OFFICIAL NOTICE OF SALE, BID FORM

and

PRELIMINARY OFFICIAL STATEMENT

MEDINA COUNTY, TEXAS

$4,500,000*

TAX NOTES,

SERIES 2025 (THE "NOTES")

To be Designated by the County as
"QUALIFIED TAX-EXEMPT OBLIGATIONS"

Bids due
Monday, August 25, 2025
at
10:00 A.M., Central Time

**Preliminary, subject to change based on bid structures. See "THE NOTES - MATURITY SCHEDULE" and "CONDITIONS OF SALE – ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS" in the Official Notice of Sale relating to the Notes.*

This Official Notice of Sale does not alone constitute an invitation for bids but is merely notice of sale of the Notes described herein. The invitation for bids on such Notes is being made by means of this Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement.

OFFICIAL NOTICE OF SALE

<u>The Issuer will designate the Notes as "Qualified Tax-Exemption Obligations" for financial institutions.</u>

$4,500,000*
MEDINA COUNTY, TEXAS
(A political subdivision of the State of Texas located in Medina County, Texas)
TAX NOTES, SERIES 2025

<u>NOTES OFFERED FOR SALE AT COMPETITIVE BID</u>: The Commissioners Court of Medina County, Texas (the "County" or "Issuer") is offering for sale at competitive bid its $4,500,000* Tax Notes, Series 2025 (the "Notes").

Bidders may submit bids for the Notes electronically by internet as described below in "BIDS BY INTERNET".

<u>BIDS BY INTERNET</u>: Interested bidders may, at their option and risk, submit their bid by electronic media, as described below, by 10:00 A.M., Central Time, on August 25, 2025. Bidders submitting a bid by internet **<u>shall not be required to submit signed Official Bid Forms prior to the award</u>**. Any prospective bidder that intends to submit an electronic bid must submit its electronic bid via the facilities of the i-Deal, LLC Parity System ("PARITY") and should, as a courtesy, register with PARITY by no later than 9:00 A.M., Central Time ("CT"), on August 25, 2025 indicating their intent to submit a bid by internet.

In the event of a malfunction in the electronic bidding process, bidders may submit their bids by email to mmcliney@samcocapital.com. If there is a malfunction of the electronic bidding process and a bidder submits a bid via an email, please call 210-832-9760 to notify the Financial Advisor of the incoming bid. Any bid received after the scheduled time for their receipt will not be accepted.

The official time for the receipt of bids shall be the time maintained by PARITY (or by the financial advisor if there is a problem with the electronic bidding system). All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale, the Official Bid Form, and the Preliminary Official Statement. To the extent that any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about the PARITY System, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone 212-849-5021.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed sealed bid delivered to the County. The County shall not be responsible for any malfunction or mistake made by, or as a result of the use of PARITY, the use of such facilities being at the sole risk of the prospective bidder.

<u>OPENING OF BIDS:</u> Bids will be opened and publicly read at 10:00 A.M., Central Time, on Monday, August 25, 2025, following which the bids will be evaluated by SAMCO Capital Markets, Inc. (the "Financial Advisor") and the County Commissioners Court shall provide final approval of the award at a Commissioners Court meeting later that evening. The County Judge of the County or his representative shall award the Notes as described in the section entitled "AWARD AND SALE OF THE NOTES" below.

<u>AWARD AND SALE OF THE NOTES</u>: By 11:00 A.M., Central Time, on the date set for receipt of bids, the County Judge or his representative shall award the Notes to the **low qualified bidder (the "Winning Bidder"), as described in the section entitled "CONDITIONS OF SALE – Basis of Award" herein subject to final approval of the Commissioners Court which will take action to adopt an order (the "Order")** authorizing the issuance and awarding sale of the Notes or will reject all bids promptly at a scheduled meeting to commence at 9:00 A.M. Central Time on Monday, August 25, 2025. The County reserves the right to reject any or all bids and to waive any irregularities, except time of filing.

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** Preliminary, subject to change. See "THE NOTES - ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE NOTES" herein.*

THE NOTES

DESCRIPTION OF CERTAIN TERMS OF THE NOTES: The Notes will be dated September 1, 2025 (the "Dated Date") and interest on the Notes shall accrue from the Dated Date and will be payable initially on February 1, 2026, and on each February 1 and August 1 thereafter until the earlier of stated maturity. The Notes will be issued as fully-registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository (the "Securities Depository"). Book-entry interests in the Notes will be made available for purchase in the principal amount of $5,000 or any integral multiple thereof within a stated maturity. Purchasers of the Notes ("Beneficial Owners") will not receive physical delivery of notes representing their interest in the Notes purchased. So long as DTC or its nominee is the registered owner of the Notes, the principal of and interest on the Notes will be payable by the Paying Agent/Registrar, initially BOKF, NA, Dallas Texas, to the Securities Depository, which will in turn remit such principal and interest to its Participants, which will in turn remit such principal and interest to the Beneficial Owners of the Notes. (See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.) The Notes will be stated to mature on February 1 in each of the following years in the following amounts:

MATURITY SCHEDULE
(Due February 1)

Stated Maturity	Principal Amount*
2026	$215,000
2027	310,000
2028	725,000
2029	760,000
2030	795,000
2031	830,000
2032	865,000

ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE NOTES: The County reserves the right to increase or decrease the principal (maturity) amount of any maturity of the Notes, including the elimination of a maturity or maturities; provided, however, that the aggregate principal (denominational) amount of the Notes shall not exceed $4,500,000*. Notice of any such changes shall be given to the successful bidder as soon as practicable following the notification of award, as described below, and this Notice of Sale may be amended at the sole discretion of the County to reflect such increase or decrease. The County will attempt to maintain total per bond underwriter spread when adjusting maturities. No such adjustment will have the effect of altering the basis upon which the best bid is determined. The successful bidder may not withdraw its bids or change the rates bid or any initial reoffering prices as a result of any changes made to the principal (denominational) amounts.

NO OPTIONAL REDEMPTION: The Notes are **not** subject to redemption prior to stated maturity.

AUTHORITY FOR ISSUANCE: The Notes are being issued pursuant to the Constitution and laws of the State of Texas (the "State"), particularly Chapter 1431, Texas Government Code, as amended, and the Order to be adopted by the Commissioners Court on August 25, 2025 (the "Order"). (See "THE NOTES - Authority for Issuance" in the Preliminary Official Statement.)

SECURITY FOR PAYMENT: The Note are payable from the proceeds of an ad valorem tax levied within the limitations prescribed by law, upon all taxable property in the County. (See "THE NOTES - Security for Payment" in the Preliminary Official Statement).

PAYING AGENT/REGISTRAR: The initial Paying Agent/Registrar for the Notes is BOKF, NA, Dallas, Texas. In the Order, the County covenants to provide a Paying Agent/Registrar at all times while the Notes are outstanding, and any Paying Agent/Registrar selected by the County shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. The Paying Agent/Registrar will maintain the Security Register containing the names and addresses of the registered owners of the Notes. In the Order the County retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Issuer, such Paying Agent/Registrar, promptly upon the appointment of a successor, is required to deliver the Security Register to the successor Paying Agent/Registrar.

In the event there is a change in the Paying Agent/Registrar, the County has agreed to cause written notice thereof to be sent to each registered owner of the Notes then outstanding by United States mail, first-class postage prepaid, at the address in the Security Register, stating the effective date of the change and the mailing address of the successor Paying Agent/Registrar.

BOOK-ENTRY-ONLY SYSTEM: The County intends to utilize the Book-Entry-Only System of DTC, with respect to the issuance of the Notes. (See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.)

** Preliminary, subject to change. See "THE NOTES - ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE NOTES" herein.*

PRELIMINARY OFFICIAL STATEMENT AND OTHER TERMS AND COVENANTS IN THE ORDER: Further details regarding the Notes and certain covenants of the County contained in the Order are set forth in the Preliminary Official Statement to which reference is made for all purposes.

CONDITIONS OF SALE

TYPES OF BIDS AND INTEREST RATES: The Notes will be sold in one block on an "All or None" basis, and at a price of not less than their par value, plus accrued interest on the Notes from the Dated Date of the Notes to the date of Initial Delivery (defined herein) of the Notes. **No bid producing a cash premium on the Notes that results in a dollar price of less than 102% will be considered; provided, however, that any bid is subject to adjustment as described under the caption "ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS".** Bidders are invited to name the rate(s) of interest to be borne by the Notes, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the net effective interest for the Notes (calculated in the manner required by Texas Government Code, Chapter 1204, as amended) must not exceed 15%. **The highest rate bid may not exceed the lowest rate bid by more than 200 basis points (or 2% in rate). No limitation is imposed upon bidders as to the number of rates or changes which may be used.** All Notes of one stated maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

BASIS OF AWARD: The sale of the Notes will be awarded to the bidder making a bid that conforms to the specifications herein (the "Winning Bidder" or "Purchaser" or "Initial Purchaser") and which produces the lowest True Interest Cost (defined herein) rate to the County. The "True Interest Cost" rate is that rate which, when used to compute the total present value as of the Dated Date of all debt service payments on the Notes on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Notes plus the premium bid, (but not interest accrued from the Dated Date to the date of their initial delivery to the Purchaser). In the event of a bidder's error in interest cost rate calculations, the interest rates, and premium, set forth in the Official Bid Form will be considered as the intended bid.

In order to provide the County and its consultants with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the Initial Purchaser will be required to provide the County (on or before the 10th business day prior to the delivery of the Notes) with a breakdown of its "underwriting spread" among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

ESTABLISHING THE ISSUE PRICE FOR THE NOTES: The Issuer intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of municipal bonds), which require, among other things, that the Issuer receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirement").

In the event that the bidding process does not satisfy the Competitive Sale Requirement as communicated by the Municipal Advisor to the winning bidder by 3:00 p.m., Bids will not be subject to cancellation and the winning bidder (i) agrees to promptly report to the Issuer the first prices at which at least 10% of each maturity of the Notes (the "First Price Maturity") have been sold to the Public on the Sale Date (the "10% Test") (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test) and (ii) agrees to hold-the-offering-price of each maturity of the Notes that does not satisfy the 10% Test ("Hold-the-Price Maturity"), as described below.

In order to provide the Issuer with information that enables it to comply with the establishment of the issue price of the Notes under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the Issuer or to the Issuer's municipal advisor, SAMCO Capital Markets, Inc. (the "Issuer's Municipal Advisor") a certification as to the Notes "issue price" (the "Issue Price Certificate") substantially in the form and to the effect attached hereto or accompanying this Notice of Sale, no later than 5 business days prior to the Closing Date if the Competitive Sale Requirement is satisfied or within 5 business days of the date on which the 10% Test is satisfied with respect to all of the First Price Maturities. In the event the winning bidder will not reoffer any maturity of the Notes for sale to the Public (as defined herein) by the Closing Date, the Issue Price Certificate may be modified in a manner approved by the Issuer. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

For purposes of this section of this Notice of Sale:

(i) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a Related Party to the underwriter;

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public);

(iii) "Related Party" means any two or more persons (including an individual, trust, estate, partnership, association, company, or corporation) that are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) "Sale Date" means the date that the Notes are awarded by the Issuer to the winning bidder.

All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Issuer by the Issuer's Municipal Advisor, and any notice or report to be provided to the Issuer may be provided to the Issuer's Municipal Advisor.

The Issuer will consider any bid submitted pursuant to this Notice of Sale to be a firm offer for the purchase of the Notes, as specified in the bid and, if so stated, in the Official Bid Form.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to report the prices at which it sells to the Public the unsold Notes of each maturity allocated to it until either all such Notes have been sold or it is notified by the winning bidder that either the 10% Test has been satisfied as to the Notes of that maturity, (B) to promptly notify the winning bidder of any sales of Notes that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter, and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each underwriter or dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Notes of each maturity allocated to it until either all such Notes have been sold or it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public. Sales of any Notes to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

By submitting a bid, the winning bidder agrees, on behalf of each underwriter participating in the purchase of the Notes, that each underwriter will neither offer nor sell any Hold-the-Price Maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of (1) the close of the fifth (5th) business day after the Sale Date; or (2) the date on which the underwriters have sold at least 10% of that Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public. The winning bidder shall promptly advise the Issuer when the underwriters have sold 10% of a Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the

<u>**GOOD FAITH DEPOSIT**</u>: A bank cashier's check payable to the order of "Medina County, Texas" **in the amount of $90,000 which is 2% of the par value of the Notes** (the "Good Faith Deposit") is required. The Good Faith Deposit of the Purchaser will be retained uncashed by the Issuer until the Notes are delivered, and at that time it will be returned to the Purchaser of the Notes. However, should the Purchaser fail or refuse to take up and pay for the Notes, the Good Faith Deposit will be cashed by the County and the proceeds accepted as full and complete liquidated damages except with respect to any failure relating to the Covered Verifications (defined herein). The above mentioned Good Faith Deposit may accompany the bid, or it may be submitted separately; however, if submitted separately, it shall be made available to the Issuer <u>prior to the opening of the bids</u> and shall be accompanied by instructions from the bank on which it is drawn which will authorize its use as a Good Faith Deposit by the Purchaser who shall be named in such instructions. No interest will be paid or allowed on any Good Faith Deposit. The checks accompanying all other bids will be returned immediately after the bids are opened and the award of the sale of the Notes has been made.

<u>**ADDITIONAL CONDITION OF AWARD — DISCLOSURE OF INTERESTED PARTY FORM**</u>**:**

<u>It is the obligation of the County to receive information from Winning Bidder if bidder is not a publicly traded business entity (a "Privately Held Bidder").</u> Pursuant to Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the County may not award the Notes to a Winning Bidder which is a Privately Held Bidder unless such party submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the County as prescribed by the Texas Ethics Commission ("TEC"). In the event that a Privately Held Bidder's bid for the Notes is the best bid received, the County, acting through its financial advisor, will promptly notify the winning Privately Held Bidder. That notification will serve as the County's conditional verbal acceptance of the bid, and will obligate the winning Privately Held Bidder to establish (unless such winning Privately Held Bidder has previously so established) an account with the TEC, and promptly file a completed Disclosure Form, as described below, in order to allow the County to complete the award.

<u>Process for completing the Disclosure Form.</u> For purposes of illustration, the Disclosure Form is attached hereto, and reference should be made to such form for the following information needed to complete it: (a) item 2 - name of the governmental entity (Medina County, Texas) and (b) item 3 - the identification number assigned to this contract by the County (Medina Co TN2025 – Bid Form) and description of the goods or services (Purchase of Medina County, Texas Tax Notes, Series 2025). The Interested Party Disclosure Act and the rules adopted by the TEC with respect thereto (the "Disclosure Rules") require a non-publicly traded business entity contracting with the County to complete the Disclosure Form electronically at https://www.ethics.state.tx.us/main/file.htm, print, sign, and deliver, in physical form, the certified Disclosure Form that is generated by the TEC's "electronic portal" to the County. The executed Disclosure Form must be sent by email to the County's financial advisor at mmccliney@samcocapital.com, as soon as possible following the notification of conditional verbal acceptance

and prior to the final written award. Upon receipt of the final written award, the Disclosure Form with original signatures must be submitted by mail to Clay Binford, c/o McCall, Parkhurst & Horton L.L.P., 112 E. Pecan Street, Suite 1310, San Antonio, Texas 78205, along with a PDF executed version sent to cbinford@mphlegal.com.

Preparations for completion, and the significance of, the reported information. In accordance with the Interested Party Disclosure Act, the information reported by the winning Privately Held Bidder must be declared by an authorized agent of the Privately Held Winning Bidder. No exceptions may be made to that requirement. The Interested Party Disclosure Act and the Disclosure Form provides that such acknowledgment is made "under penalty of perjury." Consequently, a winning Privately Held Bidder should take appropriate steps prior to completion of the Disclosure Form to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the Disclosure Form. Time will be of the essence in submitting the form to the County, and no final award will be made by the County regarding the sale of the Notes until a completed Disclosure Form is received. If applicable, the County reserves the right to reject any bid that does not satisfy the requirement of a completed Disclosure Form, as described herein. Neither the County nor its consultants have the ability to verify the information included in a Disclosure Form, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to (1) the bidder's obligation to submit the Disclosure Form or (2) the proper completion of the Disclosure Form. Consequently, an entity intending to bid on the Notes should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form, if required, promptly upon notification from the County that its bid is the conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC's website at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS: The Issuer will not award the Notes to a bidder unless the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Covered Verifications"), are included in the bid. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification through the delivery date of the Notes shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Official Bid Form or Official Notice of Sale, notwithstanding anything in the Official Bid Form or Official Notice of Sale to the contrary.

(i) **No Boycott of Israel (Texas Government Code Chapter 2271):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel through the delivery date of the Notes. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Texas Government Code, as amended.

(ii) **Not a Sanctioned Company (Texas Government Code Chapter 2252):** A bidder must represent that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) **No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code Chapter 2274):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association through the delivery date of the Notes. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Texas Government Code, as amended.

(iv) **No Boycott of Energy Companies (Texas Government Code Chapter 2276):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies through the delivery date of the Notes. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Texas Government Code, as amended.

FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT:

Each prospective bidder must have a standing letter on file with the Texas Attorney General's Office in the form required by the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (collectively, the "All Bond Counsel Letter"). In submitting a bid, a bidder represents to the County that it has filed a standing letter in the form included in the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the County may not be entitled to rely on the standing letter on file with the Texas Attorney General's Office. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Notes unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The County will not accept a bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Notes. If requested by the County, the bidder agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the County including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

THE COUNTY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT THE BID OF ANY BIDDER FOR ANY REASON. BY SUBMITTING A BID, EACH BIDDER AGREES, SHOULD IT BE THE WINNING BIDDER, TO COOPERATE WITH THE COUNTY AND TAKE ANY ACTION NECESSARY TO FURTHER VERIFY AND CONFIRM COMPLIANCE WITH STATE LAW. Unless otherwise publicly available on the Municipal Advisory Council of Texas' website, the bidder shall submit a courtesy copy of its standing letter in connection with the submission of its bid.

To the extent the bidder and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the County reserves the right to cash and accept the Good Faith Deposit (see "CONDITIONS OF THE SALE - Good Faith Deposit").**THE LIABILITY OF THE BIDDER FOR BREACH OF ANY OF THE VERIFICATIONS MADE IN CONNECTION WITH THE COVERED VERIFICATIONS SHALL SURVIVE UNTIL BARRED BY THE STATUTE OF LIMITATIONS, AND SHALL NOT BE LIQUIDATED OR OTHERWISE LIMITED BY ANY PROVISION OF THIS OFFICIAL NOTICE OF SALE OR THE OFFICIAL BID FORM. ADDITIONALLY, THE COUNTY RESERVES AND RETAINS ALL RIGHTS AND REMEDIES AT LAW AND IN EQUITY FOR PURSUIT AND RECOVERY OF DAMAGES, IF ANY, RELATING TO THE COVERED VERIFICATIONS.**

IMPACT OF BIDDING SYNDICATE ON AWARD: For purposes of contracting for the sale of the Notes, the entity signing the bid form as Purchaser shall be solely responsible for the payment of the purchase price of the Notes. Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the County is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

OFFICIAL STATEMENT

To assist the Initial Purchaser in complying with Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission ("SEC"), the Issuer and the Initial Purchaser contract and agree, by the submission and acceptance of the winning bid, as follows:

COMPLIANCE WITH RULE: The County has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Notes, but does not presently intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the County deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of the Rule, except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Purchaser and other similar information, terms and provisions to be specified in the competitive bidding process. The Purchaser shall be responsible for promptly informing the County of the initial offering yields of the Notes.

The County agrees to provide, or cause to be provided, to the Purchaser, the Preliminary Official Statement and the Official Statement and any amendments or supplements thereto in a "designated electronic format" (or printed format with respect to the final Official Statement) as may be required for the Purchaser to comply with the Rule or the rules of the Municipal Securities Rulemaking Board ("MSRB"). The County consents to the distribution of such documents in a "designated electronic format." Upon receipt, the Purchaser shall promptly file the Official Statement with the MSRB in accordance with the applicable MSRB rules.

The County will complete and authorize distribution of the Official Statement identifying the Purchaser and containing information omitted from the Preliminary Official Statement. The County does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Purchaser on or after the sale date, the County intends the same to be final as of such date, within the meaning of Section 15c2-12(b)(3) of the Rule. Notwithstanding the foregoing, the County makes no representation concerning the absence of material misstatements or omissions from the Official Statement, except only as and to the extent under "CERTIFICATION OF THE OFFICIAL STATEMENT" as described below. To the best knowledge and belief of the County, the Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Notes.

FINAL OFFICIAL STATEMENT: In addition to delivering the Official Statement in a "designated electronic format", the County will furnish to the Purchaser, within seven (7) days after the sale date, an aggregate maximum of fifty (50) copies of the Official Statement, together with information regarding interest rates and other terms relating to the reoffering of the Notes, in accordance with Section 15c2-12(b)(3) of the Rule. The Purchaser may arrange, at its own expense, to have the Official Statement reproduced and printed if it requires more than 50 copies and may also arrange, at its own expense and responsibility, for completion and perfection of the first or cover page of the Official Statement so as to reflect interest rates and other terms and information related to the reoffering of the Notes. The Purchaser will be responsible for providing information concerning the County and the Notes to subsequent purchasers of the Notes, and the County will undertake no responsibility for providing such information other than to make the Official Statement available to the Purchaser as provided herein. The County agrees to provide, or cause to be provided, to the Purchaser the Preliminary Official Statement and the Official Statement and any amendments or supplements thereto in a "designated electronic format" (or printed format with respect to the final Official Statement) as may be required for the Purchaser to comply with the Rule or the rules of the MSRB. The County consents to the distribution of such documents in a “designated electronic format”. Upon receipt, the Purchaser shall promptly file the Official Statement with the MSRB in accordance with the MSRB Rule G-32. The County's obligation to supplement the Official Statement to correct key representations determined to be materially misleading, after the date of the Official Statement, shall terminate upon initial delivery of the Notes to the Purchaser, unless the Purchaser notifies, in writing, the County that less than all of the Notes have been sold to ultimate customers on or before such date, in which case the obligation will extend for an additional period of time (but not more than 90 days after the sale date) until all of the Notes have been sold to ultimate customers.

CHANGES TO OFFICIAL STATEMENT: If, subsequent to the date of the Final Official Statement, the Issuer learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser of any adverse event which causes the Final Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Notes, as described below under "DELIVERY AND ACCOMPANYING DOCUMENTS - CONDITIONS TO DELIVERY,” the Issuer will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Final Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the Issuer to do so will terminate on the date specified under “FINAL OFFICIAL STATEMENT” above.

CERTIFICATION OF THE OFFICIAL STATEMENT: At the time of payment for and delivery of the Initial Notes, the Initial Purchaser will be furnished a certificate, executed by proper officials of the Issuer, acting in their official capacity, in the form specified in the Official Statement under the heading "OTHER PERTINENT INFORMATION – Certification of the Official Statement." The Preliminary Official Statement and Official Notice of Sale will be approved as to form and content and the use thereof in the offering of the Notes will be authorized, ratified and approved by the Commissioners’ Court on the date of sale, and the Initial Purchaser will be furnished, upon request, at the time of payment for and the delivery of the Notes, a certified copy of such approval, duly executed by the proper officials of the Issuer.

