4,989,172	$ 13,327,724

NOTE M – SUBSEQUENT EVENTS

In January 2026, the Texas Division of Emergency Management forgave the second disaster recovery loan of the County for $3.0 million. The loan will be removed from future financial statements.

In December 2025, the County negotiated and received a claim for damage to County buildings of $2.28 million. The proceeds of that claim are not reflected in these financial statements.

THE STATE OF TEXAS

COUNTY OF REFUGIO

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Road and Bridge Fund
- Schedule of Changes - Net Pension Liability and Related Ratios
- Schedule of Contributions – Defined Benefit Pension Plan

REFUGIO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Ad Valorem Taxes	$ 8,004,943	$ 8,004,943	$ 7,620,222	$ (384,721)
Fines and Forfeitures	169,950	169,950	151,584	(18,366)
Charges for Services	181,861	181,861	181,257	(604)
Licenses, Permits, and Fees	437,100	437,100	447,291	10,191
Interest Income	45,000	45,000	92,071	47,071
Miscellaneous	670,037	670,037	588,802	(81,235)
Grants and Donations	115,866	115,866	60,720	(55,146)
TOTAL REVENUES	9,624,757	9,624,757	9,141,947	(482,810)
EXPENDITURES				
Current:				
Administration:				
Commissioners Court	36,500	36,500	5,584	30,916
County Judge	174,476	228,859	184,401	44,458
Nondepartmental	2,353,489	2,353,587	1,626,598	726,989
District Clerk	256,059	256,059	229,950	26,109
County Clerk	226,233	226,233	198,046	28,187
Elections	157,320	167,297	145,946	21,351
Veterans	34,895	34,895	32,859	2,036
Economic Development	50,000	50,000	50,000	-
Information Technology	100,000	100,000	124,649	(24,649)
Legal - County Attorney	162,796	162,796	147,218	15,578
Judicial:				
District Court	166,930	166,930	154,979	11,951
County Court	31,000	31,000	43,833	(12,833)
Justices of the Peace	293,581	293,581	277,889	15,692
Assistant District Attorney	159,807	159,807	146,782	13,025
Finance:				
County Auditor	225,844	225,844	204,542	21,302
County Treasurer	180,494	180,494	154,738	25,756
Tax Assessor	227,270	227,270	205,834	21,436
Facilities	267,274	267,274	278,749	(11,475)
Public Safety:				
Fire Protection	132,100	132,100	122,000	10,100
Sheriff	1,900,369	1,913,208	1,509,976	403,232
Jail	1,534,838	1,534,838	1,419,176	115,662
Constables	79,250	79,250	66,229	13,021
DPS	53,994	53,994	48,842	5,152
911	54,275	54,275	55,672	(1,397)
Animal Control	119,787	119,787	105,849	13,938
Emergency Management	$ 75,454	$ 75,454	$ 67,372	$ 8,082

REFUGIO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget Amounts		Actual	
	Original	Final	Amounts	Variance
EXPENDITURES (CONT.)				
Current (Cont.):				
Conservation - Agriculture	$ 89,869	$ 89,869	$ 76,099	$ 13,770
Culture - Library	102,396	102,396	74,341	28,055
Capital Outlay	17,900	17,900	114,594	(96,694)
Debt Service				
Principal	68,557	68,557	42,073	26,484
Interest	2,000	2,000	1,919	81
TOTAL EXPENDITURES	9,334,757	9,412,054	7,916,739	1,495,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	290,000	212,703	1,225,208	1,012,505
OTHER FINANCING SOURCES (OFS)				
Transfer Out	(290,000)	(290,000)	(371,533)	(81,533)
TOTAL OFS	(290,000)	(290,000)	(371,533)	(81,533)
NET CHANGE IN FUND BALANCE	-	(77,297)	853,675	930,972
BEGINNING FUND BALANCE	1,911,746	1,911,746	1,911,746	-
ENDING FUND BALANCE	$ 1,911,746	$ 1,834,449	$ 2,765,421	$ 930,972