CONTINUING DISCLOSURE AGREEMENT: The County will agree in the Order to provide certain periodic information and notices of material events in accordance with the Rule, as described in the Preliminary Official Statement under “CONTINUING DISCLOSURE OF INFORMATION.” The Initial Purchaser’s obligation to accept and pay for the Notes is conditioned upon delivery to the Initial Purchaser or its agent of a certified copy of the Order containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS: On June 4, 2020, the County issued its Tax Notes, Series 2020 pursuant to a private placement sale. A notice of the incurrence of late filing related to the foregoing transaction was made on August 14, 2020. Other than set forth herein, the County has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

DELIVERY AND ACCOMPANYING DOCUMENTS

INITIAL DELIVERY OF INITIAL CERTIFICATE: Initial delivery will be accomplished by the issuance of one fully registered Certificate for each maturity, in the aggregate principal amount of $4,500,000* payable to the Purchaser (the "Initial Certificate"), signed by the County Judge and County Clerk, by their manual or facsimile signatures, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Initial Delivery will be at the designated office of the Paying Agent/Registrar. Upon delivery of the Initial Certificate, it shall be immediately canceled and one definitive certificate for each maturity in the aggregate principal amount of $4,500,000* payable to Cede & Co. will be delivered to DTC in connection with DTC's Book-Entry-Only System or to the Paying Agent/Registrar acting on behalf of DTC. Payment for the Notes must be made in immediately available funds for unconditional credit to the County, or as otherwise directed by the County. The Purchaser will be given six business days' notice of the time fixed for delivery of the Notes. It is anticipated that the delivery of the Initial Notes can be made on or about September 17, 2025, but if for any reason the County is unable to make delivery by October 15, 2025, then the County shall immediately contact the Purchaser and offer to allow the Purchaser to extend his obligation to take up and pay for the Notes an additional 30 days. If the Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the County and the Purchaser shall be relieved of any further obligation. In no event shall the County be liable for any damages by reason of its failure to deliver the Notes, provided that such failure is due to circumstances beyond the County’s reasonable control.

DTC DEFINITIVE NOTES: The Notes will be issued in book-entry-only form. Cede & Co. is the nominee for DTC. All references herein and in the Official Statement to the holders or registered owners of the Notes shall mean Cede & Co. and not the beneficial owners of the Notes. Purchases of beneficial interests in the Notes will be made in book-entry form in the denomination of $5,000 principal amounts or any integral multiple thereof. Under certain limited circumstances, there may be a cessation of the immobilization of the Notes at DTC, or another securities depository, in which case, such beneficial interests would become exchangeable for definitive printed obligations of like principal amount

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Notes, but neither the failure to print such number on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Notes in accordance with the terms of the Official Bid Form and this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid by the Issuer; however, **the CUSIP Service Bureau's charge for the assignment of the numbers shall be paid by the Initial Purchaser.**

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*Preliminary; subject to change.

CONDITIONS TO DELIVERY: The obligation to take up and pay for the Notes is subject to the following conditions: the issuance of an approving opinion of the Attorney General of Texas, the Initial Purchaser's receipt of the legal opinion of Bond Counsel and the no-litigation certificate, and the non-occurrence of the events described below under the caption "NO MATERIAL ADVERSE CHANGE," all as described below. In addition, if the Issuer fails to comply with its obligations described under "OFFICIAL STATEMENT" above, the Initial Purchaser may terminate its contract to purchase the Notes by delivering written notice to the Issuer within five (5) days thereafter.

NO MATERIAL ADVERSE CHANGE: The obligations of the Initial Purchaser to take up and pay for the Notes, and of the Issuer to deliver the Notes to the Initial Purchaser, are subject to the condition that, up to the time of delivery of and receipt of payment for the Notes, there shall have been no material adverse change in the affairs of the Issuer subsequent to the date of sale from that set forth in the Official Statement, as it may have been finalized, supplemented or amended through the date of delivery.

LEGAL OPINIONS: The Notes are offered when, as and if issued, subject to the approval of certain legal matters by the Attorney General of the State of Texas and Bond Counsel (see discussion "OTHER PERTINENT INFORMATION - Legal Opinions and No-Litigation Certificate" in the Official Statement).

QUALIFIED TAX-EXEMPT OBLIGATIONS: The County will designate the Notes as "Qualified Tax-Exempt Obligations" for financial institutions (see discussion under "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions" in the Official Statement).

CHANGE IN TAX-EXEMPT STATUS: At any time before the Notes are tendered for initial delivery to the Initial Purchaser, the Initial Purchaser may withdraw its bid if the interest on obligations such as the Notes shall be declared to be includable in the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, either by Treasury regulations, by ruling or administrative guidance of the Internal Revenue Service, by a decision of any federal court, or by the terms of any federal income tax legislation enacted subsequent to the date of this Official Notice of Sale.

GENERAL CONSIDERATIONS

RATINGS: A municipal bond rating application has been made to S&P Global Ratings ("S&P"), the results of which will be made available as soon as possible. An explanation of the significance of such rating may be obtained from the rating agency. A rating by a rating agency reflects only the view of such company at the time the rating is given, and the Issuer makes no representations as to the appropriateness of the rating. There is no assurance that such a rating will continue for any given period of time, or that it will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Notes.

The County has made application to municipal bond insurance companies to have the payment of the principal of and interest on the Notes insured by a municipal bond insurance policy and will consider the purchaser of such insurance after an analysis of the bids from such companies has been made. The Purchaser (hereinafter defined) will be responsible for paying the bond insurer's bond insurance premium.

SALE OF ADDITIONAL DEBT: The County does not anticipate the issuance of additional ad valorem tax supported debt during the next twelve months.

REGISTRATION AND QUALIFICATION OF NOTES FOR SALE: No registration statement relating to the Notes has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon exemptions provided in such Act. The Notes have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. Any representation to the contrary is a criminal offense. The Notes have not been registered or qualified under the Securities Act of Texas in reliance upon exemptions contained therein, nor have the Notes been registered or qualified under the securities acts of any other jurisdiction. The Issuer assumes no responsibility for registration or qualification of the Notes under the securities laws of any jurisdiction in which the Notes may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Notes shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

It is the obligation of the Purchaser to register or qualify sale of the Notes under the securities laws of any jurisdiction which so requires. The Issuer agrees to cooperate, at the Purchaser's written request and expense and within reasonable limits, in registering or qualifying the Notes, or in obtaining an exemption from registration or qualification in any state where such action is necessary, but will in no instance execute a special or general consent to service of process in any state that the Notes are offered for sale.

____

*Preliminary; subject to change.

ADDITIONAL COPIES: Subject to the limitations described under "OFFICIAL STATEMENT" herein, additional copies of this Notice of Sale, the Official Bid Form, and the Preliminary Official Statement may be obtained from SAMCO Capital Markets, Inc., 1020 NE Loop 410, Suite 640, San Antonio, Texas 78209, Attention: Danni Breaux (210-832-9769, *dbreaux@samcocapital.com)*.

On the date of the sale, the Commissioners Court will, in the Order, approve the form and content of the Final Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Notes the Purchaser.

/s/

County Judge
Medina County, Texas

Dated: August 25, 2025

OFFICIAL BID FORM

Honorable Judge and Commissioners Court
Medina County
1100 16th Street
Hondo, Texas 78861

August 25, 2025

Ladies and Gentlemen:

Subject to the terms of your Official Notice of Sale and Preliminary Official Statement dated August 11, 2025, which terms are incorporated by reference to this proposal (and which are agreed to as evidenced by our submission of this bid), we hereby submit the following bid for $4,500,000 (preliminary, subject to change) MEDINA COUNTY, TEXAS TAX NOTES, SERIES 2025, dated September 1, 2025 (the "Notes").

For your legally issued Notes, as described in said Official Notice of Sale and Preliminary Official Statement, we will pay you a price of $__________ (being a price of no less than 102% of the par value) plus accrued interest from their Dated Date to the date of delivery to us, for Notes maturing February 1 and bearing interest as follows:

Year of Stated Maturity	Principal Amount at Stated Maturity	Coupon %
2026	$215,000	
2027	310,000	
2028	725,000	
2029	760,000	
2030	795,000	
2031	830,000	
2032	865,000	

Our calculation (which is not part of this bid) of the True Interest Cost from the above is: __________________%

We are (are not) having the Notes of the following maturities ______________ insured by ________ at a premium of $_______________ . The premium will be paid by the Winning Bidder. Any fees due to Rating Agencies, other than S&P Global Ratings ("S&P"), as a result of said insurance will be paid by the Winning Bidder. The County will pay the fee due to S&P.

ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS: As a condition to our submittal of this bid for the Notes, we acknowledge the following: The County reserves the right to increase or decrease the principal (maturity) amount of any maturity of the Notes, including the elimination of a maturity or maturities; provided however, that the aggregate principal (denominational) amount of the Notes shall not exceed $4,500,000*. Notice of any such changes shall be given to the successful bidder as soon as practicable following the notification of award, as described below, and this Official Notice of Sale may be amended at the sole discretion of the County to reflect such increase or decrease. The County will attempt to maintain total per bond underwriter spread when adjusting maturities. No such adjustment will have the effect of altering the basis upon which the best bid is determined. The successful bidder may not withdraw its bids or change the rates bid or any initial reoffering prices as a result of any changes made to the principal (denominational) amounts.

The Notes are not subject to redemption prior to stated maturity.

By its acceptance of this bid, we understand the County will provide the copies of the Final Official Statement and of any amendments or supplements thereto in accordance with the Official Notice of Sale, and will cooperate to permit the undersigned to comply with Rule 15c2-12 of the Securities and Exchange Commission. The Purchaser by submitting this bid for the Notes agrees to promptly file the Official Statement when received from the County with the Municipal Securities Rulemaking Board.

____

**Preliminary; subject to change.*

The Initial Notes shall be registered in the name of _________________________________ (Syndicate Manager), which will upon payment for the Notes, be canceled by the Paying Agent/Registrar. The Notes will then be registered in the name of Cede & Co. (DTC's partnership nominee), under the Book-Entry-Only System. We will advise DTC of registration instructions at least five business days prior to the date set for Initial Delivery.

Cashier's Check of the _________________________ Bank, _______________, in the amount of $90,000 which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Official Notice of Sale. Upon delivery of the Notes, said check shall be returned to the Initial Purchaser.

We agree to accept delivery of the Initial Certificate(s) through DTC and make payment for the Initial Certificate(s) in immediately available funds at BOKF, NA, Dallas, Texas, no later than 10:00 A.M., Central Time, on September 17, 2025, or thereafter on the date the Initial Certificate(s) are tendered for delivery, pursuant to the terms set forth in the Official Notice of Sale.

The undersigned agrees to complete, execute and deliver to the County at least five business days prior to the date of delivery of the Notes, a certificate relating to the "issue price" of the Notes in the form and to the effect attached to or accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the Bond Counsel for the Issuer. The undersigned also agrees to provide the County and its consultants, at least ten business days prior to the delivery of the Notes, a breakdown of its "underwriting spread" among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

The bidder makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274 and 2276, Texas Government Code, as heretofore amended, (the "Covered Verifications"), in entering into this Official Bid Form. As used in the following verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification through the delivery of the Notes shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the bid or Notice of Sale, notwithstanding anything in the bid or Notice of Sale to the contrary.

(i) No Boycott of Israel Verification (Texas Government Code Chapter 2271). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel through the delivery of the Notes. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Texas Government Code, as amended.

(ii) Not a Sanctioned Company (Texas Government Code Chapter 2252). The Purchaser represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) No Boycott of Energy Companies (Texas Government Code Chapter 2276). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies through the delivery of the Notes. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Texas Government Code, as amended.

(iv) No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code Chapter 2274). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association through the delivery of the Notes. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Texas Government Code, as amended.

By submitting this bid, the bidder understands and agrees that if Purchaser should fail or refuse to take up and pay for the Notes in accordance with this bid, or it is determined that after the acceptance of this bid by the Issuer that the Purchaser was found not to satisfy the requirements described in the Official Notice of Sale and Bidding Instructions under the heading "CONDITIONS OF THE SALE" and as a result the Texas Attorney General will not deliver its approving opinion of the Notes, then the check submitted herewith as the Purchaser's Good Faith Deposit shall be cashed and accepted by the Issuer. IF THE ISSUER CASHES THE PURCHASER'S GOOD FAITH DEPOSIT AS DESCRIBED ABOVE, SUCH ACTION DOES NOT CONSTITUTE COMPLETE OR LIQUIDATED DAMAGES RELATED TO THE PURCHASER'S BREACH OF ANY OF THE COVERED VERIFICATIONS.

By submitting this bid, the Purchaser understands and agrees that the liability of the Purchaser for breach of any of the Covered Verifications shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form or the Official Notice of Sale. Additionally, the Purchaser acknowledges and agrees that the Issuer reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any, relating to the Covered Verifications.

Further State Law Compliance and Standing Letter Requirement: By submitting this bid, the Purchaser understands and agrees that it must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (the "All Bond Counsel Letter"). In submitting this bid, the Purchaser represents to the Issuer that it has filed a standing letter in the form included as Exhibit A to the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the Issuer may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office. The Purchaser hereby further agrees that it will not rescind its standing letter at any time before the delivery of the Notes unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the Issuer including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

The Purchaser acknowledges that the Issuer, in its sole discretion, has reserved the right to reject the bid of any bidder who is, or whose parent company, subsidiaries or affiliates are, on a list maintained by the Texas Comptroller of financial companies boycotting energy companies or discriminating against firearm entities.

The Purchaser understands and agrees that to the extent the Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the Issuer reserves the right to cash and accept the Good Faith Deposit (see "CONDITIONS OF THE SALE - Good Faith Deposit" in the Official Notice of Sale).

NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE REPRESENTATIONS AND COVENANTS CONTAINED IN THIS OFFICIAL BID FORM SHALL SURVIVE TERMINATION OF THE AGREEMENT OF THE PURCHASER TO PURCHASE THE NOTES UNTIL THE APPLICABLE STATUTE OF LIMITATIONS HAS RUN.

Submission or Exemption of filing Form 1295: In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the Issuer may not award the Notes to a bidder unless the winning bidder either:

(i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the Issuer as prescribed by the Texas Ethics Commission ("TEC"),
or
(ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the Issuer, upon notification of conditional verbal acceptance and if required, the undersigned will complete an electronic form of the Disclosure Form through the TEC's electronic portal and the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the County at rubi.gaucin@medinacountytexas.org, Issuer's financial advisor at MMcLiney@samcocapital.com and bond counsel at cbinford@mphlegal.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the Issuer from providing final written award of the enclosed bid.

The Purchaser (mark one):

(i) Agrees to timely make a filing of a completed Disclosure Form with the Issuer [___]
or
(ii) Hereby certifies that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity [___].

The Issuer will consider any bid submitted pursuant to the Notice of Sale relating to the Notes to be a firm offer for the purchase of the Notes.

For purposes of contracting for the sale of the Notes, the entity signing the bid form as Purchaser shall be solely responsible for the payment of the purchase price of the Notes. The Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the County is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

By: ______________________________
Authorized Representative

____
Telephone Number

____
E-mail Address

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Commissioners Court of Medina County, subject to and in accordance with the Official Notice of Sale and Official Bid Form, this 25th day of August 2025.

/s/______________________________
County Judge,
Medina County, Texas

ATTEST:

/s/______________________________
County Clerk,
Medina County, Texas

$4,500,000*
MEDINA COUNTY, TEXAS
TAX NOTES, SERIES 2025

ISSUE PRICE CERTIFICATE

(Sales where at least 3 bids are received from underwriters)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Tax Notes, Series 2025 issued by the County of Medina, Texas ("Issuer") in the principal amount of $______ ("Notes"), hereby certifies and represents, based on its records and information, as follows:

(a) On the first day on which there was a binding contract in writing for the purchase of the Notes by the Purchaser, the Purchaser's reasonably expected initial offering prices of each maturity of the Notes with the same credit and payment terms (the "Expected Offering Prices") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter are as set forth in the pricing wire or equivalent communication for the Notes, as attached to this Certificate as Schedule A. The Expected Offering Prices are the prices for the Notes used by the Purchaser in formulating its bid to purchase the Notes.

(b) The Purchaser had an equal opportunity to bid to purchase the Notes and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

(c) The bid submitted by the Purchaser constituted a firm bid to purchase the Notes.

(d) The Purchaser has [___]/has not [___] purchased bond insurance for the Notes. The bond insurance has been purchased from ___________________________ (the "Insurer") for a fee of $_______ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Notes. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Notes, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Notes in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public) to participate in the initial sale of the Notes to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this ______________.

________________________, as Purchaser
By:_______________________________________
Name:_____________________________________

**Preliminary, subject to change.*

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$4,500,000*
MEDINA COUNTY, TEXAS
TAX NOTES, SERIES 2025

ISSUE PRICE CERTIFICATE

(Sales where **less than 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Tax Notes, Series 2025 issued by the County of Medina, Texas ("Issuer") in the principal amount of $______ ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) Other than the Bonds maturing in _______________________ ("Hold-the-Price Maturities"), if any, the first prices at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms ("Maturity") was sold on the Sale Date to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter ("Public") are their respective initial offering prices (the "Initial Offering Prices"), as listed in the pricing wire or equivalent communication for the Bonds that is attached to this Certificate as Schedule A.

(b) On or before the first day on which there is a binding contract in writing for the sale of the Bonds ("Sale Date"), the Purchaser offered to the Public each Hold-the-Price Maturity at their respective Initial Offering Prices, as set forth in Schedule A hereto.

(c) As set forth in the Notice of Sale, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for such Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Maturity.

(d) The Purchaser has [___]/has not [___] purchased bond insurance for the Bonds. The bond insurance has been purchased from ___________________________ (the "Insurer") for a fee of $_______ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this ______________.

________________________, as Purchaser

By:_____________________________________
Name:___________________________________

**Preliminary, subject to change.*

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SCHEDULE A

EXPECTED OFFERING PRICES

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SCHEDULE B

COPY OF UNDERWRITER’S BID

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NEW ISSUE BOOK-ENTRY-ONLY

Rating: S&P: "Applied For" (Insured)
"Applied for" (Underlying)
(See "BOND INSURANCE", 'BOND INSURANCE GENERAL RISKS" AND "OTHER PERTINENT INFORMATION - Rating", herein)

PRELIMINARY OFFICIAL STATEMENT
Dated: August 18, 2025

In the opinion of Bond Counsel, interest on the Notes will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings, and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein including the alternative minimum tax on certain corporations.

The Issuer will designate the Notes as "Qualified Tax-Exempt Obligations" for financial institutions.

$4,500,000*
MEDINA COUNTY, TEXAS
TAX NOTES, SERIES 2025

Dated Date: September 1, 2025 **Due: February 1, as shown on the inside cover**

The $4,500,000* Medina County, Texas (the "County" or the "Issuer") Tax Notes, Series 2025 (the "Notes") are being issued pursuant to the Constitution and laws of the State of Texas (the "State"), particularly Chapter 1431, Texas Government Code, as amended, and an Order (the "Order") authorizing the issuance of the Notes to be adopted by the Commissioners Court on August 25, 2025. (See "THE NOTES - Authority for Issuance" herein.)

The Notes are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the County. (See "THE NOTES - Security for Payment" herein.)

Interest on the Notes will accrue from September 1, 2025 (the "Dated Date") as shown above and will be payable on February 1, 2026, and on each February 1 and August 1 thereafter until maturity, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Notes will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository. Book-entry interests in the Notes will be made available for purchase in the principal amount of $5,000 or any integral multiple thereof. Purchasers of the Notes ("Beneficial Owners") will not receive physical delivery of the notes representing their interest in the Notes purchased. So long as DTC or its nominee is the registered owner of the Notes, the principal of and interest on the Notes will be payable by BOKF NA, Dallas, Texas, as Paying Agent/Registrar, to DTC, which will in turn remit such principal and interest to its participants, which will in turn remit such principal and interest to the Beneficial Owners of the Notes. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Proceeds from the sale of the Notes will be used for (i) designing, acquiring, constructing, renovating, replacing, installing, equipping, and upgrading County-owned facilities, including design, construction, renovation, and improvement of public safety facilities (jail) and administrative offices housing the governmental functions of the County, (ii) designing, acquiring, constructing, renovating, improving, and equipping various flood control and drainage projects, (iii) acquisition and installation of software and hardware, communications systems, information technology and related equipment necessary to support County operations (including financial management), (iv) purchasing real property, materials, supplies, equipment, vehicles, information and security technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (v) paying the costs of issuing the Notes (see "THE NOTES – Use of Note Proceeds").

The County has made application to municipal bond insurance companies to have the payment of the principal of and interest on the Notes insured by a municipal bond insurance policy and will consider the purchaser of such insurance after an analysis of the bids from such companies has been made. The Purchaser (hereinafter defined) will be responsible for paying the bond insurer's bond insurance premium. (See "BOND INSURANCE" and "BOND INSURANCE GENERAL RISKS" herein.)

STATED MATURITY SCHEDULE
(On Page 2)

The Notes are **not** subject to redemption prior to stated maturity.

The Notes are offered for delivery, when, as and if issued and received by the initial purchaser thereof at a competitive sale (the "Purchaser") and subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton, L.L.P., San Antonio, Texas, Bond Counsel. (See "Appendix C – Form of Legal Opinion of Bond Counsel" and "OTHER PERTINENT INFORMATION - Legal Opinions and No-Litigation Certificate" herein). It is expected that the Notes will be available for delivery through DTC on or about September 17, 2025.

BIDS DUE ON MONDAY, AUGUST 25, 2025 AT 10:00 A.M., CENTRAL TIME

** Preliminary, subject to change.*

$4,500,000*
MEDINA COUNTY, TEXAS
TAX NOTES, SERIES 2025

STATED MATURITY SCHEDULE
(Due February 1)

CUSIP Prefix No. 584734[1]

Stated Maturity 2/1	Principal Amount	Interest Rate	Initial Yield	CUSIP No. Suffix [1]
2026	$215,000			
2027	310,000			
2028	725,000			
2029	760,000			
2030	795,000			
2031	830,000			
2032	865,000			

(Interest to accrue from the Dated Date)

The Notes are **not** subject to redemption prior to stated maturity.

[1] CUSIP numbers are included solely for the convenience of owners of the Notes. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc., on behalf of The American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Notes. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the County, the Financial Advisor, or the Purchaser are responsible for the selection or correctness of the CUSIP numbers set forth herein.

**Preliminary; subject to change.*

MEDINA COUNTY, TEXAS
1100 16th Street
Hondo, Texas 78861
Telephone: (830) 741-6000

ELECTED OFFICIALS

Name	Title	Date First Elected	Term Expires
Keith Lutz	County Judge	1/1/2023	12/31/2026
Jessica Castiglione	Commissioner, Precinct 1	1/1/2024	12/31/2027
Larry Sittre	Commissioner, Precinct 2	1/1/2011	12/31/2026
David Lynch	Commissioner, Precinct 3	1/1/2009	12/31/2027
David Lawler	Commissioner, Precinct 4	1/1/2023	12/31/2026

ADMINISTRATION

Name	Position	Years with the County
Rubi Gaucin	County Auditor	17
Gina Champion	County Clerk	14
Debra Graff	County Treasurer	7 months
Melissa Lutz	Tax Assessor-Collector	23
Mark Haby	County Attorney	22
Randy Brown	County Sheriff	32

CONSULTANTS AND ADVISORS

Bond Counsel	McCall, Parkhurst & Horton, L.L.P. San Antonio, Texas
Independent Auditor	Pattillo, Brown & Hill, L.L.P. Waco, Texas
Financial Advisor	SAMCO Capital Markets, Inc. San Antonio, Texas

For Additional Information Please Contact:

Honorable Judge Keith Lutz, County Judge
Ms. Rubi Gaucin, County Auditor
Medina County
1100 16th Street
Hondo, Texas 78861
Telephone: (830) 741-6000
countyjudge@medinacountytexas.org
rubi.gaucin@medinatx.org

Mr. Mark M. McLiney, Senior Managing Director
Mr. Andrew T. Friedman, Senior Managing Director
SAMCO Capital Markets, Inc.
1020 Northeast Loop 410, Suite 640
San Antonio, Texas 78209
Telephone: (210) 832-9760
mmcliney@samcocapital.com
afriedman@samcocapital.com

USE OF INFORMATION IN THE OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "Rule"), and in effect on the date of this Preliminary Official Statement, this document constitutes an "official statement" of the Issuer with respect to the Notes that has been "deemed final" by the Issuer as of its date except for the omission of no more than the information permitted by the Rule.

This Official Statement, which includes the cover page and the appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized by the County or the Initial Purchaser to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Initial Purchaser.

The information set forth herein has been obtained from sources which are considered to be reliable, but such information is not guaranteed as to the accuracy or completeness and is not to be construed as a representation by the Initial Purchaser. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described. See "CONTINUING DISCLOSURE OF INFORMATION" herein for a description of the County's undertaking to provide certain information on a continuing basis.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION MAY NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE NOTES DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE NOTES ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE NOTES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE NOTES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NONE OF THE COUNTY, THE PURCHASER OR THE FINANCIAL ADVISOR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM AND, AS SUCH INFORMATION WAS PROVIDED BY DTC, OR ANY POTENTIAL BOND INSURER OR ITS MUNICIPAL BOND GUARANTY POLICY AS DESCRIBED HEREIN (OR INCORPORATED BY REFERENCE) UNDER THE CAPTIONS "BOND INSURANCE" AND "BOND INSURANCE GENERAL RISKS", AS SUCH INFORMATION WAS PROVIDED BY DTC AND THE BOND INSURER, RESPECTIVELY.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. SEE "OTHER PERTINENT INFORMATION - FORWARD-LOOKING STATEMENTS" HEREIN.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in Rule 15c2-12.

TABLE OF CONTENTS

The cover page, subsequent pages hereof, and appendices attached hereto, are part of this Official Statement.

SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Notes to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.

The Issuer	Medina County, Texas (the "County" or "Issuer"), is a southwest Texas county with the County seat in Hondo, Texas. Medina County is a rural county which lies within the City of San Antonio, Texas Metropolitan Statistical Area and is adjacent to the western boundary of Bexar County. The County is governed by the Commissioners and the County Judge. The current population estimate for the County is 57,077. (See "Appendix B - General Information Regarding Medina County" herein.)
The Notes	The Notes are being issued pursuant to the Constitution and general laws of the State of Texas (the "State"), particularly Chapters 1431, Texas Government Code, as amended, an order (the "Order") to be adopted by the Commissioners Court on August 25, 2025. (See "THE NOTES - Authority for Issuance" herein.)
Paying Agent/Registrar	The initial Paying Agent/Registrar for the Notes is BOKF, NA, Dallas, Texas.
Security	The Notes are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the County. (See "THE NOTES - Security for Payment" herein.)
Qualified Tax-Exempt Obligations	The Issuer will designate the Notes as "Qualified Tax-Exempt Obligations" for financial institutions. See ("TAX MATTERS – Qualified Tax-Exempt Obligations" herein.)
No Optional Redemption	The Notes are **not** subject to redemption prior to stated maturity.
Tax Matters	In the opinion of Bond Counsel, the interest on the Notes will be excludable from gross income of the owners thereof for purposes of federal income taxation under existing statutes, regulations, published rulings and court decisions, subject to matters discussed herein under "TAX MATTERS" including the alternative minimum tax on certain corporations. (See "TAX MATTERS" and "Appendix C - Form of Opinion of Bond Counsel" herein.)
Use of Note Proceeds	Proceeds from the sale of the Notes will be used for (i) designing, acquiring, constructing, renovating, replacing, installing, equipping, and upgrading County-owned facilities, including design, construction, renovation, and improvement of public safety facilities (jail) and administrative offices housing the governmental functions of the County, (ii) designing, acquiring, constructing, renovating, improving, and equipping various flood control and drainage projects, (iii) acquisition and installation of software and hardware, communications systems, information technology and related equipment necessary to support County operations (including financial management), (iv) purchasing real property, materials, supplies, equipment, vehicles, information and security technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (v) paying the costs of issuing the Notes (see "THE NOTES – Use of Note Proceeds").
Bond Insurance	The County has made an application to municipal bond insurance companies to have the payment of the principal of and interest on the Notes insured by a municipal bond insurance policy. (See "BOND INSURANCE" AND "BOND INSURANCE GENERAL RISKS" herein.)
Ratings	A municipal bond rating application has been made to S&P Global Ratings ("S&P"), a division of S&P Global Ratings Inc. The outcome of the results will be made available to the Purchaser as soon as possible. (See "OTHER PERTINENT INFORMATION - Ratings" herein.) No representation is hereby made that the County will use municipal bond insurance in connection with the issuance of the Notes. (See "BOND INSURANCE" and "BOND INSURANCE GENERAL RISKS" herein.)
Book-Entry-Only System	The Issuer intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York described herein. No physical delivery of the Notes will be made to the beneficial owners of the Notes. Such Book-Entry-Only System may affect the method and timing of payments on the Notes and the manner the Notes may be transferred. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)
Payment Record	The County has never defaulted on the payment of its tax-supported indebtedness.
Issuance of Additional Debt	The Issuer does not anticipate the issuance of any additional tax-supported debt in the next 12 months.
Delivery	When issued, anticipated on or about September 17, 2025.
Legality	Delivery of the Notes is subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by McCall, Parkhurst & Horton L.L.P., San Antonio, Texas, Bond Counsel.

PRELIMINARY OFFICIAL STATEMENT

relating to

The Issuer will designate the Notes as "Qualified Tax-Exemption Obligations" for financial institutions.

$4,500,000*

MEDINA COUNTY, TEXAS

TAX NOTES, SERIES 2025

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Medina County, Texas (the "County") of its $4,500,000* Tax Notes, Series 2025 (the "Notes"). The County is a political subdivision of the State of Texas and operates under the status and the Constitution of the State of Texas.

Included in this Official Statement are descriptions of the Notes, and certain information about the County and its finances. All financial and other information presented in this Official Statement has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the County or the Financial Advisor.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. A copy of the final Official Statement pertaining to the Notes will be submitted to the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the County's undertaking to provide certain information on a continuing basis.

THE NOTES

General Description

The Notes will be dated September 1, 2025 (the "Dated Date"), and will be issued in fully-registered form, in denominations of $5,000 or any integral multiple thereof within a maturity. Interest on the Notes will accrue from the Dated Date (as defined on the front cover hereof) and interest will be paid semiannually on February 1 and August 1 of each year, commencing February 1, 2026, until stated maturity. Interest on the Notes will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Notes will mature on the dates and in the amounts as set forth on page ii hereof.

Principal and interest will be paid by BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). Subject to the requirements associated with the use of the Book-Entry-Only System (see "BOOK-ENTRY-ONLY SYSTEM" herein), interest will be paid by check dated as of the interest payment date and mailed first class, postage paid, on or before each interest payment date by the Paying Agent/Registrar to the registered owners (the "Owners") appearing on the registration books of the Paying Agent/Registrar on the Record Date (herein defined), or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense, of such Owner. Principal will be paid to the Owners at maturity upon presentation and surrender of the Notes to the Paying Agent/Registrar. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the County where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorize to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. The County will initially use the Book-Entry Only System of The Depository Trust Company ("DTC"), New York, New York, in regard to the issuance, payment and transfer of the Notes. Such system will affect the timing and method of payment of the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

Authority for Issuance

The Notes are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapter 1431, Texas Government Code, as amended, and an order (the "Order") authorizing the issuance of the Notes to be adopted on August 25, 2025 by the Commissioners Court (the "Court") of the County.

**Preliminary, subject to change.*

Purpose

Proceeds from the sale of the Notes will be used for (i) designing, acquiring, constructing, renovating, replacing, installing, equipping, and upgrading County-owned facilities, including design, construction, renovation, and improvement of public safety facilities (jail) and administrative offices housing the governmental functions of the County, (ii) designing, acquiring, constructing, renovating, improving, and equipping various flood control and drainage projects, (iii) acquisition and installation of software and hardware, communications systems, information technology and related equipment necessary to support County operations (including financial management), (iv) purchasing real property, materials, supplies, equipment, vehicles, information and security technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (v) paying the costs of issuing the Notes (see "THE NOTES – Use of Note Proceeds").

Security for Payment

The Notes are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the County.

Legality

The Notes are offered when, as and if issued, subject to the approval of legality by the Attorney General of the State of Texas and McCall, Parkhurst & Horton L.L.P., San Antonio, Texas, Bond Counsel. See "LEGAL MATTERS" herein.

Redemption Provisions of the Notes

The Notes are **not** subject to redemption prior to stated maturity.

Defeasance of Notes

The Order provides for the defeasance of the Notes when payment of the principal of and premium, if any, on Notes, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or otherwise), is provided by irrevocably depositing with a paying agent, in trust (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amounts and at such times to ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Notes, or (C) combination of money and Defeasance Securities together so certified sufficient to make such payments. The Order provides that "Defeasance Securities" means (1) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (2) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent and, (4) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Notes. An authorized County official may restrict such eligible securities as deemed appropratie in connection with the sale of the Notes. The County has additionally reserved the right, subject to satisfying the requirements of (A) and (B) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the County moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Notes shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Notes have been made as described above, all rights of the County to take any other action amending the terms of the Notes are extinguished.

Amendments

The County may amend the Order without the consent of or notice to any registered owner as may be required (i) by the provisions thereof,
(ii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission therein, or (iii) in connection with any other change which is not to the prejudice of the registered owners. In addition, the County may, with the written consent of the holder of a majority in aggregate principal amount of the Notes then outstanding and affected thereby, amend, change, modify, or rescind any provisions of the Order; provided that without the consent of all of the registered owners affected, no such amendment, change, modification, or rescission shall: (i) extend the time or times of payment of the principal of and interest on the Notes, reduce the principal amount thereof or the rate of interest thereon, (ii) give any preference to any Note over any other Note, (ii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Notes required for consent to any such amendment, change, modification, or rescission.

Defaults and Remedies

If the County (i) defaults in the payment of the principal, premium, if any, or interest on the Notes, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in the Order and the continuation thereof for 30 days after the County has received written notice of such defaults, the registered owners may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the Notes, if there is no other available remedy at law to compel performance of the Notes or the Order and the County's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Notes in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the Noteholders upon any failure of the County to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. Texas counties are generally immune from suits for money damages for breach of contracts under the doctrine of sovereign immunity. The Texas Supreme Court ruled in Tooke v. City of Mexia, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the County's sovereign immunity from a suit for money damages, Noteholders may not be able to bring such a suit against the County for breach of the Notes or the Order. Even if a judgment against the County could be obtained, it could not be enforced by direct levy and execution against the County's property. Further, the registered owners cannot themselves foreclose on property within the County or sell property within the County to enforce the tax lien on taxable property to pay the principal of and interest on the Notes. Furthermore, the County is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Noteholders of an entity which has sought protection under Chapter 9. Therefore, should the County avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Order and the Notes are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

Record Date

The record date ("Record Date") for determining the person to whom the interest is payable on the Notes on any interest payment date means the fifteenth business day of the month next preceding the date that each interest payment is due. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which must be 15 days after the Special Record Date) will be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Note appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Paying Agent/Registrar

The initial Paying Agent/Registrar for the Notes is BOKF, NA, Dallas, Texas. In the Order, the County retains the right to replace the Paying Agent/Registrar for the Notes If the Paying Agent/Registrar is replaced by the County, the Paying Agent/Registrar, promptly upon the appointment of its successor, is required to deliver the registration records to the successor Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the County shall be a commercial bank, trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Notes, the County shall promptly cause a written notice of such change to be sent to each registered owner of the Notes affected by the change, by United States mail, first class, postage prepaid, which notice shall give the address for the new Paying Agent/Registrar.

Future Registration

In the event the use of the "Book-Entry-Only System" for the Notes should be discontinued, printed Notes will be delivered to the registered owners of the Notes and thereafter such Notes may be transferred, registered and assigned on the registration books only upon their presentation and surrender to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner except for any tax or other governmental charges required to be paid with respect to such registration and transfer. The Notes may be assigned by the execution of an assignment form on the Notes or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Notes will be delivered by the Paying Agent/Registrar in lieu of the Notes being transferred or exchanged at the designated office of the Paying Agent/Registrar, or sent by United States registered mail to the new registered owner at the owner's request, risk and expense. To the extent possible, new Notes issued in an exchange or transfer of Notes will be delivered to the registered owner or assignee of the owner in not more than three (3) business days after the receipt of the Notes to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Notes registered and delivered in an exchange or transfer shall be in denominations of $5,000 of principal amount for any one maturity or any integral multiple thereof and for a like aggregate principal amount as the Notes surrendered for exchange or transfer (see "BOOK-ENTRY-ONLY SYSTEM" herein).

Limitation on Transfer of Notes

Neither the County nor the Paying Agent/Registrar shall be required to transfer or exchange any Note during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

Mutilated, Destroyed, Lost, or Stolen Notes

If any Note is mutilated, destroyed, stolen or lost, a new Note in the same principal amount as the Note so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Note, such new Note will be delivered only upon surrender and cancellation of such mutilated Note. In the case of any Note issued in lieu of and in substitution for a Note which has been destroyed, stolen or lost, such new Note will be delivered only (a) upon filing with the County and the Paying Agent/Registrar evidence satisfactory to them that such Note has been destroyed, stolen or lost and proof of the ownership thereof, and (b) upon furnishing the County and the Paying Agent/Registrar with indemnity satisfactory to them. The person requesting the authentication and delivery of a new Note must pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

Payment Record

The County has never defaulted on the payment of its bonded indebtedness.

SOURCES AND USES OF PROCEEDS

The following table shows the estimated sources and uses of the proceeds of the Notes:

Sources:	
Principal Amount of Notes	$______________
Accrued Interest on the Notes	
[Net] Reoffering Premium	$______________
Total Sources of Funds	$______________
Uses:	
Deposit to Project Fund	$______________
Costs of Issuance, Initial Purchaser's Discount and Excess Proceeds	$______________
Total Sources of Funds	$______________

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Notes is to be transferred and how the principal of, premium, if any, and interest on the Notes are to be paid to and credited by DTC while the Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The County, the Financial Advisor and the Initial Purchaser believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The County cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Notes, or other notices, to DTC Direct Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Notes), or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each stated maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book- entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the County or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the County or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Notes are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Notes will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but neither the County nor the Initial Purchaser take any responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Notes are in Book-Entry-Only form, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Notes, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, payment or notices that are to be given to registered owners under the Order will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the County, the Financial Advisor or the Initial Purchaser.

BOND INSURANCE

The Notes, or a portion thereof, may be insured by municipal bond insurance. No representation is hereby made that municipal bond insurance will be used in connection with the issuance of the Notes. The Purchaser shall notify the County upon receipt of a commitment from a municipal bond insurance company (the "Bond Insurer") concerning the Notes. The premium for a municipal bond insurance policy (the "Policy") shall be paid by the Purchaser. The final Official Statement shall disclose, to the extent necessary, any relevant information relating to the Bond Insurer and the Policy.

BOND INSURANCE GENERAL RISKS

The Purchaser may require a Policy to guarantee the scheduled payment of principal and interest on all or some of the Notes. It has yet to be determined whether any insurance will be purchased with the Notes, but the payment of the premium associated therewith, if any, will be the Purchaser's obligation.

If a Policy is purchased for some or all the Notes, the following are risk factors related to bond insurance. In the event of default of the payment of the principal or interest with respect to the Notes when all or some become due, any owner of the Notes shall have a claim under the Policy for such payments. The payment of principal and interest in connection with the mandatory or optional prepayment of the Notes by the County, which is recovered by the County from the Note owner as a voidable preference under applicable bankruptcy law may be covered by the Policy; however, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absent such prepayment by the County, unless the Bond Insurer chooses to pay such amounts at an earlier date. Payment of principal and interest is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist. The Bond Insurer may direct and must consent to any remedies that the Paying Agent/Registrar exercise and the Bond Insurer's consent may be required in connection with amendments to any applicable Note documents. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Notes are payable solely from the security provided pursuant to the applicable Note documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Notes, no assurance is given that such event will not adversely affect the market price of the Notes or the marketability (liquidity) for the Notes. If a Policy is acquired, the long-term ratings of the Notes are dependent in part on the financial strength of the Bond Insurer and its claim-paying ability. The Bond Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time.

No assurance is given that the long-term ratings of the Bond Insurer and the ratings on the Notes insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the price of the Notes or the marketability (liquidity) for the Notes. See "OTHER PERTINENT INFORMATION – Rating" herein. The obligations of the Bond Insurer are general obligations of the Bond Insurer and in an event of default by the Bond Insurer, the remedies available to the Paying Agent/Registrar may be limited by applicable bankruptcy law or other similar laws related to insolvency of insurance companies. None of the County, the Financial Advisor, or the Purchaser have made independent investigation into the claims-paying ability of any potential Bond Insurer, and no insurance or representation regarding the financial strength or projected financial strength of any potential Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the County to pay principal and interest on the Notes and the claims-paying ability of any potential Bond Insurer, particularly over the life of the Notes.

Claims-Paying Ability and Financial Strength of Municipal Bond Insurers

In the past, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc. have downgraded and/or placed on negative watch the claims-paying ability and financial strength of most providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers is possible. In addition, past events in the credit markets have had substantial negative effects on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims-paying ability of such bond insurers, including any bond insurer of the Notes. Thus, when making an investment decision, potential investors should carefully consider the ability of such bond insurer to pay principal and interest on the Notes and the claims-paying ability of any such bond insurer, particularly over the life of the Notes.

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Reference is made to Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Valuation of Taxable Property

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board ("Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the County is the responsibility of the Medina Appraisal District (the "Appraisal District"). Except as described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property (the "10% Homestead Cap"). The 10% increase is cumulative, meaning the maximum increase is 10% times the number of years since the property was last appraised.

Unless extended by the Legislature, through December 31, 2026 an appraisal district is prohibited from increasing the appraised value of real property during the 2024 tax year on certain non-homestead properties (the "Subjected Property") whose appraised values are not more than $5 million dollars (the "maximum property value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property. The maximum property value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the maximum property value. For the 2025 tax year, the maximum property value was increased to $5,160,000.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity ("Productivity Value"). The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the County, in establishing their tax rolls and tax rates. See "– Issuer and Taxpayer Remedies."

State Mandated Homestead Exemptions

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the market value of all homesteads (but not less than $5,000) and (2) an additional exemption of at least $3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit. Cities, counties and school districts are prohibited from repealing or reducing an optional homestead exemption that was granted in tax year 2022 through December 31, 2027.

Local Option Freeze for the Elderly and Disabled

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

Personal Property

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property. Subject to voter approval at a Statewide election to be held on November 4, 2025, legislation passed by the State legislature and signed by the Governor during the Legislature (as defined herein) would provide a person with an exemption from taxation by a taxing unit of $125,000 of the appraised value of tangible personal property the person owns that is held or used for the production of income and has taxable situs at the same location in the taxing unit (or, if the person leases such property, regardless of where the property is located in the taxing unit).

Freeport Exemptions

Certain goods detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1,1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue to tax Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, principally inventory, that are stored for the purposes of assembling, storing, manufacturing, processing or fabricating the goods in a location that is not owned by the owner of the goods and are transferred from that location to another location within 175 days ("Goods-in-Transit"), are exempt from ad valorem taxation unless a taxing unit takes official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax Goods-in-Transit beginning the following tax year. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include special inventories such as motor vehicles or boats in a dealer's retail inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

Other Exempt Property

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property. Beginning with the 2026 tax year, all intangible personal property is exempt from State taxation.

Temporary Exemption For Qualified Property Damaged By A Disaster

The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the governor to be a disaster area following a disaster and is at least 15 percent physically damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. Except in situations where the territory is declared a disaster on or after the datethe taxing unit adopts a tax rate for the year in which the disaster declaration is issued, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the governor declares the area to be a disaster area. For more information on the exemption, reference is made to Section 11.35 of the Tax Code. Section 11.35 of the Tax Code was enacted during the 2019 legislative session, and there is no historical judicial precedent for how the statute will be applied. Texas Attorney General Opinion KP-0299, issued on April 13, 2020, concluded a court would likely find the Texas Legislature intended to limit the temporary tax exemption to apply to property physically harmed as a result of a declared disaster.

Temporary Exemption For Qualified Property Damaged By A Disaster

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "tax increment". During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing 19 units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

Tax Abatement

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

For a discussion of how the various exemptions described above are applied by the County, see "AD VALOREM PROPERTY TAXATION – County Application of the Property Tax Code" herein.

Public Hearing and Maintenance and Operation Tax Rate Limitations

The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional $500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted). Certain counties for which certain expenditures for indigent legal defense or certain hospital expenditures exceed the amount for such expenditures for the preceding tax year, may increase their no-new-revenue tax rate proportionately with such expenditures in the manner provided by the Property Tax Code.

"special taxing unit" means a county for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value.

"unused increment rate" means the cumulative difference between a county's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a county's tax rate in tax years 2022 through 2024 without impacting the voter- approval tax rate.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the "unused increment rate".

The County's tax rate consists of two components: (1) rates for funding of maintenance and operations expenditures in the current year, which may additionally include the Road and Bridge Maintenance Tax and the Farm-to-Market Road and Flood Control Tax, if levied (collectively, the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the County must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the County to the Commissioners Court by August 1 or as soon as practicable thereafter.

The County must annually calculate and prominently post on its internet website, and submit to the County tax assessor-collector its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller. The Commissioners Court must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the County, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If the County fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the County for the preceding tax year.

As described below, the Property Tax Code provides that if a county adopts a tax rate that exceeds the voter-approval tax rate or, in certain cases, the de minimis rate, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A county may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until the county appraisal district has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the county has held a public hearing on the proposed tax increase.

If a county's adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the county must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a county does not qualify as a special taxing unit, if a county's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the county's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the county would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any county located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such county's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year. **The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the County's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the County's tax-supported debt obligations, including the Notes.**

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

Debt Tax Rate Limitations

Article VIII, Section 9 of the Texas Constitution imposes a limit of $0.80 per $100 assessed valuation for all purposes of a county's General Fund, Permanent Improvement Fund, Road and Bridge Fund and Jury Fund, including debt service on bonds or other debt issued against such funds. Administratively, the Attorney General of Texas will not approve limited tax obligations in an amount which produces debt service requirements exceeding that which can be paid from $0.40 of the foregoing $0.80 maximum tax rate, as calculated at the time of issuance.

Article III, Section 52 of the Texas Constitution authorizes the County to levy a direct, continuing ad valorem tax on all taxable property within the County, without limit as to rate or amount to pay the principal of and interest on the County's road bonds if approved by the voters in the County. The principal amount of unlimited tax road bonds issued by the County and outstanding at any point in time, aggregated with outstanding unlimited tax debt of certain road districts located within the County cannot exceed 25% of the assessed valuation of all real property located in the County.

Article VIII, Section 9 of the Texas Constitution and State statute authorize the County to levy a special Road and Bridge Fund Tax (the "Road and Bridge Maintenance Tax") in an amount not to exceed $0.15 per $100 assessed valuation, no part of which may be used for debt service, if approved by the voters.

Article VIII, Section 1-a of the Texas Constitution and State statute permit the County to levy a tax for Farm-to-Market Road and Flood Control purposes (the "Farm-to-Market Road and Flood Control Tax") in an amount not to exceed $0.30 per $100 assessed valuation after the mandatory $3,000 homestead exemption, if approved by the voters. There is no allocation prescribed by statutes between debt service and maintenance.