REFUGIO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL – ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Ad Valorem Taxes	$ 1,090,674	$ 1,090,674	$ 1,039,121	$ (51,553)
Fines and Forfeitures	885,000	885,000	707,675	(177,325)
Licenses, Permits, and Fees	390,000	390,000	414,317	24,317
Interest Income	9,500	9,500	18,474	8,974
Miscellaneous	-	-	5,369	5,369
Grants and Donations	11,300	11,300	348,040	336,740
TOTAL REVENUES	2,386,474	2,386,474	2,532,996	146,522
EXPENDITURES				
Current:				
Public Transportation				
Precinct 1	239,888	239,888	261,667	(21,779)
Precinct 2	765,065	765,065	950,562	(185,497)
Precinct 3	469,835	469,835	520,227	(50,392)
Precinct 4	598,071	598,071	541,561	56,510
Nondepartmental	200,366	200,366	187,796	12,570
Capital Outlay	219,500	219,500	213,959	5,541
TOTAL EXPENDITURES	2,492,725	2,492,725	2,675,772	(183,047)
Net Change in Fund Balance	(106,251)	(106,251)	(142,776)	(36,525)
BEGINNING FUND BALANCE	987,784	987,784	987,784	-
ENDING FUND BALANCE	$ 881,533	$ 881,533	$ 845,008	$ (36,525)

REFUGIO COUNTY
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SEPTEMBER 30, 2025

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The County maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by Commissioners' Court and as such is a good management control device. The General Fund and Road and Bridge Fund have legally adopted budgets.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

The County uses encumbrances throughout the year, however all encumbrances are closed at year end. Accordingly, no encumbrances are reported in these financial statements.

REFUGIO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES - NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN PLAN (CALENDAR) YEARS

Total Pension Liability	2015	2016	2017	2018
Service Cost	$ 588,092	$ 639,416	$ 495,313	$ 517,996
Interest (on the Total Pension Liability)	1,117,545	1,176,621	1,264,177	1,326,947
Changes of Benefit Terms	(82,144)	-	-	-
Change of Assumptions	187,301	-	187,662	-
Difference between Expected and Actual Experience	(284,671)	(119,404)	(339,378)	166,938
Benefit Payments, Including Refunds of Employee Contributions	(767,802)	(773,079)	(822,953)	(889,370)
Net Change in Total Pension Liability	758,321	923,554	784,821	1,122,511
Total Pension Liability - Beginning	13,833,400	14,591,721	15,515,275	16,300,096
Total Pension Liability - Ending	$ 14,591,721	$ 15,515,275	$ 16,300,096	$ 17,422,607

Plan Fiduciary Net Position	2015	2016	2017	2018
Contributions - Employer	$ 357,204	$ 306,849	$ 244,057	$ 239,710
Contributions - Employee	378,277	343,670	323,559	315,409
Net Investment Income	112,200	1,070,336	2,249,714	(328,266)
Benefit Payments, Including Refunds of Employee Contributions	(767,802)	(773,079)	(822,953)	(889,370)
Administrative Expense	(10,256)	(11,501)	(11,585)	(13,442)
Other	23,392	190,017	(3,533)	(8,207)
Net Change	93,015	1,126,292	1,979,259	(684,166)
Beginning Plan Fiduciary Net Postion	14,221,511	14,314,526	15,440,818	17,420,077
Ending Plan Fiduciary Net Postion	$ 14,314,526	$ 15,440,818	$ 17,420,077	$ 16,735,911
Net Pension Liability (Asset) - Ending	$ 277,195	$ 74,457	$ (1,119,981)	$ 686,696
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.10%	99.52%	106.87%	96.06%
Covered Payroll	$ 5,402,995	$ 4,909,575	$ 4,622,267	$ 4,505,849
Net Pension Liability as a Percentage of Covered Payroll	5.13%	1.52%	-24.23%	15.24%