Section 1301.003, Texas Government Code, as amended, limits the amount of limited tax obligations of counties issued pursuant to such authority for those certain purposes as follows:

Courthouse	2% of Taxable Assessed Valuation
Jail	1 1/2% of Taxable Assessed Valuation
Courthouse and Jail	3 1/2% of Taxable Assessed Valuation
Bridge	1 1/2% of Taxable Assessed Valuation

County and Taxpayer Remedies

Under certain circumstances, the County and its taxpayers may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the County may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at $61,349,201 for the 2025 tax year and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the County and provides for taxpayer referenda that could result in the repeal of certain tax increases (See "AD VALOREM PROPERTY TAXATION – Public Hearing and Maintenance and Operation Tax Rate Limitations".) The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The County is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) of delinquent tax, penalty and interest collected if imposed by the County. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the County may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

County's Rights in the Event of Tax Delinquencies

Taxes levied by the County are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all State and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each local taxing unit, including the County, having power to tax the property. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes.

At any time after taxes on property become delinquent, the County may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the County must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two (2) years after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

See "AD VALOREM TAX PROCEDURES – Temporary Exemption for Qualified Property Damaged by a Disaster" for further information related to a discussion of the applicability of this section of the Property Tax Code.

County Application of the Property Tax Code

The County's taxes are collected by the Medina County Tax Assessor-Collector.

The County grants a $15,000 exemption for over-65 and then freezes the amount.

The County does not tax non-business personal property.

The County does not permit split payments of taxes or discounts.

The County does not grant the freeport exemption under Article VIII, Section 1-j.

The County does tax "goods in transit".

The County has entered into a tax abatement agreement with several entities.

The County participates in the following tax increment reinvestment zones:

REINVESTMENT ZONE NUMBER TWO (2), CITY OF DEVINE, TEXAS, relates to approximately 260 acres of property within the City of Devine, Texas and has a base value for purposes of determining the County's increment of $8,552,660. The County has agreed to contribute to this zone 70% of ad valorem tax collections on taxable assessed value in excess of this base until the earlier occurs on December 31, 2038 or the County's total contribution to the zone from its tax collections on the incremental value total $1,705,424.

REINVESTMENT ZONE NUMBER TWO, MEDINA COUNTY, TEXAS, relates to approximately 404 acres of undeveloped property for the Potranco Ranch Residential subdivision in the northeast portion of the County and has a base value for purposes of determining the

County's increment of $2,257,420. The County has agreed to contribute to this zone 70% of ad valorem tax collections on taxable assessed value in excess of this base until the earlier to occur of December 31, 2038, and the County's total contribution to the zone from its tax collections on the incremental value total $12,295,461.

REINVESTMENT ZONE NUMBER ONE, City of Castroville, Texas for the Alsatian Oaks Residential and Commercial development. The County agreed to contribute 70% of the M&O taxes on the taxable assessed value in excess of the base value of $4,258,660 until the earlier to occur on December 31, 2051 or to the County's total contribution to the zone from its tax collections or tax incremental value total of $12,500,000.

Chapter 381 Agreements

The County is authorized, pursuant to Chapter 381, Texas Local Government Code, as amended ("Chapter 381"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the County. In accordance with a program established pursuant to Chapter 381, the County may make loans or grants of public funds for economic development purposes, however no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the County. The County may contract with the federal government, the State, another political subdivision, a nonprofit organization or any other entity, including private entities, for the administration of such a program. The County has entered into the following agreements under Chapter 381.

Hunter's Ranch
Base: 2021-$50,839,899.00
70% on M&O only, no payment from debt service
Termination: $1,235,000.00 or 10 years from effective date

Medina Revitalization Initiative, LLC
Base: 2021-$92,210.00
70% on M&O only, no payment from debt service
Effective: May 6, 2021
Termination: $650,000 (in tax value realized)

Ryan, LLC
Project: Microsoft Datacenter
Incentive: 80% reduction on property taxes other than debt service for 10 years
Condition: Minimum Investment Value of $400,000,000 by January 1, 2025; minimum jobs creation threshold
Termination: December 31, 2036

San Antonio Viera, LLC
Project: County Road
Incentive: Annual grants from 70% of the County's taxes, other than interest and sinking fund, on incremental value increase in development.
Condition: Road to be completed by December 1, 2029
Termination: First to occur of December 2, 2039, and County's delivery of total grants in the amount of $4,615,946.

Chapter 312 Agreements

The County is authorized under Chapter 312, as amended, Texas Tax Code ("Chapter 312") to establish programs to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions, under which programs the County can offer tax abatement that exempts increases in the value of a property from taxation for up to 10 years. The County has entered into the following agreement under Chapter 312.

Rowan Land Resources LLC
Project: Hyperscale Datacenter
Incentive: On a phased basis,10 Year abatement on incremental property value increases equal to 80% of the County's taxes levied for maintenance and operations (but excluding interest and sinking fund and road and bridge fund taxes from abatement).
Condition: First phase to produce at least $900,000,000 in incremental value; each subsequent phase to produce at least $300,000,000 in incremental value; minimum jobs creations; repair County roads upon phase completion; and adherence to specified construction standards.
Termination: Applicable abatement expires 10 years after the completion of each phase.

INVESTMENT POLICIES

Investments

The County invests funds in instruments authorized by the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (the "PFIA"), in accordance with investment policies approved by the Commissioners Court. Both state law and the County's investment policies are subject to change.

Legal Investments

Under Texas law, the County is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their respective successors; (8) interest-bearing banking deposits, other than those described by clause (7), if (A) the funds invested in the banking deposits are invested through (i) a broker with a main office or branch office in this State that the County selects from a list the governing body or designated investment committee of the County adopts as required by Section 2256.025 of the Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the County selects; (B) the broker or depository institution as described in clause (8)(A), above, arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the County's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing County appoints as the County's custodian of the banking deposits issued for the County's account: (i) the depository institution selected as described by Paragraph (A); (ii) an entity described by Section 2257.041(d) of the Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3), (9) certificates of deposit or share certificates (i) meeting the requirements of the PFIA that are issued by or through an institution that either has its main office or a branch in Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund (or their respective successors), or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and amount provided by law for County deposits or, (ii) where the funds are invested by the County through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the County as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the County; (iii) the broker or the depository institution selected by the County arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the County; (iv) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (v) the County appoints the depository institution selected under (ii) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker- dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3- 3) as custodian for the County with respect to the certificates of deposit issued for the account of the County; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations permitted under the PFIA, and require the securities being purchased by the County or cash held by the County to be pledged to the County, held in the County’s name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that are continuously rated by a nationally recognized investment rating firm at not less than “A” or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the County, held in the County’s name and deposited at the time the investment is made with the County or a third party designated by the County; (iii) a loan made under the program is placed through either a primary government securities dealer (as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003) or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less; (12) certain bankers’ acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (13) commercial paper with a stated maturity of 365 days or less that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (14) no-load money market mutual funds registered with and regulated by the SEC that provide the County with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, and that comply with SEC Rule 2a- 7; and (15) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations described in this paragraph or (ii) have a duration of less than one year and an investment portfolio limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

The County may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The County may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the County retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the County must do so by order, ordinance, or resolution.

The County is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under Texas law, the County is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for County funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All County funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the County's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the County's investment officers must submit an investment report detailing: (1) the investment position of the County, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest County funds without express written authority from the Commissioners Court.

Additional Provisions

Under State law, the County is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Commissioners Court; (4) require the qualified representative of firms offering to engage in an investment transaction with the County to: (a) receive and review the County's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the County and the business organization that are not authorized by the County's investment policy (except to the extent that this authorization (i) is dependent on an analysis of the makeup of the County's entire portfolio, (ii) requires an interpretation of subjective investment standards, or (iii) relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the County and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the County's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the County's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the County.

Current Investments [(1)] **TABLE 1**

As of July 1, 2025, the County held investments as follows:

Type of Security	Market Value	Percentage of Total
CD's	$ 4,120,000.00	18%
Investment Pools	18,581,875.79	82%
Total Investments	$22,701,875.79	100%

As of such date, the market value of such investments (as determined by the Issuer by reference to published quotations, dealer bids, and comparable information) was approximately 100% of their book value. No funds of the Issuer are invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index, or commodity.

____
(1) Unaudited.

As of such date, the market value of such investments (as determined by the County by reference to published quotations, dealer bids, and comparable information) was approximately 100% of their book value. No funds of the County are invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index, or commodity.

The Texas State Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool ("TexPool"). Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of the other persons who do not have a business relationship with TexPool. The advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAA by S&P. TexPool operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value.

2025 LEGISLATIVE SESSION

The regular session of the 89th Texas Legislature (the "Legislature") commenced on January 14, 2025 and concluded on June 2, 2025. The Legislature meets in regular session in odd numbered years for 140 days. When the Legislature is not in session, the Governor may call one or more special sessions, at the Governor's discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. The first special session began on July 21, 2025, and the second session began on August 15, 2025.

The County is still in the process of reviewing legislation passed during the 89th Regular Session. At this time, the County cannot make any representation as to the full impact of such legislation. Further, the County can make no representations or predictions regarding the scope of legislation that may be considered in any special session or the potential impact of such legislation at this time, but it intends to monitor applicable legislation related thereto.

EMPLOYEES' BENEFITS

The County's covered payroll for calendar year 2024 was $20,097,767 and in fiscal year 2023 the pension cost to employees was $1,085,880. For additional information, see the County's audited financial statements attached hereto as Appendix D.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Notes are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Notes by municipalities or other political subdivisions or public agencies of the State of Texas, the PFIA requires that the Notes be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency. See "OTHER PERTINENT INFORMATION - Rating" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Notes are legal investments for state banks, savings banks, trust companies with at least $1 million of capital, and savings and loan associations. The Notes are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

The County has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Notes for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Notes for such purposes. The County has made no review of laws in other states to determine whether the Notes are legal investments for various institutions in those states.

LEGAL MATTERS

The delivery of the Notes is subject to the approval of the Attorney General of Texas to the effect that the Notes are valid and legally binding obligations of the County payable from the proceeds of an annual ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the County, and the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Notes is excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein. The form of Bond Counsel's opinion is attached hereto as Appendix D. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Notes is contingent upon the sale and delivery of the Notes. The legal opinion of Bond Counsel will accompany the Notes deposited with DTC or will be printed on the definitive Notes in the event of the discontinuance of the Book-Entry-Only System.

Though it represents the Financial Advisor from time to time in matters unrelated to the issuance of the Notes, Bond Counsel was engaged by, and only represents, the County. Except as noted below, Bond Counsel did not take part in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein except that in its capacity as Bond Counsel, such firm has reviewed the information appearing under captions "THE NOTES" (except for the information under the subcaptions "Payment Record" and "Defaults and Remedies"), "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS", "LEGAL MATTERS", "TAX MATTERS," "OTHER PERTINENT INFORMATION - Registration and Qualification of Notes of Sale" and "CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance With Prior Undertakings"), and such firm is of the opinion that the information relating to the Notes and legal matters contained under such captions is an accurate and fair description of the laws and legal issues addressed therein, and with respect to the Notes, such information conforms to the Order.

The various legal opinions to be delivered concurrently with the delivery of the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues expressly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

Litigation

In the opinion of various officials of the County, there is no litigation or other proceeding pending against or, to their knowledge, threatened against the County in any court, agency, or administrative body (either state or federal) wherein an adverse decision would materially adversely affect the financial condition of the County.

TAX MATTERS

Opinion

On the date of initial delivery of the Notes, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the County, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Notes for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Notes will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the County will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Notes. See Appendix -- Form of Opinion of Bond Counsel.

In rendering its opinion, Bond Counsel to the County will rely upon (a) the County's federal tax certificate, and (b) covenants of the County with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Notes and certain other matters. Failure of the County to comply with these representations or covenants could cause the interest on the Notes to become includable in gross income retroactively to the date of issuance of the Notes.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The opinion of Bond Counsel to the County is conditioned on compliance by the County with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the County has not been retained to monitor compliance with these requirements subsequent to the issuance of the Notes.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Notes.

A ruling was not sought from the Internal Revenue Service by the County with respect to the Notes or the facilities financed or refinanced with the proceeds of the Notes. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the County that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Notes, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the County as the taxpayer and the Noteholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Notes may be less than the principal amount thereof or one or more periods for the payment of interest on the Notes may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Notes"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Note, and (ii) the initial offering price to the public of such Original Issue Discount Note would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Notes less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Note in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Note equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Note prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Note in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Note was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Note is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Notes and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Note for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Note.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Notes which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Notes should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Notes and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Notes.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Notes. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE NOTES.

Interest on the Notes may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Notes, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Notes, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount Notes" to the extent such gain does not exceed the accrued market discount of such Notes; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Notes under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Notes will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient’s federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Notes under Federal or state law and could affect the market price or marketability of the Notes. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer’s taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on-behalf of" and "subordinate" issuers) who issues no more than $10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by section 265(b) of the Code, section 291 of the Code provides that the allowable deduction to a "bank," as defined in section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty-percent (20%) as a "financial institution preference item."

The Notes will be designated as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code. In furtherance of that designation, the County will covenant to take such action that would assure, or to refrain from such action that would adversely affect, the treatment of the Notes as "qualified tax-exempt obligations." **Potential purchasers should be aware that if the issue price to the public exceeds $10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of $10,000,000 is disregarded; however, the Internal Revenue Service could take a contrary view. If the Internal Revenue Service takes the position that the amount of such premium is not disregarded, then such obligations might fail to satisfy the $10,000,000 limitation and the Notes would not be "qualified tax-exempt obligations."**

CONTINUING DISCLOSURE OF INFORMATION

In the Order, the County has made the following agreement for the benefit of the holders and beneficial owners of the Notes. The County is required to observe the agreement for so long as it remains obligated to advance funds to pay the Notes. Under the agreement, the County will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). This information will be available to the public free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org, as further described below under "Availability of Information".

Annual Reports

The County will provide certain updated financial information and operating data annually to the MSRB. The information to be updated includes financial information and operating data with respect to the County of the general type included in this Official Statement in Appendix A under Tables 1 through 9 (the "Annual Financial Information"). The County will additionally provide financial statements of the County (the "Financial Statements") that will be (i) prepared in accordance with the accounting principles described in Appendix C of this Official Statement or such other accounting principles as the County may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in Appendix C and (ii) audited, if the County commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The County will update and provide the Annual Financial Information within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2025. The County may provide the Financial Statements earlier, including at the time it provides its Annual Financial Information, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the County shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available.

The County may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule.

The County's current fiscal year end is September 30. Accordingly, the Annual Financial Information must be provided by March 31 in each year, and the Financial Statements must be provided by September 30 of each year, unless the County changes its fiscal year. If the County changes its fiscal year, it will notify the MSRB of the change.

Notice of Occurrence of Certain Events

The County will also provide notice of any of the following events with respect to the Notes to the MSRB in a timely manner (but not in excess of ten (10) business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (7) modifications to rights of holders of the Notes, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Notes, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the County; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) the appointment of a successor or additional trustee or change of name of the trustee, if material; (15) incurrence of a "Financial Obligation" of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties. In the Order, the County will adopt policies and procedures to ensure timely compliance of its continuing disclosure undertakings. Neither the Notes nor the Order make any provision for liquidity enhancement, credit enhancement (except for applications for municipal bond insurance), or require the funding of debt service reserves.

For these purposes, (a) any event described in clause (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under the state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County, and (b) the County intends the words used in the immediately preceding clauses (15) and (16) and in the definition of Financial Obligation above to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

Notice of Failure to Timely File

The County also will notify the MSRB through EMMA, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with the provisions described above.

Availability of Information

All information and documentation filing required to be made by the County in accordance with its undertaking made for the Notes will be made with the MSRB in electronic format in accordance with MSRB guidelines, by and through EMMA. Access to such filings will be provided, without charge to the general public, by the MSRB through EMMA at www.emma.msrb.org.

Limitations and Amendments

The County has agreed to update information and to provide notices of certain events only as described above. The County has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The County makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Notes at any future date. The County disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of the Notes may seek a writ of mandamus to compel the County to comply with its agreement. No default by the County with respect to its continuing disclosure agreement shall constitute a breach of or default under the Order for purposes of any other provision of the Order. Nothing in this paragraph is intended or shall act to disclaim, waive, or otherwise limit the duties of the County under federal and state securities laws. The County's undertakings and agreements are subject to appropriation of necessary funds and to applicable legal restrictions.

The County’s continuing disclosure agreement may be amended by the County from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell the Notes in the primary offering of the Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of the Order that authorizes such an amendment) of the outstanding Notes consent to such amendment or(b) a person that is unaffiliated with the County (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Notes. The County may also amend or repeal the provisions of the continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Notes in the primary offering of the Notes. If the County amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Undertakings

On June 4, 2020, the County issued its Tax Notes, Series 2020 pursuant to a private placement sale. A notice of the incurrence of late filing related to the foregoing transaction was made on August 14, 2020. Other than set forth herein, the County has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

FORWARDING-LOOKING STATEMENTS

The statements contained in this Official Statement, and any other information provided by the County, that are not purely historical, are forward-looking statements, including statements regarding the County’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the County on the date hereof, and the County assumes no obligation to update any such forward- looking statements. It is important to note that the County’s actual results could differ materially from those in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

OTHER PERTINENT INFORMATION

Registration and Qualification of Notes for Sale

The sale of the Notes has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Notes have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Notes been qualified under the securities acts of any jurisdiction. The Issuer assumes no responsibility for qualification of the Notes under the securities laws of any jurisdiction in which the Notes may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Notes shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

It is the obligation of the Purchaser to register or qualify the sale of the Notes under the securities laws of any jurisdiction which so requires. The County agrees to cooperate, at the Purchaser's written request and sole expense, in registering or qualifying the Notes or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the County shall not be required to qualify as a foreign corporation or to execute a general consent to service of process in any jurisdiction.

Ratings

A municipal bond rating application has been made to S&P Global Ratings ("S&P"), the results of which will be made available as soon as possible. An explanation of the significance of such rating may be obtained from the rating agency. An explanation of the significance of such rating may be obtained from the rating agency. A rating by a rating agency reflects only the view of such company at the time the rating is given, and the Issuer makes no representations as to the appropriateness of the rating. There is no assurance that such a rating will continue for any given period of time, or that it will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Notes.

Periodically, rating agencies will evaluate and, on occasion as a result of these evaluations revise, their rating methodologies and criteria for municipal issuers such as the County. A revision in a rating agency's rating methodology could result in a positive or negative change in a rating assigned by that agency, even if the rated entity has experienced no material change in financial condition or operation. Any of the rating agencies at any time while the Notes remain outstanding could undertake such an evaluation process.

Authenticity of Financial Information

The financial data and other information contained herein have been obtained from the County's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and the Order contained in this Official Statement are made subject to all of the provisions of such statutes, documents and the Order. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of the information herein. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates, and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

Financial Advisor

SAMCO Capital Markets, Inc. is employed as the Financial Advisor to the Issuer in connection with the issuance of the Notes. In this capacity, the Financial Advisor has compiled certain data relating to the Notes and has assisted in drafting this Official Statement. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Issuer to determine the accuracy or completeness of this Official Statement. Because of its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fees for the Financial Advisor are contingent upon the issuance, sale and delivery of the Notes.

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Winning Bidder

After requesting competitive bids for the Notes, the County accepted the bid of ______________. (the "Purchaser" or the "Initial Purchaser") to purchase the Notes at the interest rates shown on page ii of this Official Statement at a price of par, plus a premium of
$________________, less a Purchaser's Discount of $____________, and no accrued interest. The County can give no assurance that any trading market will be developed for the Notes after their sale by the County to the Purchaser. The County has no control over the price at which the Notes are subsequently sold and the initial yield at which the Notes will be priced and reoffered will be established by and will be the responsibility of the Purchaser.

Certification of the Official Statement

At the time of payment for and delivery of the Notes, the Initial Purchaser will be furnished a certificate, executed by the proper County officials, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the County contained in this Official Statement and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of sale of the Notes and the receipt of bids, and on the date of delivery, were and are true and correct in all material respects; (b) insofar as the County and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of, or pertaining to, entities other than the County and its activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the County believes to be reliable and that the County has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the County since September 30, 2024, the date of the last audited financial statements of the County.

Cybersecurity Risks

The County relies on its information systems to provide security for processing, transmission and storage of confidential personal, health- related, credit and other information. It is possible that the County's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the County and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the County may incur significant costs to remediate possible injury to the affected persons, and the County may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the County's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Use of Information in Official Statement

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Neither the information, nor accessed through, such website is incorporated by reference, either expressly or by implication, into this Official Statement.

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Concluding Statement

The information set forth herein has been obtained from the County's records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and the Order contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and the Order. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

The Order approved the form and content of this Official Statement, and any addenda, supplement, or amendment thereto, and authorized its further use in the reoffering of the Notes by the Initial Purchaser.

MEDINA COUNTY, TEXAS

/s/

County Judge
Medina County, Texas

ATTEST:

/s/

County Clerk
Medina County, Texas

APPENDIX A

FINANCIAL INFORMATION RELATING TO MEDINA COUNTY, TEXAS

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FINANCIAL INFORMATION OF THE ISSUER

ASSESSED VALUATION

2025 Actual Certified Market Value of Taxable Property (100% of Market Value)		$	13,219,550,920
Less Exemptions:			
	Optional Over-65 or Disabled Homestead	$	84,093,746
	Disabled/Deceased Veterans'		750,417,199
	Pollution Control		5,070,070
	Production Loss		4,254,403,380
	Other Exemptions		142,431,329
	Solar		701,070
	10% Per Year Cap on Residential Homesteads		289,134,149
	TOTAL EXEMPTIONS	$	5,526,250,943
2025 Certified Assessed Value of Taxable Property		$	7,693,299,977

Note: 2025 Assessed Value of Taxable Property includes a Taxable Freeze of $1,171,496,968.

Source: Medina County Appraisal District.

GENERAL OBLIGATION BONDED DEBT

(as of August 1, 2025)

General Obligation Debt Principal Outstanding

Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2019	$	19,580,000	
Tax Notes, Series 2020		1,265,000	
Tax Notes, Series 2025 (the "Notes")		4,500,000	*
Total Gross General Obligation Debt	$	25,345,000	*
2025 Net Assessed Valuation	$	7,693,299,977	
Ratio of Gross General Obligation Debt Principal to Certified Net Taxable Assessed Valuation		0.33%	*

Population: 2000 - 39,304; 2010 - 46,006; est. 2025 - 57,077
Per Capita Certified Net Taxable Assessed Valuation - $134,788.09
Per Capita Gross General Obligation Debt Principal - $444.05

** Preliminary, subject to change.*

DEBT OBLIGATIONS - CAPITAL LEASE AND NOTES PAYABLE — TABLE 1

Leases:

As of September 30, 2024, the County has two leases outstanding as lessee for the use of two radio towers. Both leases have annual interest rates of 1.722%, are payable in monthly installments, and mature between fiscal years 2051 and 2066. The related assets and accumulated amortization are reported under Right to Use - Land in the County's capital assets. The third lease is for buildings. The lease has an annual interest rate of 3.179%, is payable in monthly installments, and maturities in 2030. The related assets and accumulated amortization are reports under Right to Use - Buildings in the County's capital assets

Debt Service requirements to maturity for the leases are as follows:

Year Ending	Governmental Activities	
30-Sep	Principal	Interest
2025	$ 142,853	$ 42,241
2026	153,648	37,645
2027	163,761	32,728
2028	175,354	27,480
2029	186,456	21,881
2030-2034	233,852	66,583
2035-2039	86,046	57,490
2040-2044	114,642	48,899
2045-2049	146,098	37,745
2050-2054	103,577	26,216
2055-2059	104,307	17,893
2060-2064	123,678	8,122
2065-2066	29,606	298
Total	$ 1,763,878	$ 425,221

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending (9/30)	Current Total Outstanding Debt	The Notes* Principal	The Notes* Interest	The Notes* Total	Total Net Debt Service *
2026	$ 2,373,840	$ 215,000	$ 197,663	$ 412,663	$ 2,786,503
2027	2,372,056	310,000	185,850	495,850	2,867,906
2028	1,732,000	725,000	162,563	887,563	2,619,563
2029	1,728,700	760,000	129,150	889,150	2,617,850
2030	1,733,400	795,000	94,163	889,163	2,622,563
2031	1,731,000	830,000	57,600	887,600	2,618,600
2032	1,728,600	865,000	19,463	884,463	2,613,063
2033	1,731,525	-	-	-	1,731,525
2034	1,733,100	-	-	-	1,733,100
2035	1,728,400	-	-	-	1,728,400
2036	1,732,350	-	-	-	1,732,350
2037	1,729,875	-	-	-	1,729,875
2038	1,730,975	-	-	-	1,730,975
2039	1,730,575	-	-	-	1,730,575
Total	$ 25,516,396	$ 4,500,000	$ 846,450	$ 5,346,450	$ 30,862,846

* *Preliminary, subject to change. Interest calculations based on an assumed rate for purposes of illustration.*

GENERAL OBLIGATION PRINCIPAL REPAYMENT SCHEDULE

(as of August 1, 2025)

Fiscal Year Ending 9/30	Principal Repayment Schedule Currently Outstanding	The Notes*	Total*	Percent of Principal Retired (%)*
2026	$ 1,725,000	$ 215,000	$ 1,940,000	8%
2027	1,775,000	310,000	2,085,000	16%
2028	1,185,000	725,000	1,910,000	23%
2029	1,230,000	760,000	1,990,000	31%
2030	1,285,000	795,000	2,080,000	39%
2031	1,335,000	830,000	2,165,000	48%
2032	1,380,000	865,000	2,245,000	57%
2033	1,425,000	-	1,425,000	62%
2034	1,470,000	-	1,470,000	68%
2035	1,510,000	-	1,510,000	74%
2036	1,560,000	-	1,560,000	80%
2037	1,605,000	-	1,605,000	87%
2038	1,655,000	-	1,655,000	93%
2039	1,705,000	-	1,705,000	100%
Total	$ 20,845,000	$ 4,500,000	$ 25,345,000	

* *Preliminary, subject to change.*

INTEREST AND SINKING FUND MANAGEMENT INDEX

Interest and Sinking Fund Balance, Fiscal Year Ended September 30, 2024	$	106,230
2024 Interest and Sinking Fund Tax Levy at 99% Collections Produce (1)		3,206,184
Total Available for General Obligation Debt	$	3,312,414
Less: General Obligation Debt Service Requirements, Fiscal Year Ending 9/30/25		2,652,380
Estimated Surplus at Fiscal Year Ending 9/30/2025 (1)	$	660,034

(1) *Does not include delinquent tax collections, penalties and interest on delinquent tax collections or investment earnings.*

TAX ADEQUACY

2025 Certified Net Taxable Assessed Valuation	$	7,693,299,977
Maximum Annual Debt Service Requirements (Fiscal Year Ending 9-30-2027)		2,867,906
Anticipated required I&S Fund Tax Rate at 98% Collections to produce Maximum Debt Service requirements	$	0.03804

* *Preliminary, subject to change. Includes the Notes.*

Note: Above computations are exclusive of investment earnings, delinquent tax collections and

TAXABLE ASSESSED VALUATION FOR TAX YEARS 2016-2025 **TABLE 2**

Year	Net Taxable Assessed Valuation	Change From Preceding Year Amount ($)	Change From Preceding Year Percent
2016	$ 2,764,940,918	-	-
2017	3,080,412,913	315,471,995	11.41%
2018	3,296,657,441	216,244,528	7.02%
2019	3,476,214,251	179,556,810	5.45%
2020	3,833,063,855	356,849,604	10.27%
2021	4,372,364,978	539,301,123	14.07%
2022	5,232,813,305	860,448,327	19.68%
2023	6,240,125,807	1,007,312,502	19.25%
2024	6,994,751,873	754,626,066	12.09%
2025	7,693,299,977	698,548,104	9.99%

Source: Medina County Appraisal District.

TAX DATA **TABLE 3**

Taxes are due October 1 and become delinquent after January 31. Current collections are those taxes collected through September 30, applicable to the current year's tax levy. Penalties and Interest: (a) a delinquent tax incurs a penalty of six percent of the amount of the tax for the first calendar month it is delinquent plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax delinquent on July 1 incurs a total penalty of twelve percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent; (b) a delinquent tax accrues interest at rate of one percent for each month or portion of a month the tax remains unpaid; and an additional penalty up to a maximum of 20% of taxes, penalty and interest may be imposed to defray costs of collection for taxes delinquent after July 1. All percentage collections set forth below exclude penalties and interest.

Tax Year	Net Taxable Assessed Valuation	Tax Rate	Tax Levy	% of Collections Current	% of Collections Total	Year Ended
2016	2,764,940,918	0.4606	12,735,318	97.44	99.30	9/30/2017
2017	3,080,412,913	0.4637	14,283,875	97.30	99.73	9/30/2018
2018	3,296,657,441	0.4606	15,184,404	99.40	100.60	9/30/2019
2019	3,476,214,251	0.4606	16,011,443	96.77	100.27	9/30/2020
2020	3,833,063,855	0.4562	17,486,437	98.15	100.57	9/30/2021
2021	4,374,084,631	0.4312	18,861,053	97.50	99.48	9/30/2022
2022	5,232,813,305	0.3913	20,475,998	97.66	99.04	9/30/2023
2023	6,240,125,807	0.3526	22,002,684	97.12	98.52	9/30/2024
2024	6,994,751,873	0.3646	25,502,865	95.58	98.20	9/30/2025*
2025	7,693,299,977					9/30/2026

*As of July 1, 2025.

Source: Medina County Appraisal District.

CLASSIFICATION OF ASSESSED VALUATION **TABLE 4**

	2025	% of Total	2024	% of Total	2023	% of Total
Real, Residential, Single-Family	$ 4,911,259,692		$ 4,655,588,766	36.79%	$ 4,409,774,420	37.49%
Real, Residential, Multi-Family	89,162,975		45,011,605	0.36%	34,613,494	0.29%
Real, Vacant Lots/Tracts	352,205,301		514,518,047	4.07%	554,861,638	4.72%
Real, Acreage (Land Only)	4,420,980,135		4,475,862,500	35.37%	4,295,251,930	36.51%
Real, Farm and Ranch Improvements	1,334,922,795		1,160,216,586	9.17%	1,097,614,606	9.33%
Real, Commercial	466,428,117		423,636,806	3.35%	397,772,916	3.38%
Real, Industrial	231,915,730		180,415,530	1.43%	148,312,980	1.26%
Oil and Gas	13,795,240		18,224,580	0.14%	7,609,080	0.06%
Real & Tangible, Personal Utilities	186,884,330		169,229,900	1.34%	162,192,760	1.38%
Tangible Personal, Commercial	127,043,401		109,695,800	0.87%	94,814,510	0.81%
Tangible Personal, Industrial	748,381,460		594,611,470	4.70%	271,689,290	2.31%
Tangible Personal, Mobile Homes	82,904,320		78,972,100	0.62%	73,586,580	0.63%
Tangible Other Personal, Other	-		-	0.00%	37,000	0.00%
Residential Inventory	81,366,070		66,386,500	0.52%	55,583,060	0.47%
Special Inventory	28,175,200		29,837,660	0.24%	28,902,060	0.25%
Totally Exempt Property	144,126,154		132,273,323	1.05%	130,370,290	1.11%
Total Appraised Value	$ 13,219,550,920		$ 12,654,481,173	100.00%	$ 11,762,986,614	100.00%
Less:						
Optional Over-65 or Disabled HS	$ 84,093,746		$ 77,524,122		$ 75,461,570	
Disabled/Deceased Veterans'	750,417,199		617,899,072		467,620,417	
Pollution Control	5,070,070		5,882,250		6,782,060	
Productivity Loss	4,254,403,380		4,306,940,617		4,127,789,327	
Other Exemptions	142,431,329		131,786,382		131,894,807	
Solar	701,070		755,683		574,463	
10% Homestead Cap Loss	289,134,149		518,941,174		712,738,163	
Net Taxable Assessed Valuation	$ 7,693,299,977		$ 6,994,751,873		$ 6,240,125,807	

Source: Medina County Appraisal District.

PRINCIPAL TAXPAYERS 2024* **TABLE 5**

Name	Type of Business/Property	2024 Net Taxable Assessed Valuation	% of 2024 Assessed Valuation(1)
Microsoft Corporation	Data Center	$ 319,950,000	4.57%
Microsoft Corporation	Data Center	97,587,460	1.40%
Martin Marietta Materials SW, Inc.	Aggregate Supplier	65,734,750	0.94%
Vulcan Materials Company	Aggregate Supplier	63,746,330	0.91%
Union Pacific Railroad Comp	Railroad	58,496,390	0.84%
Martin Marietta Materials Inc	Aggregate Supplier	30,130,300	0.43%
Electric Transmission Texas	Electric Utility	28,126,320	0.40%
Medina Electric COOP Inc	Electric Utility	19,090,080	0.27%
Volta Belting USA	Automative/Industrial	17,365,290	0.25%
North Park Chevrolet Castroville	Auto Dealer	15,498,910	0.22%
		$715,725,830	**10.23%**

(1) As shown in the table above, the total combined top ten taxpayers in the County currently account for over 10% of the County's tax base, thereby creating a concentration risk for the County. Any adverse development related to the taxpayers and their ability to continue to conduct business at their respective locations within the County's boundaries may result in significantly less local tax revenue, thereby severely affecting the County's finances and its ability to repay its outstanding indebtedness. Accordingly, the County makes no representation regarding the continued valuation of any of the property listed in the above table or the generation of future tax revenues therefrom.

** The 2025 Principal Taxpayers were not available at the time of posting this Official Statement.*

TAX RATE DISTRIBUTION **TABLE 6**

	2024	2023	2022	2021	2020
General Fund	$ 0.318300	$ 0.307000	$ 0.336100	$ 0.368800	$ 0.394700
I&S Fund	0.046300	0.045600	0.055200	0.062400	0.061500
Total Tax Rate	$ 0.364600	$ 0.352600	$ 0.391300	$ 0.431200	$ 0.456200
Road & Bridge*	$ 0.086500	$ 0.083000	$ 0.911000	$ 0.091100	$ 0.091100

Source: Medina County Appraisal District.

*Pursuant to Section 256.052, as amended, Texas Transportation Code, and an election held within Medina County Precinct 2 (a defined district within the County) on November 3, 2015, a special road tax of not to exceed $0.05 per $100 assessed valuation is levied upon all taxable property within Medina County Precinct 2 in addition to the County Road and Bridge Tax. The Medina County Precinct 2 special road tax may not be used for debt service.

MUNICIPAL SALES TAX COLLECTIONS **TABLE 7**

The County has adopted the provisions of Chapter 321, as amended, Texas Tax Code. In addition, some issuers are subject to a property tax relief and/or an economic and industrial development tax. The County's approved a 1/2 cent sales tax for property relief to be effective 01/1/88. Net collections on calendar year basis are as follows:

Calendar Year	Total Collected	% of Ad Valorem Tax Levy [1]	Equivalent of Ad Valorem Tax Rate
2016	1,824,555	14.33%	1.515
2017	1,925,940	13.48%	1.599
2018	2,282,286	15.03%	1.440
2019	2,652,485	16.57%	1.311
2020	2,515,260	14.38%	1.524
2021	2,865,415	15.19%	1.527
2022	3,279,347	16.02%	1.596
2023	3,600,048	16.36%	1.733
2024	3,686,025	14.45%	1.898
2025	2,739,641	*(As of August, 2025)*	

Source: State Comptroller's Office of the State of Texas.

[1] *Calculated to reflect only the sales tax revenues collected by the County from its 1/2% sales tax.*

Source: State Comptroller's Office of the State of Texas.

OVERLAPPING DEBT INFORMATION

(As of August 1, 2025)

The following table indicates the indebtedness, defined as outstanding bonds payable from ad valorem taxes, of governmental entities overlapping the County and the estimated percentages and amounts of such indebtedness attributable to property within the County. Expenditures of the various taxing bodies overlapping the territory of the Issuer are paid out of ad valorem taxes levied by these taxing bodies on properties overlapping the Issuer. These political taxing bodies are independent of the Issuer and may incur borrowings to finance their expenditures. The following statements of direct and estimated overlapping ad valorem tax bonds was developed from information contained in the "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the Issuer, the Issuer has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have authorized or issued additional bonds since the date stated below, and such entities may have programs requiring the authorization and/or issuance of substantial amounts of additional bonds, the amount of which cannot be determined.

Taxing Body	Gross Debt (As of 8/1/25)	% Overlapping	Amount Overlapping	
Castroville, City of	$ 15,220,000	100.00%	$ 15,220,000	
D'Hanis ISD	3,271,000	100.00%	3,271,000	
Devine ISD	17,940,000	91.87%	16,481,478	
Devine, City of	9,405,000	100.00%	9,405,000	
Hondo ISD	26,903,000	98.47%	26,491,384	
Hondo, City of	21,765,000	100.00%	21,765,000	
Lytle ISD	40,095,000	24.84%	9,959,598	
Lytle, City of	8,275,000	26.34%	2,179,635	
Medina Valley ISD	542,891,680	47.48%	257,764,970	
Natalia ISD	30,983,000	100.00%	30,983,000	
Natalia, City of	1,732,000	100.00%	1,732,000	
Northside ISD	2,619,810,000	0.32%	8,383,392	
Redbird Ranch WC&ID #2	29,920,000	37.47%	11,211,024	
San Antonio, City of	2,798,005,000	**	-	
Utopia ISD	-	1.71%	-	
Total Gross Overlapping Debt			$ 414,847,481	
Medina County			$ 25,345,000	*
Total Gross Direct and Overlapping Debt			$ 440,192,481	*
Ratio of Gross Direct Debt and Overlapping Debt			5.72%	*
Per Capita Gross Direct Debt and Overlapping Debt			$7,712.26	
Total Net Direct and Overlapping Debt			$ 440,192,481	
Ratio of Net Direct and Overlapping Debt to 2025 Net Assessed Valuation			5.72%	
Per Capita Net Direct and Overlapping Debt			$7,712.26	

Source: Texas Municipal Reports published by the Municipal Advisory Council of Texas

** Preliminary, subject to change. Includes the Notes.*

ASSESSED VALUATION AND TAX RATE OF OVERLAPPING ISSUERS

Governmental Subdivision	2024 Assessed Valuation	% of Actual	2024 Tax Rate
Castroville, City of	$ 428,385,327	100%	$ 0.523000
D'Hanis ISD	269,174,412	100%	0.922000
Devine ISD	687,778,206	100%	0.937000
Devine, City of	314,888,053	100%	0.590000
Hondo ISD	1,088,054,956	100%	0.927000
Hondo, City of	508,018,374	100%	0.480000
Lytle ISD	586,295,032	100%	1.190000
Lytle, City of	294,001,797	100%	0.398000
Medina Valley ISD	5,942,249,683	100%	1.167000
Natalia ISD	419,156,394	100%	1.155000
Natalia, City of	86,685,696	100%	0.478000
Northside ISD	77,191,881,620	100%	1.005000
Redbird Ranch WC&ID #2	198,231,877	100%	1.000000
San Antonio, City of	161,240,688,035	100%	0.542000
Utopia ISD	367,637,354	100%	0.667000

Source: Texas Municipal Reports published by the Municipal Advisory Council of Texas.

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS OF DIRECT AND OVERLAPPING GOVERNMENTAL SUBDIVISIONS

Issuer	Date of Authorization	Amount Authorized	Amount Issued to Date	Amount Unissued
Castroville, City of	None			
D'Hanis ISD	None			
Devine ISD	None			
Devine, City of	None			
Hondo ISD	None			
Hondo, City of	None			
Lytle ISD	None			
Lytle, City of	None			
Medina Valley ISD	5/4/2024	$ 290,000,000	$ 11,200,000	$ 278,800,000
Natalia ISD	None			
Natalia, City of	None			
Northside ISD	5/7/2022	$ 992,000,000	$ 450,000,000	$ 542,000,000
Redbird Ranch WC&ID #2	11/3/2020	$ 449,606,000	$ 30,160,000	$ 419,446,000
San Antonio, City of	5/7/2022	$ 1,200,000,000	$ 552,885,000	$ 647,115,000
Utopia ISD	None			
	Total	$ 1,441,606,000	$ 480,160,000	$ 961,446,000
Medina County	None			

Source: Texas Municipal Reports published by the Municipal Advisory Council of Texas.

GENERAL FUND COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES **TABLE 8**

The following statements set forth in condensed form reflect the historical operations of the Issuer. Such summary has been prepared for inclusion herein based upon information obtained from the Issuer's audited financial statements and records. Reference is made to such statements for further and complete information.

	Fiscal Year Ended				
	9/30/2024	**9/30/2023**	**9/30/2022**	**9/30/2021**	**9/30/2020**
Fund Balance - Beginning of Year	$ 15,600,746	$ 17,397,761	$ 15,756,823	$ 11,263,400 *	$ 11,189,154
Revenues	27,483,939	25,241,439	24,082,773	23,740,756	20,549,842
Expenditures	25,677,316	24,995,880	20,876,877	19,139,358	19,301,762
Excess (Deficit) of Revenues Over Expenditures	$ 1,806,623	$ 245,559	$ 3,205,896	$ 4,601,398	$ 1,248,080
Other Financing Sources (Uses):					
Proceeds from debt issuance	$ -	$ -	$ -	$ -	$ -
Proceeds from capital lease	-	-	-	171,494	58,806
Sale of capital assets	6,086	-	38,925	301,277	-
Insurance recoveries	-	-	-	803,241	-
Operating Transfers In	100,429	85,858	-	1,015	-
Operating Transfers Out	(2,492,986)	(2,128,432)	(1,603,883)	(1,385,002)	(1,232,643)
Total Other Financing Sources (Uses):	$ (2,386,471)	$ (2,042,574)	$ (1,564,958)	$ (107,975)	$ (1,173,837)
Fund Balance - End of Year	$ 15,020,898	$ 15,600,746	$ 17,397,761	$ 15,756,823	$ 11,263,397

**Reflects rounding.*
Source: The Issuer's Annual Financial Report.
The County anticipates as of September 30, 2025 the Fund Balance will be approximately $18,458,774.

EMPLOYEES PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFITS **TABLE 9**

Information regarding the County's Defined Benefit Pension Plan can be found in the County's Annual Financial Report beginning on page 32 of the Audit for the fiscal year ending September 30, 2024.

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APPENDIX B

GENERAL INFORMATION REGARDING MEDINA COUNTY, TEXAS

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General Information Regarding Medina County

Medina County, Texas (the "County") was formed on February 12, 1848, using land taken from Bexar County. The County was named after the river that flows through it, the Medina River, and has a total area of 1,334 square miles. The County is a rural county but is a part of the San Antonio-New Braunfels Metropolitan Statistical Area. The San Antonio-New Braunfels Metro area is an eight-county metropolitan area that includes South Texas and Central Texas. In 2000 the U.S. Census metropolitan's population was 2,558,143; for 2025 that estimate grew up to 2,491,000.

The County is home to the Medina Dam, the fourth largest at is completion in 1913, which created Medina Lake. Medina Lake is a large reservoir for boating and fishing. It's a 6,060-acre reservoir on the Medina River. Castroville Regional Park has 126 riverside acres with hiking trails and a swimming pool. The Hill Country State Natural Area is home to a large park with rugged terrain offering 40 miles of multiuse trails, campgrounds and primitive sites.

Historic sites include the Alsatian Steinbach House Park, St. Louis Catholic Church and the Landmark Inn State Historic Site. The surrounding cities also offer a wide variety of antique shops.

Labor Force Statistics [(1)]

	2025 (2)	2024 (3)	2023 (3)	2022 (3)
Civilian Labor Force	24,647	24,144	23,453	22,698
Total Employed	23,676	23,163	22,547	21,816
Total Unemployed	971	981	906	882
% Unemployment	3.9	4.1	3.9	3.9
Texas Unemployment	4.0	3.9	4.0	4.1

____

(1) Source: Texas Workforce Commission.
(2) As of June 2025.
(3) Average Annual Statistics.

CITY OF HONDO, TEXAS

The City of Hondo, Texas (the "City") is the county seat of Medina County, Texas. The City was first settled in 1881 and incorporated in 1942. The City is located 40 miles west of San Antonio, Texas on Highway 90. The City sits on 9.6 square miles of land The City's 2020 population was 8,289 and in 2025 an estimated 9,098.

The City provides a full range of services, including police and fire protection, recreational facilities, airport operations, water, electric, sanitation and sewer services

Hondo is known for hosting seasonal festivals and fairs. The Cowboy Country Roundup in the spring, the Hondo Army Airfield Fly in May, in October Wild Game Festival, and in December the Hometown Holiday event.

Attractions in Hondo include: Medina County Museum, South Texas Maize, hunting and fishing.

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APPENDIX C

FORM OF LEGAL OPINION OF BOND COUNSEL

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September 17, 2025

MEDINA COUNTY, TEXAS
TAX NOTES, SERIES 2025
DATED AS OF SEPTEMBER 1, 2025
IN THE AGGREGATE PRINCIPAL AMOUNT OF $__________

AS BOND COUNSEL FOR MEDINA COUNTY, TEXAS (the *County*) in connection with the issuance of the anticipation notes described above (the *Notes*), we have examined into the legality and validity of the Notes, which bear interest from the dates specified in the text of the Notes until maturity at the rates and payable on the dates as stated in the text of the Notes, all in accordance with the terms and conditions stated in the text of the Notes.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and the general laws of the State of Texas and a transcript of certified proceedings of the County, and other pertinent instruments authorizing and relating to the issuance of the Notes including (i) the order authorizing the issuance of the Notes (the *Order*), (ii) one of the executed Notes (Note No. T-1), and (iii) the County's Federal Tax Certificate of even date herewith.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Notes have been authorized, issued and delivered in accordance with law; that the Notes constitute valid and legally binding general obligations of the County in accordance with their terms except as the enforceability thereof may be limited by governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally or by general principles of equity which permit the exercise of judicial discretion; that the County has the legal authority to issue the Notes and to repay the Notes; and that the Notes are payable from the levy of a direct and continuing annual ad valorem tax, within the limit prescribed by law, against all taxable property in the County, as provided in the Order.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Notes is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion. We are further of the opinion that the Notes are not "specified private activity bonds" and that, accordingly, interest on the Notes will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986. In expressing the aforementioned opinions, we have relied on certain representations of the County, the accuracy of which we have not independently verified, and have assumed compliance by the County with certain covenants regarding the use and investment of the proceeds of the Notes and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or if the County fails to comply with such covenants, interest on the Notes may become includable in gross income retroactively to the date of issuance of the Notes.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Notes, including the amount, accrual or receipt of interest on, the Notes. Owners of the Notes should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Notes.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further given, and are based on our knowledge of facts, as of the date hereof. We assume no duty or obligation to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the *Service*); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Notes. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the County as the taxpayer. We observe that the County has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Notes as includable in gross income for federal income tax purposes.