Total Pension Liability					
2019	2020	2021	2022	2023	2024
$ 494,783	$ 513,689	$ 595,640	$ 554,989	$ 621,061	$ 585,882
1,416,039	1,476,495	1,538,860	1,595,039	1,669,417	1,706,388
-	-	-	-	-	-
-	1,021,814	(140,973)	-	-	-
(254,431)	(38,881)	(130,198)	55,570	(262,694)	157,224
(888,139)	(971,331)	(1,100,401)	(1,065,935)	(1,528,546)	(1,482,918)
768,252	2,001,786	762,928	1,139,663	499,238	966,576
17,422,607	18,190,859	20,192,645	20,955,573	22,095,236	22,594,474
$ 18,190,859	$ 20,192,645	$ 20,955,573	$ 22,095,236	$ 22,594,474	$ 23,561,050

Plan Fiduciary Net Position					
2019	2020	2021	2022	2023	2024
$ 224,857	$ 297,447	$ 285,068	$ 334,823	$ 305,064	$ 310,428
321,882	363,373	348,250	383,594	372,678	427,756
2,748,717	1,974,552	4,506,526	(1,422,989)	2,515,737	2,490,364
(888,139)	(971,331)	(1,100,401)	(1,065,935)	(1,528,546)	(1,482,918)
(14,570)	(15,191)	(13,406)	(13,459)	(12,838)	(14,308)
(9,026)	(7,294)	(7,515)	(28,220)	(33,381)	(33,710)
2,383,721	1,641,556	4,018,522	(1,812,186)	1,618,714	1,697,612
16,735,911	19,119,632	20,761,188	24,779,710	22,967,524	24,586,238
$ 19,119,632	$ 20,761,188	$ 24,779,710	$ 22,967,524	$ 24,586,238	$ 26,283,850
$ (928,773)	$ (568,543)	$ (3,824,137)	$ (872,288)	$ (1,991,764)	$ (2,722,800)
105.11%	102.82%	118.25%	103.95%	108.82%	111.56%
$ 4,598,310	$ 5,191,047	$ 4,975,002	$ 5,479,918	$ 5,323,972	$ 6,110,795
-20.20%	-10.95%	-76.87%	-15.92%	-37.41%	-44.56%

REFUGIO COUNTY
SCHEDULE OF COUNTY CONTRIBUTIONS – PENSION PLAN
LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Constribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	$ 293,358	$ 313,799	$ (20,441)	$ 6,177,134	5.1%
2024	286,339	286,339	-	5,620,802	5.1%
2023	291,575	314,724	(23,149)	5,394,990	5.8%
2022	313,607	321,941	(8,334)	5,352,676	6.0%
2021	261,135	283,646	(22,511)	4,950,187	5.7%
2020	297,447	297,447	-	5,191,047	5.7%
2019	224,857	224,857	-	4,598,310	4.9%
2018	239,710	239,710	-	4,505,849	5.3%
2017	244,057	244,057	-	4,622,267	5.3%
2016	306,849	306,849	-	4,909,575	6.3%

Notes to Schedule of Contributions

Changes in Benefit Terms:

2017: New annuity purchase rates for benefits earned after 2017.

Changes in Assumptions:

2017: New mortality assumptions
2019: New inflation, mortality and other assumptions
2022: New investment return and inflation assumptions

SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Combining Statements – Nonmajor Funds
- Comparative Fund Statements
    - General Fund
    - Road and Bridge Fund