OUR SOLE ENGAGEMENT in connection with the issuance of the Notes is as Bond Counsel for the County, and, in that capacity, we have been engaged by the County for the sole purpose of rendering an opinion with respect to the legality and validity of the Notes under the Constitution and the general laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Notes for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the County, or the disclosure thereof in connection with the sale of the Notes, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Notes and we have relied solely on certificates executed by officials of the County as to the current outstanding indebtedness of, and assessed valuation of taxable property within, the County.

Respectfully,

APPENDIX D

FINANCIAL SATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

(Independent Auditor's Report, General Financial Statements and Notes to the Financial Statements – not intended to be a complete statement of the Issuer's financial condition. Reference is made to the complete Annual Financial Report for further information.)

MEDINA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2024

MEDINA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable County Judge and
Commissioners' Court
Hondo, Texas

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Medina County, Texas as of September 30, 2024, 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 Medina County, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2024, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Medina County, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* 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 Medina County, Texas' 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 Medina County, Texas' 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 pension and OPEB information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Medina County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of federal and state awards, as required by *Title 2 U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Texas Grant Management Standards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24 2025, on our consideration of Medina County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Medina County, Texas' 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 Medina County, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 24, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis

As management of Medina County, we offer readers of Medina County's financial statements this narrative overview and analysis of the financial activities of Medina County for the fiscal year ended September 30, 2024.

Financial Highlights

- The assets and deferred outflows of Medina County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $69,960,054.
- The County's total net position increased by $4,118,562.
- Unrestricted net position of $16,228,693 is available to meet the County's ongoing obligations to citizens and creditors.
- Restricted net position of $5,196,360 are funds set aside for specific purposes.
- As of the close of the fiscal year ending September 30, 2024, Medina County's governmental funds reported combined ending fund balances of $19,471,108, an increase of $26,967 from the prior year.
- Unassigned fund balance for the General Fund was $14,090,050.

Overview of the Financial Statements

This discussion and analysis is an introduction to Medina County's basic financial statements. The County's basic financial statements encompass three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements provide readers with a broad overview of Medina County's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to the direction of the financial position of Medina County.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, debt payments, and earned but unused vacation leave).

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Medina County maintains 37 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Hill County PDO Fund which are considered to be major funds. Data from the other 35 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Medina County adopts an annual appropriated budget for its General Fund, certain Special Revenue Funds, and the Debt Service Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

Proprietary funds. Medina County maintains proprietary funds in the form of Internal Service Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Medina County uses an Internal Service Fund to account for its Employee Health Insurance funds and Claims Escrow. Because both of these services benefit governmental activities, they have been included within governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties which are not a component of the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Medina County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Financial Analysis of Government-wide Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Medina County, assets exceeded liabilities by $69,960,054 at the close of the most recent fiscal year.

MEDINA COUNTY'S NET POSITION

	Governmental Activities	
	2024	2023
Current assets	$ 27,198,271	$ 28,741,297
Noncurrent assets	75,608,402	72,780,877
Total assets	102,806,673	101,522,174
Deferred outflows of resources	2,179,550	3,037,194
Current liabilities	4,343,895	4,924,024
Noncurrent liabilities	30,032,661	33,027,084
Total liabilities	34,376,556	37,951,108
Deferred inflows of resources	649,613	766,768
Net position:		
Net investment in capital assets	48,535,001	44,465,665
Restricted	5,196,360	3,673,274
Unrestricted	16,228,693	17,702,553
Total net position	$ 69,960,054	$ 65,841,492

An additional portion of the County's net position, $5,196,360, represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of $16,228,693 may be used to meet the County's ongoing obligations to citizens and creditors.

MEDINA COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2024	2023
REVENUES		
Program revenues:		
Charges for services	$ 5,873,174	$ 5,812,312
Operating grants and contributions	6,527,211	5,389,819
Capital grants and contributions	1,331,832	-
General revenues:		
Property taxes	27,890,049	25,888,766
Sales taxes	4,480,651	4,391,674
Other	197,720	77,078
Investment earnings	723,903	610,960
Miscellaneous	371,106	380,453
Total revenues	47,395,646	42,551,062
EXPENSES		
General government	12,957,823	11,463,770
Legal	7,202,121	6,906,609
Public safety	15,166,263	12,844,345
Public transportation	5,076,172	4,102,387
Health and welfare	2,159,693	1,916,833
Interest on long-term debt	715,012	730,108
Total expenses	43,277,084	37,964,052
CHANGE IN NET POSITION	4,118,562	4,587,010
NET POSITION, BEGINNING	65,841,492	61,254,482
NET POSITION, ENDING	$ 69,960,054	$ 65,841,492

Property taxes are collected to support government activity through the General Fund, special road and bridge funds, and Debt Service Fund. The County tax rate decreased from the prior year. Property tax revenues increased by $2,001,283 to $27,890,049 for the year because of increased values and new developments added to the rolls.

Financial Analysis of the Governmental Funds

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Medina County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Medina County's governmental funds reported combined ending fund balances of $19,471,108, an increase of $26,967 in comparison with the prior year. This increase is primarily attributable to of increased values and new developments added to the rolls. Revenues exceeded expenditures for regular operations. Approximately 69% percent of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted or assigned and is not available for new spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance of the General Fund was $15,020,898. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Fund balance in the General Fund represents 56% of total General Fund expenditures. Maintaining a significant fund balance is essential for sound financial management because a great majority of the grant funding for the County is in the form of reimbursements requiring the use of County funding upfront.

Proprietary funds. Proprietary funds are made up of an Internal Service Fund, which include the Employee Health Insurance Fund.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for fiscal year ending September 30, 2024, can be summarized as follows:

- Actual revenue exceeded budgeted revenue by $370,008.
- Actual revenues exceeded expenditures by $1,806,623.
- Final budgeted expenditures exceeded the actual final expenditures amount by $1,269,632.

Capital Asset and Debt Administration

Capital assets. Medina County's investment in capital assets for its governmental activities as of September 30, 2024, amounts to $75,608,402 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, roads, highways, and bridges.

A portion of the County's net position, $48,535,001, reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). Medina County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay the debt associated with these capital assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Capital assets are shown in the chart below.

	2024	2023
Non-depreciable:		
Construction in progress	$ 20,700,103	$ 19,742,570
Land	4,906,852	4,860,944
Capital assets, non-depreciable	25,606,955	24,603,514
Capital assets, net of depreciation:		
Buildings and improvements	30,063,832	29,268,759
Machinery and equipment	27,422,188	25,470,645
Infrastructure	29,290,181	26,622,413
Right to use:		
Leases	1,908,020	827,133
SBITAs	-	488,886
Less: accumulated depreciation	(38,682,774)	(34,500,473)
Total capital assets	$ 75,608,402	$ 72,780,877

Major capital asset events during the current fiscal year included the following:

- Continued construction for the Courthouse Annex and County Jail;
- Acquisition of additional machinery for road maintenance; and
- Acquisition of vehicles and equipment for various departments.

Additional information about Medina County's capital assets can be found in Note 3 of the notes to the financial statements.

Long-term debt. During the current fiscal year, the County had long-term debt of $25,788,163. The full amount is backed by the full faith and credit of the County. Included in this amount certificates of obligation, tax notes, time warrants, and leases.

Additional information on Medina County's long-term debt can be found in Note 3 of the notes to the financial statements.

	Governmental Activities	
	2024	2023
Certificates of obligation	$ 20,630,000	$ 21,430,000
Premium on certificate of obligation	1,229,285	1,311,237
Tax notes	2,165,000	3,455,000
Time warrants	-	57,030
Leases	1,763,878	815,941
SBITAs	-	94,570
Total	$ 25,788,163	$ 27,163,778

Economic Factors and Next Year's Budgets and Rates

The County of Medina develops a budget to help effectively accomplish the highest priorities and objectives throughout the upcoming October-September fiscal year.

Our fiscal year 2024-2025 budget had a new taxable appraised value of $6.75 billion, an increase of $518 million (7.6%) from the previous fiscal year. This appraised value includes $1.03 billion of frozen appraised values for individuals over 65 years of age. The total tax rate for fiscal year 2024-2025 adopted by the Commissioners Court for the County of Medina is $0.4511 per $100 of assessed valuation, an increase from the total tax rate of $0.4356 from prior fiscal year 2023-2024. This tax rate will provide 53.6% of our approximate total $72.2 million of budgeted expenses and expect the remaining from other revenue sources and beginning fund balance. The general fund budgeted expenses increased in fiscal year 2024-2025 budget to $30.6 million from $29.4 million in prior fiscal year budget. This 4.08% increase in the budget was primarily due to cost-of-living adjustments to employee wages, salary realignments for elected officials based on the Texas Association of Counties 2024 Salary Survey, additional staff added, increase in countywide property insurance premiums and the nationwide inflation of maintenance and operations.

Requests for Information

This financial report provides an overview of Medina County's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Eduardo Lopez, Medina County Auditor.

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BASIC
FINANCIAL STATEMENTS

MEDINA COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
Cash and investments	$ 19,883,737
Receivables:	
Ad valorem taxes	1,480,696
Sales tax	1,517,969
Intergovernmental	1,835,707
Fines	2,088,734
Other	354,099
Prepaids	37,329
Capital assets:	
Nondepreciable	25,606,955
Depreciable, net of accumulated depreciation	50,001,447
Total assets	102,806,673
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,051,360
Deferred outflows related to OPEB	128,190
Total deferred outflows of resources	2,179,550
LIABILITIES	
Accounts payable	1,850,993
Accrued liabilities	1,021,692
Interest payable	62,634
Unearned revenue	822,842
Other liabilities	585,734
Noncurrent liabilities:	
Due within one year:	
Long-term debt	2,243,192
Total OPEB - retiree health	131,636
Due in more than one year:	
Long-term debt	23,886,907
Retainage payable	1,493,589
Net pension liability	21,019
Total OPEB - retiree health	2,256,318
Total liabilities	34,376,556
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	54,841
Deferred inflows related to OPEB - retiree health	594,772
Total deferred outflows of resources	649,613
NET POSITION	
Net investment in capital assets	48,535,001
Restricted for:	
Road and bridge	2,828,101
Debt service	174,465
Records management and technology	1,140,071
Law enforcement and security	334,393
Grant requirements	719,330
Unrestricted	16,228,693
Total net position	$ 69,960,054

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

MEDINA COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
					Primary Government
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities:					
General administration	$ 12,957,823	$ 3,821,205	$ 83,131	$ 540,005	$ (8,513,482)
Legal	7,202,121	201,936	3,616,347	-	(3,383,838)
Public safety	15,166,263	735,117	1,365,025	791,827	(12,274,294)
Public transportation	5,076,172	1,110,016	-	-	(3,966,156)
Health and welfare	2,159,693	4,900	1,462,708	-	(692,085)
Interest on long-term debt	715,012	-	-	-	(715,012)
Total governmental activities	$ 43,277,084	$ 5,873,174	$ 6,527,211	$ 1,331,832	$ (29,544,867)
General revenues:					
Taxes:					
Property					27,890,049
Sales					4,480,651
Other taxes					197,720
Investment earnings					723,903
Miscellaneous					371,106
Total general revenues					33,663,429
Change in net position					4,118,562
Net position, beginning					65,841,492
Net position, ending					$ 69,960,054

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

MEDINA COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General	Hill Country PDO
ASSETS		
Cash and investments	$ 13,268,889	$ 65,332
Receivables:		
Ad valorem taxes	1,055,888	-
Sales tax	1,517,969	-
Intergovernmental	377,392	894,444
Other	210,942	-
Due from other funds	1,086,936	-
Prepaid assets	36,729	-
Total assets	17,554,745	959,776
LIABILITIES		
Accounts payable	716,843	80,190
Payroll liabilities	647,559	112,842
Other liabilities	200,317	266,703
Due to other funds	-	500,289
Unearned revenue	-	-
Total liabilities	1,564,719	960,024
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	969,128	-
Total deferred inflows of resources	969,128	-
FUND BALANCES		
Nonspendable - prepaid assets	36,729	-
Restricted for:		
Road and bridge	-	-
Debt service	-	-
Records management and technology	-	-
Law enforcement and security	-	-
Grant requirements	-	-
Capital projects	-	-
Assigned for:		
Subsequent year's budget	894,119	-
Unassigned	14,090,050	(248)
Total fund balances	15,020,898	(248)
Total liabilities, deferred inflows and fund balances	$ 17,554,745	$ 959,776

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

Other Governmental	Total Governmental Funds
$ 6,520,223	$ 19,854,444
424,808	1,480,696
-	1,517,969
563,871	1,835,707
135,124	346,066
301,084	1,388,020
600	37,329
7,945,710	26,460,231
1,049,471	1,846,504
261,291	1,021,692
118,714	585,734
887,731	1,388,020
814,809	814,809
3,132,016	5,656,759
363,236	1,332,364
363,236	1,332,364
600	37,329
2,595,734	2,595,734
106,230	106,230
1,140,071	1,140,071
334,393	334,393
719,330	719,330
208,351	208,351
-	894,119
(654,251)	13,435,551
4,450,458	19,471,108
$ 7,945,710	$ 26,460,231

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MEDINA COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

Total fund balances - governmental funds balance sheet		$ 19,471,108
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.		74,114,813
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized in the statement of net position.		
Accrued interest	$ (62,634)	
Certificates of obligation	(20,630,000)	
Premium on issuance	(1,229,285)	
Tax Notes	(2,165,000)	
Leases	(1,763,878)	
Compensated absences	(341,936)	
Deferred outflow related to pensions	2,051,360	
Deferred inflow related to pensions	(54,841)	
Deferred outflow related to OPEB	128,190	
Deferred inflow related to OPEB	(594,772)	
Net pension liability	(21,019)	
Total OPEB liability	(2,387,954)	
Total long-term liabilities		(27,071,769)
The assets and liabilities of the Internal Service Fund are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		24,804
Long-term assets are not available to pay for current period expenditures and, therefore are not reported in the funds.		
Fines and court costs	2,088,734	
Property taxes	1,332,364	
Total long-term assets		3,421,098
Net position of governmental activities		$ 69,960,054

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

MEDINA COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General	Debt Service*	Certificates of Obligation 2019*
REVENUES			
Property taxes	$ 18,370,426		
Sales tax	4,480,651		
Other taxes	34,561		
Licenses and permits	-		
Intergovernmental	215,279		
Charges for services	3,297,247		
Fines and forfeitures	410,231		
Interest	479,127		
Miscellaneous	196,417		
Total revenues	27,483,939		
EXPENDITURES			
Current:			
General administration	7,815,480		
Legal	3,914,371		
Public safety	12,836,362		
Public transportation	-		
Health and welfare	598,487		
Capital outlay	397,378		
Debt service:			
Principal	99,755		
Interest and other charges	15,483		
Total expenditures	25,677,316		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,806,623		
OTHER FINANCING SOURCES (USES)			
Proceeds from lease issuance	-		
Sale of capital assets	6,086		
Transfers in	100,429		
Transfers out	(2,492,986)		
Total other financing sources and uses	(2,386,471)		
NET CHANGE IN FUND BALANCES	(579,848)		
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	15,600,746	173,347	(38,006)
ADJUSTMENTS			
Change in financial reporting entity- fomerly a major fund*	-	(173,347)	38,006
FUND BALANCES, BEGINNING, RESTATED	15,600,746	-	-
FUND BALANCES, ENDING	$ 15,020,898	$ -	$ -

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

American Rescue Plan*	Hill Country PDO	Other Governmental	Total Governmental Funds
	$ -	$ 9,198,393	$ 27,568,819
	-	-	4,480,651
	-	163,159	197,720
		957,800	957,800
	2,214,491	4,927,253	7,357,023
	764,368	1,157,607	5,219,222
	-	1,036,465	1,446,696
	-	243,772	722,899
	-	174,689	371,106
	2,978,859	17,859,138	48,321,936
	-	3,046,466	10,861,946
	3,090,861	561,259	7,566,491
	-	1,338,582	14,174,944
	-	5,758,469	5,758,469
	-	1,431,213	2,029,700
	1,080,610	3,175,068	4,653,056
	127,488	2,147,030	2,374,273
	32,511	753,703	801,697
	4,331,470	18,211,790	48,220,576
	(1,352,611)	(352,652)	101,360
	1,080,610	-	1,080,610
	-	3,911	9,997
	342,883	1,256,186	1,699,498
	(70,875)	(300,637)	(2,864,498)
	1,352,618	959,460	(74,393)
	7	606,808	26,967
107,241	(255)	3,601,068	19,444,141
(107,241)	-	242,582	-
-	(255)	3,843,650	19,444,141
$ -	$ (248)	$ 4,450,458	$ 19,471,108

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MEDINA COUNTY, TEXAS

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, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds		$ 26,967
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	$ 6,654,839	
Depreciation expense	(4,770,926)	
Net adjustment		1,883,913
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.		
Repayments:		
General and certificates of obligations	800,000	
Premium on bonds issuance	81,952	
Tax notes	1,290,000	
Time warrants	57,030	
SBITAs	94,570	
Leases	132,673	
Net adjustment		2,456,225
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Accounts receivable:		
Property taxes	321,230	
Fines and court costs	(1,248,524)	
Net adjustment		(927,294)
An Internal Service Fund is used by management to charge the costs of certain activities, such as health insurance premiums, to individual funds. The net revenue (expense) of certain Internal Service Funds is reported with governmental activities.		(67,302)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are recognized for transactions that are normally paid with expendable, available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized as an expenditure under the modified accrual basis of accounting until due, rather than as it accrues.		
Interest on long-term debt	4,733	
Compensated absences	8,032	
OPEB cost	168,067	
Pension cost	565,222	
Net adjustment		746,054
Change in net position of governmental activities		$ 4,118,563

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

MEDINA COUNTY, TEXAS

STATEMENT OF NET POSITION

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

SEPTEMBER 30, 2024

ASSETS	
Cash and investments	$ 29,293
Other receivables	8,033
Total assets	37,326
LIABILITIES	
Accounts payable	4,489
Unearned revenue	8,033
Total liabilities	12,522
NET POSITION	
Unrestricted	24,804
Total net position	$ 24,804

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

MEDINA COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

OPERATING REVENUES	
Charges for services	$ 3,681,330
Total operating revenues	3,681,330
OPERATING EXPENSES	
Claims	135,573
Premiums and administrative	4,779,064
Total operating expenses	4,914,637
OPERATING INCOME (LOSS)	(1,233,307)
NONOPERATING REVENUES	
Interest and investment earnings	1,004
Income before transfers	(1,232,303)
TRANSFERS	
Transfer In	1,165,000
CHANGE IN NET POSITION	(67,303)
TOTAL NET POSITION, BEGINNING	92,107
TOTAL NET POSITION, ENDING	$ 24,804

MEDINA COUNTY, TEXAS

STATEMENT OF CASH FLOWS

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	$ 3,681,330
Cash paid to suppliers for services	(4,914,289)
Net cash used by operating activities	(1,232,959)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in from other funds	1,165,000
Net cash provided by operating activities	1,165,000
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and investment earnings	1,004
Net cash provided by investing activities	1,004
NET DECREASE IN CASH AND CASH EQUIVALENTS	(66,955)
CASH AND CASH EQUIVALENTS, BEGINNING	96,248
CASH AND CASH EQUIVALENTS, ENDING	$ 29,293
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	$ (1,233,307)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Increase (decrease) in accounts payable	348
Net cash used by operating activities	$ (1,232,959)

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

MEDINA COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

SEPTEMBER 30, 2024

	Custodial Funds
ASSETS	
Cash and investments	$ 10,591,073
Total assets	10,591,073
LIABILITIES	
Due to other governments	3,250,450
Total liabilities	3,250,450
NET POSITION	
Restricted for individuals, organizations and other governments	7,340,623
Total net position	$ 7,340,623

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

MEDINA COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Custodial Funds
ADDITIONS	
Contributions from judgements	$ 433,062
Commissions income	75,849
Taxes and fees collected	157,565,949
Bonds received	786,595
Deposits held	34,759,752
Interest income	22,328
Seizure	44,877
Total additions	193,688,412
DEDUCTIONS	
Bonds refunded	156,852
Disbursements on behalf of contracting entities	152,627,824
Buy money	2,000
Judgements	82,458
Tax sale Fee	297,158
Deposits returned	33,873,736
Disbursements to beneficiaries	1,401,798
Other	2,238
Total deductions	188,444,064
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	5,244,348
NET POSITION, BEGINNING	2,096,275
NET POSITION, ENDING	$ 7,340,623

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Medina County, Texas, was organized in 1848. The County operates under a County Judge-Commissioners' Court type of government and provides the following services throughout the County: public safety (law enforcement), public transportation (highways and roads), health and welfare, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. A summary of the significant accounting policies consistently applied in the preparation of financial statements follows:

The definition of the reporting entity is based primarily on the notion of financial accountability. The elected officials governing Medina County are accountable to their constituents for their public policy decisions, regardless of whether those decisions are carried out directly through the operations of the County or by their appointees through the operations of a separate entity. Therefore, the County is not only financially accountable for the organizations that make up its legal entity, it is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the County.

Depending upon the significance of the County's financial and operational relationships with various separate entities, the organizations are classified as blended or discretely presented component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

Based upon the foregoing criteria, there are no component units for Medina County.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. 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,* as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

Hill Country PDO is used to account for the Hill Country Regional Public Defender Office. This is an interlocal agreement with Bandera, Gillespie, Kendall, Kerr and Medina Counties to establish a regional public defenders office. Medina County functions as the fiscal agent for this office.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for specific revenue sources (other than for capital projects) that are legally restricted to expenditures for specified purposes. These legal restrictions can come from outside the county or from Commissioners' Court.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Internal Service Fund accounts for health insurance services provided to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent for others.

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

Amounts reported as *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, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

D. Assets, Liabilities and Net Position or Equity

Cash and Investments

The government's cash and cash equivalents are considered to be cash on hand and demand deposits.

Operating cash is administered using a "pool" concept which combines the monies of most County funds into a single interest-bearing bank account for control purposes. Each fund's portion of this pool is accounted for in the applicable fund. Interest earnings on these deposits are apportioned to each fund based on their end of month balance in the pool. Investments for the County are reported at fair value, except for the position in investment pools.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans).

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review, and judicial review. Property taxes are levied by October 1 of the year in which assessed or as soon thereafter as practicable. The Medina County Tax Assessor-Collector bills and collects the ad valorem property taxes (including penalty and interest and delinquent tax attorney fees, if any) for the County. Property taxes are due and payable from October 1 of the year in which levied until January 31 of the following year without interest or penalty.

Collections of the current year's levy are reported as current collections if received by June 30 (within nine months of the October 1 due date). Collections received thereafter are reported as delinquent collections.

The County's taxes on Medina property are a lien against such property until paid. The County may foreclose on Medina property upon which it has a lien for unpaid taxes. The exception is homestead property belonging to persons 65 years of age or older. Although the County does collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected, are generally paid when there is a sale or a transfer of the title to the property.

Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes become delinquent. Unlike Medina property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

The County distributes all tax collections to the General Fund, Road and Bridge, and Debt Service Funds.

The 2023 Tax Rate for the fiscal year ended September 30, 2024, was $0.4356 per $100 valuation.

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a County-wide appraisal district and an appraisal review board in each County in the State. The Medina County Tax Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of property for all taxing units in the County.

The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, Medina County property must be reappraised at least every four years. Under certain circumstances, taxpayers and taxing units, including the County, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action. Under the Code, the Commissioners' Court will continue to set County tax rates on property.