REFUGIO COUNTY
COMBINING BALANCE SHEET – NONMAJOR FUNDS
SEPTEMBER 30, 2025

	Special Revenue			
	Estray	Elections	Sheriff Forfeitures	Elderly Services
ASSETS				
Cash and Cash Equivalents	$ 8,950	$ 7,672	$ 302,127	$ 526,270
Other Receivables	-	-	-	-
TOTAL ASSETS	$ 8,950	$ 7,672	$ 302,127	$ 526,270
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ -	$ -	$ 380	$ 286
Accrued Wages	-	-	446	8,163
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	826	8,449
Fund Balances:				
Restricted for:				
Elections	-	7,672	-	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Records Management	-	-	-	-
Sheriff	-	-	301,301	-
Library	-	-	-	-
Elderly Services	-	-	-	517,821
Courthouse Maintenance	-	-	-	-
Other	8,950	-	-	-
Committed for:				
Capital Purchases	-	-	-	-
Total Fund Balances	8,950	7,672	301,301	517,821
TOTAL LIABILITIES AND FUND BALANCES	$ 8,950	$ 7,672	$ 302,127	$ 526,270

Special Revenue					
LEOSE Training	Jail Commissary	Capital Credits	Airport	Law Library	Court Security & Technology
$ 29,982	$ 199,103	$ 20,166	$ 8,588	$ 31,804	$ 265,182
-	-	-	-	-	-
$ 29,982	$ 199,103	$ 20,166	$ 8,588	$ 31,804	$ 265,182
$ -	$ -	$ -	$ 459	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	459	-	-
-	-	-	-	-	-
-	-	-	-	31,804	-
-	-	-	-	-	265,182
29,982	199,103	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	20,166	8,129	-	-
-	-	-	-	-	-
29,982	199,103	20,166	8,129	31,804	265,182
$ 29,982	$ 199,103	$ 20,166	$ 8,588	$ 31,804	$ 265,182

REFUGIO COUNTY
COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)
SEPTEMBER 30, 2025

	Special Revenue			
	Records Management	Defray	Courthouse Maintenance	Attorney Admin
ASSETS				
Cash and Cash Equivalents	$ 440,005	$ 25,589	$ 163,406	$ 3,205
Other Receivables	-	-	80,340	-
TOTAL ASSETS	$ 440,005	$ 25,589	$ 243,746	$ 3,205
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ -	$ -	$ 62,360	$ -
Accrued Wages	730	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	730	-	62,360	-
Fund Balances:				
Restricted for:				
Elections	-	-	-	-
Legal	-	-	-	3,205
Judicial	-	-	-	-
Public Safety	-	-	-	-
Records Management	439,275	-	-	-
Sheriff	-	-	-	-
Library	-	-	-	-
Elderly Services	-	-	-	-
Courthouse Maintenance	-	-	181,386	-
Other	-	25,589	-	-
Committed for:				
Capital Purchases	-	-	-	-
Total Fund Balances	439,275	25,589	181,386	3,205
TOTAL LIABILITIES AND FUND BALANCES	$ 440,005	$ 25,589	$ 243,746	$ 3,205

Special Revenue					
Library Contributions	Jury Fund	Pre-Trial Diversion	Sheriff Grants & Donations	Vehicle Replacement	Total Nonmajor Funds
$ 62,747	$ 17,948	$ 225,122	$ -	$ 74,576	$ 2,412,442
-	-	-	151,518	-	231,858
$ 62,747	$ 17,948	$ 225,122	$ 151,518	$ 74,576	$ 2,644,300
$ -	$ -	$ 10	$ 5,635	$ -	$ 69,130
-	-	1,287	-	-	10,626
-	-	-	139,845	-	139,845
-	-	1,297	145,480	-	219,601
-	-	-	-	-	7,672
-	-	223,825	-	-	258,834
-	17,948	-	-	-	283,130
-	-	-	-	-	229,085
-	-	-	-	-	439,275
-	-	-	6,038	-	307,339
62,747	-	-	-	-	62,747
-	-	-	-	-	517,821
-	-	-	-	-	181,386
-	-	-	-	-	62,834
-	-	-	-	74,576	74,576
62,747	17,948	223,825	6,038	74,576	2,424,699
$ 62,747	$ 17,948	$ 225,122	$ 151,518	$ 74,576	$ 2,644,300

REFUGIO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR FUNDS
FOR THE YEAR ENDING SEPTEMBER 30, 2025

	Special Revenue			
	Estray	Elections	Sheriff Forfeitures	Elderly Services
REVENUES				
Fines and Forfeitures	$ -	$ -	$ 9,401	$ -
Charges for Services	-	977	-	-
Interest Income	-	5	4,939	8,612
Miscellaneous	2,406	-	4,368	197
Grants and Donations	-	-	-	176,232
TOTAL REVENUES	2,406	982	18,708	185,041
EXPENDITURES				
Current:				
Administration	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	86,678	-
Public Transportation	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	234,484
Capital Outlay	-	-	6,397	-
TOTAL EXPENDITURES	-	-	93,075	234,484
Excess (Deficiency) in Revenue Over (Under) Expenditures	2,406	982	(74,367)	(49,443)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	135,000
TOTAL OTHER FINANCING	-	-	-	135,000
Net Change in Fund Balance	2,406	982	(74,367)	85,557
BEGINNING FUND BALANCE	6,544	6,690	375,668	432,264
ENDING FUND BALANCE	$ 8,950	$ 7,672	$ 301,301	$ 517,821

Special Revenue					
LEOSE Training	Jail Commissary	Capital Credits	Airport	Law Library	Court Security & Technology
$ -	$ -	$ -	$ -	$ -	$ 36,587
-	154,817	-	7,888	4,637	-
-	1,841	-	36	-	3,777
-	-	-	-	-	-
9,000	-	5,132	17,375	-	-
9,000	156,658	5,132	25,299	4,637	40,364
-	-	-	-	-	-
-	-	-	-	-	3,402
8,626	38,634	-	-	-	-
-	-	-	76,552	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,626	38,634	-	76,552	-	3,402
374	118,024	5,132	(51,253)	4,637	36,962
-	-	-	50,000	-	-
-	-	-	50,000	-	-
374	118,024	5,132	(1,253)	4,637	36,962
29,608	81,079	15,034	9,382	27,167	228,220
$ 29,982	$ 199,103	$ 20,166	$ 8,129	$ 31,804	$ 265,182

REFUGIO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR FUNDS (CONTINUED)
FOR THE YEAR ENDING SEPTEMBER 30, 2025

	Special Revenue			
	Records Management	Defray	Courthouse Maintenance	Attorney Admin
REVENUES				
Fines and Forfeitures	$ -	$ -	$ -	$ -
Charges for Services	30,965	6,820	-	30
Interest Income	9,245	-	4,044	61
Miscellaneous	40	-	-	-
Grants and Donations	-	-	221,923	-
TOTAL REVENUES	40,250	6,820	225,967	91
EXPENDITURES				
Current:				
Administration	17,660	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	221,923	-
TOTAL EXPENDITURES	17,660	-	221,923	-
Excess (Deficiency) in Revenue Over (Under) Expenditures	22,590	6,820	4,044	91
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Net Change in Fund Balance	22,590	6,820	4,044	91
BEGINNING FUND BALANCE	416,685	18,769	177,342	3,114
ENDING FUND BALANCE	$ 439,275	$ 25,589	$ 181,386	$ 3,205

Special Revenue				Capital	
Library Contributions	Jury Fund	Pre-trial Diversion	Sheriff Grants & Donations	Vehicle Replacement	Total Nonmajor Funds
$ -	$ -	$ 60,260	$ -	$ 4,342	$ 110,590
-	1,319	-	-	-	207,453
1,005	5	2,702	-	858	37,130
-	1,368	-	-	-	8,379
40,300	9,190	-	1,285,621	-	1,764,773
41,305	11,882	62,962	1,285,621	5,200	2,128,325
-	-	-	-	-	17,660
-	11,142	52,730	-	-	67,274
-	-	-	1,162,528	-	1,296,466
-	-	-	-	-	76,552
40,000	-	-	-	-	40,000
-	-	-	-	-	234,484
-	-	-	129,587	4,286	362,193
40,000	11,142	52,730	1,292,115	4,286	2,094,629
1,305	740	10,232	(6,494)	914	33,696
-	-	-	-	-	185,000
-	-	-	-	-	185,000
1,305	740	10,232	(6,494)	914	218,696
61,442	17,208	213,593	12,532	73,662	2,206,003
$ 62,747	$ 17,948	$ 223,825	$ 6,038	$ 74,576	$ 2,424,699