Inventories

Inventories of supplies on hand have not been recorded, as such supplies are of an expendable nature and are expensed when purchased. As these amounts do not seem to fluctuate a great deal from year to year, it is felt that the exclusion of inventories does not materially affect either the financial position or results of operations of these funds.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Right to use - buildings	20-50
Right to use - land	25-50
Right to use - software	3-10
Buildings	20-50
Improvements	5-50
Equipment	5-20

Compensatory Time (Comp Time)

Medina County employees may be required by their department heads to work hours in excess of forty (40) hours per week. Due to our restricted revenues, only law enforcement departments are budgeted for overtime pay. Therefore, all non-exempt employees that work in excess of 40 hours per week for an unbudgeted department, Medina County uses compensatory time off (Comp Time) to compensate for overtime hours worked. Comp time accrues only when an employee actually works over 40 hours per week. An employee may accrue a maximum of 40 hours of Comp time, any additional overtime hours worked will be paid at the one-and-one-half (1 ½) times the employee's regular hourly pay rate. Overtime for law enforcement employees shall be handled in accordance with the policy for overtime compensation established by the Sheriff's Department and approved by the Commissioner's Court. Employees are entitled to payment for unused Comp Time upon termination.

Personnel Time Off (PTO) & Vacation Leave

All full-time regular employees of Medina County are eligible for Personnel Time Off (PTO) and vacation benefits. Accrual of PTO and vacation benefits shall begin on the employee's first day of work in a full-time position. However, an employee must work for a minimum of ninety (90) days in said position before he/she is eligible to use PTO or vacation time. Employees shall not be allowed to borrow PTO or vacation time against future accruals, nor should employees be allowed to receive pay in lieu of taking time off. PTO and vacation time accrue at a rate of 3.08 hour per pay-period. An employee may accure a maximum of 240 hours of PTO and a maximum of 160 hours of vacation leave. Once an employee reaches the maximum accrual balance, he/she will stop accruing time until the balance is below the maximum allowed. An employee may carry over a maximum of 240 hours of PTO and a maximum of 40 hours of vacation leave from one calendar year to the next. Any accrued time over the carry-over maximum allowed will be removed from payroll records at the end of the calendar year and the employee will lose that time with no payment received. If a holiday falls during PTO or vacation leave, the holiday shall be charged in accordance with the policy on holidays and shall not be charged against the employee's PTO nor vacation balance. Unused PTO leave is cancelled upon leaving Medina County employment without compensation to the employee. Employees cannot use PTO in lieu of giving their two-week's notice. Unlike PTO, at the time of an employee's termination from Medina County employment, accrued vacation leave will be paid out at the employee's current rate of pay, not to exceed 160 hours.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses on refunding of bond issues are reported as deferred charges and amortized over the term of the related debt.

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.

Leases

The County is a lessee for noncancellable leases of radio towers and buildings. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Subscription-Based Information Technology Arrangements

The County is a lessee for subscription-based IT arrangements (SBITAs). The County recognizes liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of a SBITA, the County initially measures the liability at the present value of payments expected to be made during the agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the County determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term, and (3) agreed upon payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.

- The agreement term includes the noncancellable period of the SBITA.

- The agreed upon payments included in the measurement of the liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. These right to use assets are reported with other capital assets and liabilities are reported with long- term debt on the statement of net position.

Pensions

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

Other Post-Employment Benefits

Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the County for benefits due and payable that are not reimbursed by plan assets. Information regarding the County's total OPEB liability is obtained from a report prepared by a consulting actuary.

Fund Balance Classification

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

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

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

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

- Assigned: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court or County Judge.

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

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

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 legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category:

- Difference in expected and actual pension experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Changes in actuarial assumptions – This difference is deferred and amortized over a closed five-year period.

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

In addition to liability, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualified for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- Difference in expected and actual pension and OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

Change in Accounting Principle

GASB Statement No. 100, *Accounting Changes and Error Corrections, - an amendment of GASB Statement No. 62* – was adopted for the fiscal year ended September 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. As a result of this new accounting standard, the County was required to report changes within the financial reporting entity in more detail.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

The following funds had a deficit fund balance:

- Certificates of Obligation 2019 $(660,599)
- Hill Country PDO $(248)
- Health Unit $(33,961)
- Juvenile Probation Department $(69,256)
- Long-Term Grants $(77)
- Grants $(7,847)

The County anticipates revenues in future periods will eliminate these deficit fund balances, or the County will transfer funds from the General Fund to eliminate these deficits.

3. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

Deposits and Investments

As of September 30, 2024, the County had the following investments:

Investment Type	Net Asset Value	Weighted Average Maturity (Days)
TexPool	6,227,983	26
Certificates of Deposit	3,897,795	204

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the its investment portfolio to highly liquid investments and reallocating amounts into securities expected to significantly outperform current holdings.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2024, the County's deposit balance was collateralized with securities held by the pledging financial institution and FDIC insurance.

Credit Risk. It is the County's policy, as defined by the Texas Public Funds Investment Act, to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one-half of one percent of the value of its shares.

Receivables

Receivables as of year-end for the County's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Hill Country PDO	Nonmajor Governmental Funds	Total
Receivables:				
Property taxes	$ 1,055,888	$ -	$ 424,808	$ 1,480,696
Sales tax	1,517,969	-	-	1,517,969
Intergovernmental	377,392	894,444	563,871	1,835,707
Other	210,942	-	135,124	346,066
Total receivables	$ 3,162,191	$ 894,444	$ 1,123,803	$ 5,180,438

Capital Assets

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

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 4,860,944	$ 45,908	$ -	$ 4,906,852
Construction in progress	19,742,570	957,533	-	20,700,103
Total capital assets not being depreciated	24,603,514	1,003,441	-	25,606,955
Capital assets, being depreciated:				
Buildings and improvements	29,268,759	795,073	-	30,063,832
Equipment	25,470,645	2,051,282	(99,739)	27,422,188
Infrastructure	26,622,413	2,667,768	-	29,290,181
Right to use - land	827,133	-	-	827,133
Right to use - buildings	-	1,080,887		1,080,887
Right to use - software	488,886	-	(488,886)	-
Total capital assets being depreciated	82,677,836	6,595,010	(588,625)	88,684,221
Less accumulated depreciation:				
Buildings and improvements	10,486,715	2,120,046	-	12,606,761
Equipment	13,107,909	1,833,942	(99,739)	14,842,112
Infrastructure	10,582,522	429,160	-	11,011,682
Right to use - land	43,964	21,982	-	65,946
Right to use - buildings	-	156,273		156,273
Right to use - software	279,363	209,523	(488,886)	-
Total accumulated depreciation	34,500,473	4,770,926	(588,625)	38,682,774
Total capital assets, being depreciated, net	48,177,363	1,824,084	-	50,001,447
Governmental activities capital assets, net	$ 72,780,877	$ 2,827,525	$ -	$ 75,608,402

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 1,910,974
Public safety	839,317
Public transportation	1,903,991
Health and welfare	116,644
Total depreciation expense - governmental activities	$ 4,770,926

Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2024, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	$ 586,647
General Fund	Hill Country PDO	500,289
Nonmajor Governmental	Nonmajor Governmental	301,084
Total		$ 1,388,020

All balances of the due to/due from resulted from short-term loans that are to be reimbursed within the next year.

Interfund Transfers:

	Transfers In: General Fund	Hill Country PDO	Nonmajor Governmental	Internal Service Fund	Total
Transfers Out:					
General Fund	$ -	$ 342,883	$ 985,103	$ 1,165,000	$ 2,492,986
Hill Country PDO	-	-	70,875	-	70,875
Nonmajor Governmental	100,429	-	200,208	-	300,637
Total Transfers Out	$ 100,429	$ 342,883	$ 1,256,186	$ 1,165,000	$ 2,864,498

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Long-term Debt

Certificates of Obligation

In prior years, the County has issued Certificates of Obligation to fund various capital projects and capital acquisitions. The certificates are expected to be repaid by pledged property tax revenues and the good faith and credit of the County. Annual debt service requirements to maturity for the certificates are as follows:

Year Ending	Governmental Activities	
September 30,	Principal	Interest
2025	$ 1,050,000	$ 681,100
2026	1,095,000	638,200
2027	1,140,000	593,500
2028	1,185,000	547,000
2029	1,230,000	498,700
2030-2034	6,895,000	1,762,625
2035-2039	8,035,000	617,175
Total	$ 20,630,000	$ 5,338,300

Tax Notes

As of September 30, 2024, the County has five tax notes outstanding, with interest rates ranging from 0.35% to 2.60%.

Annual debt service requirements to maturity for the tax notes are as follows:

Year Ending	Governmental Activities	
September 30,	Principal	Interest
2025	$ 900,000	$ 21,280
2026	630,000	10,640
2027	635,000	3,556
Total	$ 2,165,000	$ 35,476

Leases

As of September 30, 2024, the County has three leases outstanding as lessee for the use of two radio towers. Both leases have annual interest rates of 1.722%, are payable in monthly installments, and mature between fiscal years 2051 and 2066. The related assets and accumulated amortization are reported under Right to Use – Land in the County's capital assets. The third lease is for buildings. The lease has an annual interest rate of 3.179%, is payable in monthly installments, and matures in 2030. The related assets and accumulated amortization are reported under Right to Use – Buildings in the County's capital assets.

Debt service requirements to maturity for the leases are as follows:

Year Ending	Governmental Activities	
September 30,	Principal	Interest
2025	$ 142,853	$ 42,241
2026	153,648	37,645
2027	163,761	32,728
2028	175,354	27,480
2029	186,456	21,881
2030-2034	233,852	66,583
2035-2039	86,046	57,490
2040-2044	114,642	48,899
2045-2049	146,098	37,745
2050-2054	103,577	26,216
2055-2059	104,307	17,893
2060-2064	123,678	8,122
2065-2066	29,606	298
Total	$ 1,763,878	$ 425,221

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Government activities					
Certificate of obligation	$ 21,430,000	$ -	$ 800,000	$ 20,630,000	$ 1,050,000
Premium on certificate of obligation	1,311,237	-	81,952	1,229,285	81,952
Tax notes	3,455,000	-	1,290,000	2,165,000	900,000
Time warrants	57,030	-	57,030	-	-
Leases	815,941	1,080,610	132,673	1,763,878	142,853
Compensated absences	349,968	488,440	496,472	341,936	68,387
SBITAs	94,570	-	94,570	-	-
Total long-term liabilities	$ 27,513,746	$ 1,569,050	$ 2,952,697	$ 26,130,099	$ 2,243,192

If the County were to default on any long-term debt, any registered owner of the obligations is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the County to make a payment.

Compensated absences are typically funded by the General and Road and Bridge Funds.

Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County has not had any significant reductions in insurance coverage in the prior year.

The County is a member of the Texas Association of Counties Risk Pool for health insurance. The pool is a public entity risk pool and was created based on the general objectives of formulating, developing and administering a program of self-insurance for the membership and obtaining lower costs for coverages. The pool coverage is offered through interlocal agreements between the Pool and counties. The Pool has the power to establish fees, contributions and methods for establishing rates. Under contract with the Pool, the Association provides for such services as claims administration and management, underwriting, loss control services and training, and financial reporting for its members. The Association submits sealed bids to counties during the bid process. The Pool is governed by a Board of Directors made up of employees or officials of counties which are members of the Pool. Member counties make contributions to the Pool, and the Pool provides insurance coverage and applicable reinsurance or stop loss coverage. The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the Pool are detailed in a separate document which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin, TX 78701.

The County began using the Texas Association of Counties Risk Pool for health insurance on January 1, 2018. Before January 1, 2018, the County was self-insured for healthcare. There have been no significant reductions in coverage from the coverage in the past fiscal year, and there have been no settlements exceeding insurance coverage.

Defined Benefit Pension Plan

Plan Description. The County's nontraditional defined benefit pension plan, Texas County and District Retirement System (TCDRS), provides pensions for all of its full-time employees. The TCDRS Board of Trustees is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of over nontraditional defined benefit pension plans. 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 P.O. Box 2034 Austin, TX, 78768-2034.

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

Benefits Provided. TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	140
Inactive employees entitled to but not yet receiving benefits	206
Active employees	338
	684

Contributions. The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participate over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the County were 8.47% and 8.33% in calendar years 2023 and 2024. The County's contributions to TCDRS for the year ended September 30, 2024, were $1,681,758 and were equal to the required contributions.

Net Pension Asset. The County's Net Pension Asset (NPA) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation

The County has no automatic cost-of-living adjustments ("COLA") and one is not considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the County may elect an ad-hoc COLA for its retirees.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

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

All actuarial assumptions that determined the total pension liability as of December 31, 2023, were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68.

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. The application of the investment return assumptions was changed for purposes of determining plan liabilities at the March 2022 meeting. All plan liabilities are now valued using an 7.6% discount rate.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2024 information for a 10-year time horizon. 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 2021. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

Asset Class	**Benchmark**	**Target Allocation** [(1)]	**Geometric Real Rate of Return (Expected minus Inflation)** [(2)]
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.65%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index[(3)]	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index [(4)]	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index [(5)]	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

(1) Target asset allocation adopted at the March 2024 TCDRS Board meeting.
(2) Geometric real rates of return equal the expected return for the asset class minus the assumed assumed inflation rate of 2.2%, per Cliffwater's 2024 capital market assumptions.
(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.
(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.
(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.6%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods. The employee is legally required to make the contribution specified in the funding policy. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable. Based on the above assumptions, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the net pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 7.60% has been used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2022	$ 41,297,237	$ 39,909,296	$ 1,387,941
Changes for the year:			
Service cost	2,038,352	-	2,038,352
Interest on total pension liability [1]	3,231,399	-	3,231,399
Effect of economic/demographic gains or losses	417,732	-	417,732
Refund of contributions	(141,880)	(141,880)	-
Benefit payments	(1,522,962)	(1,522,962)	-
Administrative expenses	-	(23,653)	23,653
Member contributions	-	1,085,880	(1,085,880)
Net investment income	-	4,395,513	(4,395,513)
Employer contributions	-	1,532,901	(1,532,901)
Other [2]	-	63,764	(63,764)
Balance at 12/31/2023	$ 45,319,878	$ 45,298,859	$ 21,019

[1] Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
[2] Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension asset of the County, calculated using the discount rate of 7.60%, as well as what the County's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60%) or 1-percentage-higher (8.60%) than the current rate:

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	$ 51,740,828	$ 45,319,878	$ 39,990,686
Fiduciary net position	45,298,859	45,298,859	45,298,859
Net pension liability/(asset)	$ 6,441,969	$ 21,019	$ (5,308,173)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2024, the County recognized pension expense of $1,116,539 At September 30, 2024, 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	$ 569,322	$ 41,863
Changes in actuarial assumptions	-	12,978
Difference between projected and actual investment earnings	260,970	-
Contributions subsequent to the measurement date	1,221,068	-
Total	$ 2,051,360	$ 54,841

$1,221,068 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, but before September 30, 2024, will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

For The Year Ended September 30,	
2025	$ (63,305)
2026	126,609
2027	977,212
2028	(265,065)

Other Post-retirement Health Care Benefits

Plan Description

The County provides certain health care and dental benefits, under county policy, for employees upon retirement that meet one of the following requirements: age 60 with 8 or more years of service, at least 30 years of service at any age, or a combined age plus service of at least 75. Employees hired on October 1, 2011 or after will no longer be eligible for such retiree coverage.

Benefits and Contributions

Except for employees hired on or after October 1, 2012, a Medina County employee who retires and chooses a monthly pension through Texas County and District Retirement System is covered on Medina County’s health and dental insurance plan through the month he or she turns 65. Retirees who take a lump sum payment of retirement savings are only eligible to remain on Medina County’s health and dental insurance plan as provided for by COBRA guidelines. The qualified retiree may continue any dependent coverage up to the retiree’s age of 65 at the same rate afforded to current employees. When the retiree turns 65 and becomes Medicare eligible, he or she is removed from coverage on Medina County’s health and dental insurance plan. The retiree may continue dependent coverage according to COBRA guidelines.

Expenses for post-retirement health care benefits are recognized on a pay-as-you-go basis. During the year, post-retirement health care benefits paid by the County were $72,746.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees receiving benefits	56
Active employees	9
	65

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial cost method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary.
Inflation rate	2.50%
Salary increases	3.50%
Termination rates	The termination rates were developed from the withdrawal assumption used in the 2017 actuarial report for TCDRS. The rates are a 15-year select and ultimate table and are sex specific.
Retirement rates	The retirement rates were develped from the assumption used in the 2017 actuarial report for the TCDRS retirement plans. These rates are unisex.
Mortality	RPH-2014 Total Table with Projection MP-2021.
Health care cost trend rates	Level 4.50% for medical and 1.5% for dental.
Participation rates	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 100% of all actives who currently have healthcare coverage will continue with employee only coverage upon retirement.
Discount rate	4.06% as of September 30, 204.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

A Single Discount Rate of 4.06% was used to measure the total OPEB liability. The S&P Municipal Bond 20 Year High Grade Rate Index was used for determining the discount rate.

Changes in the Total OPEB Liability

The County's total OPEB liability of $2,387,954 was measured as of September 30, 2024 and was determined by an actuarial valuation as of September 30, 2024.

	Total OPEB Liability
Balance at 9/30/23	$ 2,494,810
Changes for the year:	
Service cost	57,788
Interest on the total liability	121,106
Difference between expected and actual experience	(275,503)
Changes in assumptions	121,389
Benefit payments	(131,636)
Net changes	(106,856)
Balance at 09/30/2024	$ 2,387,954

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.06%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate (3.06%)	Discount Rate (4.06%)	1% Increase in Discount Rate (5.06%)
County's total OPEB liability	$ 2,545,411	$ 2,387,954	$ 2,238,944

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
County's total OPEB liability	$ 2,191,124	$ 2,387,954	$ 2,609,384

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

For the year ended September 30, 2024, the County recognized OPEB expense of $36,430. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 14,559	$ 314,853
Changes in actuarial assumptions	113,631	279,919
Total	$ 128,190	$ 594,772

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

Year Ended September 30,	
2025	$ (237,811)
2026	(187,203)
2027	(41,568)

<u>Commitments and Contingencies</u>

Various claims and lawsuits are pending against the County. The evaluation of County management is that any liability to the County relating to such claims and lawsuits will not have a material impact on the County’s financial position. Historically, the County has not incurred significant losses from claims or lawsuits which arise during the ordinary course of business.

In addition, the County also participates in several federally assisted grant programs, all of which are subject to federal regulations and guidelines. Should any of the grant program expenditures be disallowed by any of the respective grantor agencies or should any other contingency become a Medina liability, funds would have to be appropriated in future County budgets for settlements.

<u>Related Party Transactions</u>

One member of the County’s commissioner’s court held an ownership interest in a company that occasionally does business with the County. During the year ended September 30, 2024, the County purchased $105 of goods from this company. The commissioner filed the appropriate conflict of interest forms and abstained from voting when these payments were approved.

Changes within the Financial Reporting Entity

The Debt Service, Certificates of Obligation 2019, and American Rescue Funds were previously reported as a major funds and are now reported as a nonmajor fund. The change in classification is required based on quantitative factors.

	9/30/2023 As Previously Reported	Change Within Financial Reporting Entity	9/30/2023 As Restated
Governmental Funds			
Major Funds:			
General	$ 15,600,746	$ -	$ 15,600,746
Debt Service	173,347	(173,347)	-
Certificates of Obligation 2	(38,006)	38,006	-
American Rescue Plan	107,241	(107,241)	-
Hill County PDO	(255)	-	(255)
Nonmajor funds	3,601,068	242,582	3,843,650
Total governmental funds	$ 19,444,141	$ -	$ 19,444,141

New Accounting Principles

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the County include the following:

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

REQUIRED
SUPPLEMENTARY INFORMATION

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes				
Ad valorem	$18,808,411	$18,808,411	$18,370,426	$ (437,985)
Sales	3,800,000	3,800,000	4,480,651	680,651
Beer and wine	29,000	29,000	34,561	5,561
Total taxes	22,637,411	22,637,411	22,885,638	248,227
Intergovernmental				
Federal grants	-	-	53,274	53,274
State allocation - grants	195,752	195,752	162,005	(33,747)
Total intergovernmental	195,752	195,752	215,279	19,527
Charges for services				
County clerk	392,000	392,000	519,266	127,266
District clerk	50,000	50,000	118,234	68,234
Tax assessor-collector	225,000	225,000	234,448	9,448
Sheriff	1,200,168	1,200,168	1,713,269	513,101
County treasurer	150,000	150,000	92,347	(57,653)
Constable fees	35,000	35,000	36,047	1,047
Other taxing entities	160,000	160,000	216,435	56,435
Other fees	367,100	367,100	367,201	101
Total charges for services	2,579,268	2,579,268	3,297,247	717,979
Fines and forfeitures				
Justice of the peace	600,500	600,500	410,231	(190,269)
Total fines and forfeitures	600,500	600,500	410,231	(190,269)
Interest	150,000	150,000	479,127	329,127

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Miscellaneous				
Other	$ 951,000	$ 951,000	$ 196,417	$ (754,583)
Total miscellaneous	951,000	951,000	196,417	(754,583)
Total revenues	27,113,931	27,113,931	27,483,939	370,008
EXPENDITURES				
General administration				
Commissioners' court				
Personnel services	289,340	289,340	286,347	2,993
Supplies	2,000	2,000	1,294	706
Other services and charges	16,900	16,900	8,029	8,871
Total commissioners' court	308,240	308,240	295,670	12,570
Loss control				
Personnel services	300	300	-	300
Supplies	200	200	-	200
Total loss control	500	500	-	500
County clerk				
Personnel services	568,246	572,851	518,903	53,948
Supplies	19,500	19,000	10,614	8,386
Other services and charges	50,200	51,600	29,044	22,556
Total county clerk	637,946	643,451	558,561	84,890
Veteran service officer				
Personnel services	171,741	171,741	160,720	11,021
Supplies	6,750	8,590	7,290	1,300
Other services and charges	19,150	17,310	7,870	9,440
Total veteran service officer	197,641	197,641	175,880	21,761

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Final Budget - Positive (Negative)
EXPENDITURES				
General administration				
Elections				
Personnel services	$ 423,844	$ 423,844	$ 417,107	$ 6,737
Supplies	30,000	30,000	15,606	14,394
Other services and charges	75,600	75,600	77,014	(1,414)
Total elections	529,444	529,444	509,727	19,717
County auditor				
Personnel services	615,084	617,884	541,513	76,371
Supplies	3,000	3,000	2,186	814
Other services and charges	34,820	32,020	24,542	7,478
Total county auditor	652,904	652,904	568,241	84,663
County treasurer				
Personnel services	357,248	357,248	314,520	42,728
Supplies	5,200	5,200	2,177	3,023
Other services and charges	31,600	32,000	24,411	7,589
Total county treasurer	394,048	394,448	341,108	53,340
Human resources				
Personnel services	320,056	326,633	314,832	11,801
Supplies	6,000	6,000	2,836	3,164
Other services and charges	30,850	30,600	21,065	9,535
Total human resources	356,906	363,233	338,733	24,500
Tax assessor-collector				
Personnel services	1,156,506	1,156,506	1,014,681	141,825
Supplies	12,000	12,000	11,195	805
Other services and charges	103,100	103,100	96,828	6,272
Total tax assessor-collector	1,271,606	1,271,606	1,122,704	148,902
Nondepartmental				
Personnel services	622,500	615,027	527,439	87,588
Supplies	100,000	100,000	92,479	7,521
Other services and charges	1,973,065	1,972,665	1,817,628	155,037
Total nondepartmental	2,695,565	2,687,692	2,437,546	250,146
County agent				
Personnel services	210,021	210,021	176,696	33,325
Supplies	3,050	3,050	2,353	697
Other services and charges	12,760	12,760	8,804	3,956
Total county agent	225,831	225,831	187,853	37,978