REFUGIO COUNTY
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	$ 2,724,601	$ 1,970,064
Ad Valorem Taxes Receivable (net)	545,799	494,558
Other Receivables	21,301	68,566
Prepaid Items	322,763	289,893
Due from Other Funds	139,845	53,691
TOTAL ASSETS	$ 3,754,309	$ 2,876,772
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 158,444	$ 213,959
Accrued Wages	279,645	256,509
Unearned Revenue	5,000	-
Total Liabilities	443,089	470,468
Deferred Inflows of Resources:		
Unavailable Revenues - Property Taxes	545,799	494,558
Total Deferred Inflows	545,799	494,558
Fund Balances:		
Nonspendable:		
Prepaid Items	322,763	53,691
Unassigned	2,442,658	1,858,055
Total Fund Balances	2,765,421	1,911,746
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 3,754,309	$ 2,876,772

REFUGIO COUNTY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
REVENUES		
Ad Valorem Taxes	$ 7,620,222	$ 7,341,831
Fines and Forfeitures	151,584	138,175
Charges for Services	181,257	229,586
Licenses, Permits, and Fees	447,291	500,226
Interest Income	92,071	91,773
Misc Income	588,802	581,670
Grants and Donations	60,720	115,481
TOTAL REVENUES	9,141,947	8,998,742
EXPENDITURES		
Current:		
Administration	2,598,033	2,322,864
Legal	147,218	154,211
Judicial	623,483	596,723
Finance	565,114	521,784
Facilities	278,749	271,387
Public Safety	3,395,116	3,409,842
Culture and Recreation	74,341	81,801
Conservation	76,099	80,152
Capital Outlay	114,594	53,710
Debt Service		
Principal	42,073	94,078
Interest	1,919	5,505
TOTAL EXPENDITURES	7,916,739	7,592,057
Excess (Deficiency) in Revenue Over (Under) Expenditures	1,225,208	1,406,685
OTHER FINANCING SOURCES (USES)		
Sale of Capital Assets	-	2,791
Transfers In (Out)	(371,533)	(587,206)
TOTAL OTHER FINANCING SOURCES	(371,533)	(584,415)
Net Change in Fund Balance	853,675	822,270
BEGINNING FUND BALANCE	1,911,746	1,089,476
ENDING FUND BALANCE	$ 2,765,421	$ 1,911,746

REFUGIO COUNTY
COMPARATIVE BALANCE SHEETS
ROAD AND BRIDGE FUND
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	$ 991,984	$ 1,103,376
Other Receivables	-	76,113
TOTAL ASSETS	$ 991,984	$ 1,179,489
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 90,740	$ 141,709
Accrued Wages	56,236	49,996
Total Liabilities	146,976	191,705
Fund Balances:		
Restricted for:		
Road and Bridge Maintenance	845,008	987,784
Total Fund Balances	845,008	987,784
TOTAL LIABILITIES AND FUND BALANCES	$ 991,984	$ 1,179,489

REFUGIO COUNTY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ROAD AND BRIDGE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
REVENUES		
Ad Valorem Taxes	$ 1,039,121	$ 1,001,015
Fines and Forfeitures	707,675	691,952
Licenses, Permits, and Fees	414,317	389,462
Interest Income	18,474	22,636
Misc Income	5,369	1,924
Grants and Donations	348,040	278,136
TOTAL REVENUES	2,532,996	2,385,125
EXPENDITURES		
Current:		
Public Transportation		
Precinct 1	261,667	210,428
Precinct 2	950,562	814,769
Precinct 3	520,227	358,975
Precinct 4	541,561	577,849
Nondepartmental	187,796	166,461
Capital Outlay	213,959	261,106
TOTAL EXPENDITURES	2,675,772	2,389,588
Excess (Deficiency) in Revenue Over (Under) Expenditures	(142,776)	(4,463)
OTHER FINANCING SOURCES (USES)		
Sale of Capital Assets	-	26,605
TOTAL OTHER FINANCING SOURCES	-	26,605
Net Change in Fund Balance	(142,776)	22,142
BEGINNING FUND BALANCE	987,784	965,642
ENDING FUND BALANCE	$ 845,008	$ 987,784

THE STATE OF TEXAS

COUNTY OF REFUGIO

COMPLIANCE SECTION

Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

County Commissioners
Refugio County

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Refugio County as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Refugio County's basic financial statements, and have issued our report thereon dated May 31, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Refugio 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 Refugio County's internal control. Accordingly, we do not express an opinion on the effectiveness of Refugio 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 • Email: info@avacpa.com • www.avacpa.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Refugio 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

May 31, 2026

Armstrong, Vaughan & Associates, P. C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

County Commissioners
Refugio County

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

We have audited Refugio County's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025. Refugio 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, Refugio County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

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 (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the 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 UGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 • Email: info@avacpa.com • www.avacpa.com

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

In performing an audit in accordance with GAAS, 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 Refugio County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Refugio County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Refugio County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

May 31, 2026

Armstrong, Vaughan & Associates, P. C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

County Commissioners
Refugio County

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Refugio County's compliance with the types of compliance requirements described in the Texas Comptroller of Public Accounts, *State of Texas Uniform Grant Management Standards*, which includes the State of Texas Single Audit Circular (UGMS) that could have a direct and material effect on each of its major state programs for the year ended September 30, 2025. Refugio County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Refugio County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in and the audit requirements of the UGMS. Our responsibilities under those standards and the UGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 • Email: info@avacpa.com • www.avacpa.com

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

In performing an audit in accordance with GAAS, 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 Refugio County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Refugio County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Refugio County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 state 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 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. 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 UGMS. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

May 31, 2026

REFUGIO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Any material weaknesses identified?	____ Yes	_X_ No
Any significant deficiencies identified?	____ Yes	_X_ No
Noncompliance material to financial Statements noted?	____ Yes	_X_ No

2. State Awards

Internal control over major programs:		
Any material weaknesses identified?	____ Yes	_X_ No
Any significant deficiencies identified?	____ Yes	_X_ No
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 TX Single Audit Circular?	____ Yes	_X_ No

Identification of major programs:

Name of State Programs
Rural Law Enforcement Grant
Operation Lonestar

Dollar threshold used to distinguish between Type A and type B Programs:	$1,000,000	
Auditee qualified as low-risk auditee?	____Yes	_X_ No

3. Federal Awards

Internal control over major programs:

Any material weaknesses identified?	____ Yes	_X_ No
Any significant deficiencies identified?	____ Yes	_X_ No
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 Uniform Guidance?	____ Yes	_X_ No

Identification of major programs:

Name of Federal Programs	
Community Development Block Grant	14.228

Dollar threshold used to distinguish between Type A and type B Programs:	$1,000,000	
Auditee qualified as low-risk auditee?	____Yes	_X_ No

B. Financial Statement Findings
NONE

C. State or Federal Award Findings and Questioned Costs
NONE

D. Prior Audit Findings Related to State or Federal Awards
NONE

REFUGIO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass through Identifying Number	Federal Expenditures
DEPARTMENT OF THE TREASURY			
Direct Program			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	$ 458,249
Local Assistance and Tribal Consistency Fund	21.032	N/A	41,459
RESTORE Act	21.015	33499	141,583
TOTAL DEPARTMENT OF THE TREASURY			641,291
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the Texas Department of Agriculture			
Community Development Block Grant	14.228	CFC22-0126	276,279
Passed through the General Land Office			
Community Development Block Grant	14.228	D286	2,007,046
Community Development Block Grant	14.228	F137	190,032
Community Development Block Grant	14.228	C306	3,674,057
	Total ALN 14.228		6,147,414
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			6,147,414
DEPARTMENT OF THE INTERIOR			
Direct			
GoMESA	15.435	N/A	3,028
TOTAL DEPARTMENT OF THE INTERIOR			3,028
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Coastal Bend Council of Governments			
Special Programs for Aging - Title III, Part B	93.044	AAA-1048-11B	7,484
Special Programs for Aging - Title III, Part C	93.045	AAA-1048-11	53,063
Passed through Texas Health and Human Services Commission			
Nutrition Services Incentive Program (TXXS & CBA)	93.053	170500	27,339
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			87,886
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the Office of the Governor of Texas			
Operation Stonegarden	97.067	N/A	526,448
Passed through the Texas Division of Emergency Management			
Disaster Grants - Public Assistance	97.036	4332	45,625
Hazard Mitigation Grant	97.039	4332DR	120,801
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			692,874
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 7,572,493

REFUGIO COUNTY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

State Grantor/ Pass-Through Grantor/ Program Title	Grant Number	State Expenditures
TEXAS DEPARTMENT OF TRANSPORTATION		
Direct Program		
County Transportation Infrastructure Fund	CTIF-02-196	$ 336,001
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		336,001
TEXAS DEPARTMENT OF AGRICULTURE		
Direct Program		
Home Delivered Meals	N/A	1,661
TOTAL TEXAS DEPARTMENT OF AGRICULTURE		1,661
TEXAS OFFICE OF THE ATTORNEY GENERAL		
Direct Program		
Statewide Automated Victim Notification System (SAVNS)	N/A	8,627
TOTAL TEXAS OFFICE OF THE ATTORNEY GENERAL		8,627
TEXAS DEPARTMENT OF TRANSPORTATION		
Direct Program		
CARES - Airport	N/A	7,075
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		7,075
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		
Direct Program		
Rural Law Enforcement Grant	N/A	306,426
Law Enforcement Officer and Standards Education	N/A	14,752
TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		321,178
TEXAS OFFICE OF COURT ADMINISTRATION		
Direct Program		
Indigent Defense Improvement Grant (Pandemic)	PB-22-196	100,470
TOTAL TEXAS OFFICE OF COURT ADMINISTRATION		100,470
TEXAS DIVISION OF EMERGENCY MANAGEMENT		
Direct Program		
Community Saferoom	4332HM	30,200
Category E Public Buildings	4332PA	3,802
TOTAL TEXAS DIVISION OF EMERGENCY MANAGEMENT		34,002
TEXAS GOVERNOR		
Direct Program		
Operation Lonestar	4386501	501,323
TOTAL TEXAS GOVERNOR		501,323
TOTAL EXPENDITURES OF STATE AWARDS		$ 1,310,337

The accompanying schedules of expenditures of federal and state awards include the grant activity of the County and is presented on the modified accrual basis of accounting. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenue in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable.

Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenue until earned.

The information in these schedules is presented in accordance with the requirements of the State of Texas Single Audit Circular ("Audit Circular") and Uniform Guidance. The Audit Circular was issued under the authority of the Texas Government Code, Chapter 783, entitled Uniform Grant and Contract Management.

This circular sets standards for obtaining consistency and uniformity among state agencies for the coordinated audit of local governments expending any state awards. Because the schedules present only a selected portion of the operations of the County, it is not intended to and does not present the financial position of the County.

The County did not use the 10% de minimis indirect cost rate as allowed by Uniform Guidance.