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget - Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES				
General administration				
Courthouse and buildings				
Personnel services	$ 426,768	$ 426,768	$ 398,272	$ 28,496
Supplies	125,200	125,000	140,350	(15,350)
Other services and charges	818,250	818,650	713,949	104,701
Total courthouse and buildings	1,370,218	1,370,418	1,252,571	117,847
Subdivision administration department				
Personnel services	9,296	12,576	10,311	2,265
Supplies	200	200	96	104
Other services and charges	34,500	34,500	16,479	18,021
Total subdivision administration department	43,996	47,276	26,886	20,390
Total general administration	8,684,845	8,692,684	7,815,480	877,204
Legal				
District and county court				
Personnel services	639,188	639,188	635,111	4,077
Supplies	12,500	11,100	9,506	1,594
Other services and charges	474,300	478,700	392,606	86,094
Total district and county court	1,125,988	1,128,988	1,037,223	91,765
District clerk				
Personnel services	541,202	541,202	505,626	35,576
Supplies	7,500	6,800	3,734	3,066
Other services and charges	40,750	41,450	14,588	26,862
Total district clerk	589,452	589,452	523,948	65,504

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget - Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES				
Legal				
Justices of the peace				
Personnel services	$ 995,064	$ 995,064	$ 964,754	$ 30,310
Supplies	17,200	15,545	10,806	4,739
Other services and charges	37,550	39,205	25,595	13,610
Total justices of the peace	1,049,814	1,049,814	1,001,155	48,659
District attorney				
Personnel services	1,248,003	1,248,003	1,234,371	13,632
Supplies	15,500	15,500	13,647	1,853
Other services and charges	96,900	101,900	104,027	(2,127)
Total district attorney	1,360,403	1,365,403	1,352,045	13,358
Total legal	4,125,657	4,133,657	3,914,371	219,286
Public safety				
County jail				
Personnel services	2,848,325	2,848,325	2,657,707	190,618
Supplies	500,000	496,500	334,067	162,433
Other services and charges	874,100	877,600	1,404,323	(526,723)
Total county jail	4,222,425	4,222,425	4,396,097	(173,672)

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget - Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES				
Public safety				
Constables				
Personnel services	$ 307,918	$ 307,918	$ 311,259	$ (3,341)
Supplies	9,700	22,271	20,640	1,631
Other services and charges	19,800	19,800	10,656	9,144
Total constables	337,418	349,989	342,555	7,434
Sheriff				
Personnel services	6,468,077	6,468,077	6,345,764	122,313
Supplies	134,350	134,350	84,702	49,648
Other services and charges	1,153,684	1,141,747	1,278,933	(137,186)
Total sheriff	7,756,111	7,744,174	7,709,399	34,775
Juvenile board				
Personnel services	16,331	16,331	12,533	3,798
Total juvenile board	16,331	16,331	12,533	3,798
DPS/license and weight				
Personnel services	96,355	96,355	95,989	366
Supplies	6,000	6,000	3,605	2,395
Other services and charges	33,100	33,100	18,255	14,845
Total DPS/license and weight	135,455	135,455	117,849	17,606
Highway patrol				
Personnel services	96,155	96,155	86,548	9,607
Supplies	2,605	2,605	2,184	421
Other services and charges	8,625	8,625	8,545	80
Total highway patrol	107,385	107,385	97,277	10,108
Emergency management				
Personnel services	102,091	102,091	100,321	1,770
Supplies	6,000	6,000	4,095	1,905
Other services and charges	96,500	72,526	56,236	16,290
Total emergency management	204,591	180,617	160,652	19,965
Total public safety	12,779,716	12,756,376	12,836,362	(79,986)

MEDINA COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Final Budget - Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES				
Health and welfare				
Sanitation inspection				
Personnel services	$ 243,791	$ 243,791	$ 238,993	$ 4,798
Supplies	6,000	6,000	2,793	3,207
Other services and charges	24,875	24,875	16,345	8,530
Total sanitation inspection	274,666	274,666	258,131	16,535
Social services and indigent services				
Personnel services	340,267	340,267	311,500	28,767
Supplies	10,500	10,400	9,349	1,051
Other services and charges	29,500	29,600	19,507	10,093
Total social services and indigent services	380,267	380,267	340,356	39,911
Total health and welfare	654,933	654,933	598,487	56,446
Capital outlay	757,300	690,103	397,378	292,725
Debt service				
Principal	5,097	5,097	99,755	(94,658)
Interest	14,098	14,098	15,483	(1,385)
Total debt service	19,195	19,195	115,238	(96,043)
Total expenditures	27,021,646	26,946,948	25,677,316	1,269,632
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	92,285	166,983	1,806,623	1,639,640
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	150,000	150,000	6,086	(143,914)
Transfers in	70,875	70,875	100,429	29,554
Transfers out	(2,419,893)	(2,501,830)	(2,492,986)	8,844
Total other financing sources (uses)	(2,199,018)	(2,280,955)	(2,386,471)	(105,516)
NET CHANGE IN FUND BALANCE	(2,106,733)	(2,113,972)	(579,848)	1,534,124
FUND BALANCE, BEGINNING	15,600,746	15,600,746	15,600,746	-
FUND BALANCE, ENDING	$ 13,494,013	$ 13,486,774	$ 15,020,898	$ 1,534,124

A. Budgetary Information

The Commissioners' Court may levy taxes only in accordance with the budget. After final approval of the budget, the Commissioners' Court may spend County funds only in strict compliance with the budget, except in an emergency. The Commissioners' Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. If the Court amends the original budget to meet an emergency, the Court must file a copy of its order amending the budget with the County Clerk and the Clerk shall attach the copy to the original budget. Only the Commissioners' Court may amend the budget and shift funds from one budget account to another.

The General Fund, the County's main operating fund, is the only fund with a legally adopted budget. The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year and approved by the Commissioners' Court. The budget should not be exceeded in any expenditures category under state law. The budget was amended to reflect as closely as possible revenue and expenditures for the 12-month period. Certain categories exceeded the budget estimates. These variances were due to the fluctuations in revenue and expenditures as opposed to the prorated budget estimates.

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Judge, with the help of the County Auditor, prepares an estimate of revenue and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court.

The Commissioners' Court invites various department heads to appear for a hearing concerning the department's budget request. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenue and available resources. Also, amendments can be made within the above guidelines.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. Appropriations lapse at year-end.

The level of control is the department. By state law, expenditures can exceed appropriations as long as the amounts do not exceed the available revenue and cash balances. The County prepares its budget on a GAAP basis. Since revenue and expenditures are carefully monitored, it is felt that with the GAAP basis, the County will be in compliance with state law.

MEDINA COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Plan Year Ended December 31	2023	2022	2021	2020
Total Pension Liability				
Service Cost	$ 2,038,352	$ 1,535,030	$ 1,505,140	$ 1,210,502
Interest on total pension liability	3,231,399	2,934,085	2,743,657	2,542,333
Effect of plan changes	-	-	-	-
Effect of economic/demographic (gains) or losses	417,732	512,046	(167,452)	25,870
Effect of assumption changes or inputs	-	-	(51,912)	2,146,373
Benefit payments/refunds of contributions	(1,664,842)	(1,483,392)	(1,621,472)	(1,392,640)
Net change in total pension liability	4,022,641	3,497,769	2,407,961	4,532,438
Total pension liability - beginning	41,297,236	37,799,467	35,391,506	30,859,068
Total pension liability - ending (a)	$ 45,319,877	$ 41,297,236	$ 37,799,467	$ 35,391,506
Plan Fiduciary Net Position				
Employer contributions	$ 1,532,901	$ 1,332,602	$ 973,828	$ 926,500
Member contributions	1,085,880	877,674	730,371	694,873
Investment income net of investment expenses	4,395,513	(2,498,735)	7,480,874	3,165,355
Benefit payments refunds of contributions	(1,664,842)	(1,483,392)	(1,621,473)	(1,392,640)
Administrative expenses	(23,653)	(23,388)	(22,488)	(24,889)
Other	63,764	137,076	11,508	9,806
Net change in plan fiduciary net position	5,389,563	(1,658,163)	7,552,620	3,379,005
Plan fiduciary net position - beginning	39,909,295	41,567,458	34,014,838	30,635,833
Plan fiduciary net position - ending (b)	$ 45,298,858	$ 39,909,295	$ 41,567,458	$ 34,014,838
Net pension liability/(asset) - ending (a)-(b)	$ 21,019	$ 1,387,941	$ (3,767,991)	$ 1,376,668
Fiduciary net position as a percentage of total pension liability/(asset)	99.95%	96.64%	109.97%	96.11%
Pensionable covered payroll	$ 18,098,005	$ 14,627,896	$ 12,172,856	$ 11,581,224
Net pension liability/(asset) as a percentage of covered payroll	0.12%	9.49%	-30.95%	11.89%

	2019	2018	2017	2016	2015	2014
	$ 1,133,013	$ 1,072,407	$ 1,096,294	$ 1,047,627	$ 965,430	$ 904,251
	2,363,979	2,215,666	2,058,841	1,860,738	1,739,114	1,599,983
	-	-	-	-	(215,866)	-
	10,747	(182,717)	(119,781)	46,951	(283,157)	98,008
	-	-	155,259	-	275,381	-
	(1,374,407)	(1,296,981)	(1,166,783)	(1,020,613)	(961,512)	(926,667)
	2,133,332	1,808,375	2,023,830	1,934,703	1,519,390	1,675,575
	28,725,736	26,917,361	24,893,531	22,958,828	21,439,438	19,763,863
	$ 30,859,068	$ 28,725,736	$ 26,917,361	$ 24,893,531	$ 22,958,828	$ 21,439,438
	$ 825,040	$ 796,819	$ 762,738	$ 711,667	$ 670,857	$ 639,941
	618,782	597,615	571,174	533,753	503,059	479,959
	4,313,836	(496,014)	3,381,770	1,570,996	(125,071)	1,335,589
	(1,374,407)	(1,296,981)	(1,166,783)	(1,020,613)	(961,512)	(926,667)
	(23,346)	(21,099)	(17,747)	(17,127)	(15,282)	(15,735)
	6,848	5,584	2,073	64,365	40,468	(9,303)
	4,366,753	(414,076)	3,533,225	1,843,041	112,519	1,503,784
	26,269,080	26,683,156	23,149,931	21,306,889	21,194,370	19,690,586
	$ 30,635,833	$ 26,269,080	$ 26,683,156	$ 23,149,930	$ 21,306,889	$ 21,194,370
	$ 223,235	$ 2,456,656	$ 234,205	$ 1,743,601	$ 1,651,939	$ 245,068
	99.28%	91.45%	99.13%	93.00%	92.80%	98.86%
	$ 10,313,033	$ 9,960,254	$ 9,519,560	$ 8,895,879	$ 8,384,324	$ 7,999,314
	2.16%	24.66%	2.46%	19.60%	19.70%	3.06%

MEDINA COUNTY, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	$ 666,600	$ 666,600	$ -	$ 8,332,498	8.0%
2016	725,661	725,661	-	9,070,767	8.0%
2017	754,355	754,355	-	9,429,443	8.0%
2018	781,451	781,451	-	9,768,135	8.0%
2019	824,742	824,742	-	10,335,915	8.0%
2020	869,481	869,481	-	10,884,475	8.0%
2021	958,914	958,914	-	12,003,657	8.0%
2022	1,200,881	1,200,881	-	13,592,529	8.8%
2023	1,473,475	1,473,475	-	17,063,589	8.6%
2024	1,681,758	1,681,758	-	20,097,767	8.4%

MEDINA COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

Methods and assumptions used to determine contributions rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17.0 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset Valuation Method	5-year smoothed fair value
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were refected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule. 2023: No changes in plan provisions were reflected in the Schedule.

* Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

MEDINA COUNTY, TEXAS

RETIREE HEALTH INSURANCE PLAN

SCHEDULE OF CHANGES IN OPEB LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Plan Year Ended September 30	**2018**	**2019**	**2020**	**2021**
Total OPEB Liability:				
Service cost	$ 99,715	$ 103,763	$ 103,763	$ 117,706
Interest	113,043	117,513	91,640	68,528
Difference between expected and actual experience	-	(87,951)	(110,995)	(40,751)
Changes in assumptions	-	515,574	(408,330)	568
Benefit payments	(109,342)	(104,078)	(92,328)	(86,572)
Net change in total pension liability	103,416	544,821	(416,250)	59,479
Total OPEB liability - beginning	2,739,270	2,842,686	3,387,507	2,971,257
Total OPEB liability - ending (a)	$ 2,842,686	$ 3,387,507	$ 2,971,257	$ 3,030,736
Covered - employee payroll	$ 4,306,477	$ 4,359,713	$ 3,960,587	$ 3,868,342
Total OPEB liability as a percentage of covered - employee payroll	66.01%	77.70%	75.02%	78.35%

Note: This schedule is required to have 10 years of information, but the information prior to 2018 is not available.

2022		2023		2024	
$	118,907	$	65,293	$	57,788
	70,368		115,510		121,106
	(211,955)		28,165		(275,503)
	(526,897)		(17,628)		121,389
	(72,038)		(105,651)		(131,636)
	(621,615)		85,689		(106,856)
	3,030,736		2,409,121		2,494,810
$	2,409,121	$	2,494,810	$	2,387,954
$	4,189,162	$	3,725,758	$	3,106,952
	57.51%		66.96%		76.86%

Valuation date	September 30, 2024
Measurement date	September 30, 2024
Methods and assumptions:	
Actuarial Method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary.
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	4.06% (1.56% real rate of return plus 2.50% inflation)
Health Care Cost Trend	Level 4.50% for medical and 1.50% for dental
Mortality	RPH-2014 Total Table with Projection MP-2021
Turnover	Rates varying based on gender, age and select and ultimate at 15 year. Rates based on the TCDRS actuarial assumptions form the 2017 retirement plan valuation report.
Disability	None assumed
Retiree Contributions	None for individual coverage. Retiree pays a contribution for family coverage. Effective January 1, 2012, eligible retirees retiring on or after that date are required to contribute $50 or $60 per month for individual medical coverage.
Salary Scale	3.50%
Data Assumptions:	
Coverage	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 100% of all actives who currently have healthcare coverage will continue with employee only coverage upon retirement.

COMBINING
FUND STATEMENTS

MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
ASSETS				
Cash and investments	$ 512,376	$ 1,349,890	$ 617,394	$ 470,331
Receivables:				
Ad valorem taxes	88,646	85,367	57,147	49,931
Intergovernmental	-	-	-	-
Other	30,888	19,179	19,832	15,991
Due from other funds	-	-	-	-
Prepaid assets	600	-	-	-
Total assets	632,510	1,454,436	694,373	536,253
LIABILITIES				
Accounts payable	48,993	9,133	21,862	7,967
Payroll liabilities	39,381	34,873	25,566	26,444
Other liabilities	-	-	-	-
Due to other funds	55,197	140,511	78,944	-
Unearned revenue	-	-	-	-
Total liabilities	143,571	184,517	126,372	34,411
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	83,058	53,407	51,559	44,343
Total deferred inflows of resources	83,058	53,407	51,559	44,343
FUND BALANCES				
Nonspendable - prepaid assets	600	-	-	-
Restricted	405,281	1,216,512	516,442	457,499
Unassigned	-	-	-	-
Total fund balances	405,881	1,216,512	516,442	457,499
Total liabilities, deferred inflows and fund balances	$ 632,510	$ 1,454,436	$ 694,373	$ 536,253

Special Revenue						
WIC	Health Unit	Juvenile Probation Department	Truancy Prevention Diversion	County Attorney Special	County Law Library	Court Reporter
$ 13,006	$ 8,876	$ 13,317	$ 79,954	$ 6,512	$ 14,921	$ 38,117
-	-	-	-	-	-	-
222,236	80,475	120,199	-	-	-	-
-	-	-	2,018	-	6,173	3,634
-	26,432	-	-	-	-	-
-	-	-	-	-	-	-
235,242	115,783	133,516	81,972	6,512	21,094	41,751
8,049	1,200	44,148	-	512	5,221	3,480
24,400	14,543	22,794	-	-	-	-
-	-	-	-	-	-	-
180,252	134,001	135,830	-	-	-	-
-	-	-	-	-	-	-
212,701	149,744	202,772	-	512	5,221	3,480
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
22,541	-	-	81,972	6,000	15,873	38,271
-	(33,961)	(69,256)	-	-	-	-
22,541	(33,961)	(69,256)	81,972	6,000	15,873	38,271
$ 235,242	$ 115,783	$ 133,516	$ 81,972	$ 6,512	$ 21,094	$ 41,751

MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue			
	County Sheriff Forfeiture	Forfeitures Constables	County Clerk Records Management	Records Management
ASSETS				
Cash and investments	$ 73,991	$ 509	$ 538,352	$ 24,565
Receivables:				
Ad valorem taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other	-	-	8,528	855
Due from other funds	-	-	-	-
Prepaid assets	-	-	-	-
Total assets	73,991	509	546,880	25,420
LIABILITIES				
Accounts payable	116	-	3,995	-
Payroll liabilities	-	-	1,872	-
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	116	-	5,867	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable - prepaid assets	-	-	-	-
Restricted	73,875	509	541,013	25,420
Unassigned	-	-	-	-
Total fund balances	73,875	509	541,013	25,420
Total liabilities, deferred inflows and fund balances	$ 73,991	$ 509	$ 546,880	$ 25,420

Special Revenue						
Courthouse Security	LEOSE Sheriff	Justice Court Technology	D. A. Federal Forfeiture	Records Management Archival County Clerk	Records Management Archival District Clerk	Justice Court Security
$ 74,294	$ 5,219	$ 5,272	$ 134,728	$ 438,604	$ 74,433	$ 51,045
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,780	-	2,036	-	10,300	6,276	42
-	-	-	-	-	-	-
-	-	-	-	-	-	-
79,074	5,219	7,308	134,728	448,904	80,709	51,087
-	-	-	-	-	-	100
11,379	-	-	116	-	-	-
-	-	-	22,233	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,379	-	-	22,349	-	-	100
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
67,695	5,219	7,308	112,379	448,904	80,709	50,987
-	-	-	-	-	-	-
67,695	5,219	7,308	112,379	448,904	80,709	50,987
$ 79,074	$ 5,219	$ 7,308	$ 134,728	$ 448,904	$ 80,709	$ 51,087

MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue			
	HAVA (Help America Vote Act)	Environmental Health Food Permit	District Clerk Technology	Improvement Districts
ASSETS				
Cash and investments	$ 231,407	$ 9,365	$ 20,688	$ 194,905
Receivables:				
Ad valorem taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other	-	500	156	3,936
Due from other funds	-	-	-	-
Prepaid assets	-	-	-	-
Total assets	231,407	9,865	20,844	198,841
LIABILITIES				
Accounts payable	558	-	-	-
Payroll liabilities	-	-	-	-
Other liabilities	-	-	-	96,481
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	558	-	-	96,481
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable - prepaid assets	-	-	-	-
Restricted	230,849	9,865	20,844	-
Unassigned	-	-	-	102,360
Total fund balances	230,849	9,865	20,844	102,360
Total liabilities, deferred inflows and fund balances	$ 231,407	$ 9,865	$ 20,844	$ 198,841

Special Revenue						
Improvement District - Auditor	Improvement District - Treasurer	Improvement District - Tax	Grants	American Rescue Plan*	TAN Series 2020	Long Term Grants
$ 46,979	$ 54,790	$ 72,234	$ -	$ 620,234	$ -	$ 614,817
-	-	-	-	-	-	-
-	-	-	129,024	-	-	11,937
-	-	-	-	-	-	-
-	-	-	-	-	274,652	-
-	-	-	-	-	-	-
46,979	54,790	72,234	129,024	620,234	274,652	626,754
300	224	167	38,176	126,483	-	68,188
209	484	-	-	-	-	58,643
-	-	-	-	-	-	-
-	-	-	96,695	-	66,301	-
-	-	-	2,000	312,809	-	500,000
509	708	167	136,871	439,292	66,301	626,831
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
46,470	54,082	72,067	-	180,942	208,351	-
-	-	-	(7,847)	-	-	(77)
46,470	54,082	72,067	(7,847)	180,942	208,351	(77)
$ 46,979	$ 54,790	$ 72,234	$ 129,024	$ 620,234	$ 274,652	$ 626,754

*Formerly a major fund

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MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue	Capital Projects		
	Chapter 59 Forfeiture	Certificates of Obligation 2019*	Debt Service*	Total Nonmajor Governmental
ASSETS				
Cash and investments	$ 15,716	$ -	$ 93,382	$ 6,520,223
Receivables:				
Ad valorem taxes	-	-	143,717	424,808
Intergovernmental	-	-	-	563,871
Other	-	-	-	135,124
Due from other funds	-	-	-	301,084
Prepaid assets	-	-	-	600
Total assets	15,716	-	237,099	7,945,710
LIABILITIES				
Accounts payable	-	660,599	-	1,049,471
Payroll liabilities	587	-	-	261,291
Other liabilities	-	-	-	118,714
Due to other funds	-	-	-	887,731
Unearned revenue	-	-	-	814,809
Total liabilities	587	660,599	-	3,132,016
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	130,869	363,236
Total deferred inflows of resources	-	-	130,869	363,236
FUND BALANCES				
Nonspendable - prepaid assets	-			600
Restricted	-		106,230	5,104,109
Unassigned	15,129	(660,599)	-	(654,251)
Total fund balances	15,129	(660,599)	106,230	4,450,458
Total liabilities, deferred inflows and fund balances	$ 15,716	$ -	$ 237,099	$ 7,945,710

*Formerly a major fund

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
REVENUES				
Property taxes	$ 1,676,039	$ 1,805,514	$ 1,269,561	$ 959,329
Other taxes	54,381	36,450	41,214	31,114
Licenses and permits	238,960	237,990	238,248	237,702
Intergovernmental	-	-	-	-
Fines and forfeitures	152,791	152,791	152,791	152,791
Charges for services	-	-	-	-
Interest	27,990	56,617	21,369	14,985
Miscellaneous	6,310	5,827	19,415	3,447
Total revenues	2,156,471	2,295,189	1,742,598	1,399,368
EXPENDITURES				
Current:				
General administration	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Public transportation	1,638,075	1,687,253	1,253,401	1,179,740
Health and welfare	-	-	-	-
Capital outlay	325,989	48,442	112,455	26,184
Debt service:				
Principal retirement	29,190	27,840	-	-
Interest and fiscal charges	892	851	-	-
Total expenditures	1,994,146	1,764,386	1,365,856	1,205,924
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	162,325	530,803	376,742	193,444
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	3,911	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	3,911	-	-	-
NET CHANGE IN FUND BALANCES	166,236	530,803	376,742	193,444
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	239,645	685,709	139,700	264,055
ADJUSTMENTS				
Change in financial reporting entity-fomerly a major fund*	-	-	-	-
FUND BALANCES, BEGINNING , RESTATED	239,645	685,709	139,700	264,055
FUND BALANCES, ENDING	$ 405,881	$ 1,216,512	$ 516,442	$ 457,499

Special Revenue						
WIC	Health Unit	Juvenile Probation Department	Truency Prevention Diversion	County Attorney Special	County Law Library	Court Reporter
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,021,418	441,474	441,498	17,395	-	-	-
-	-	-	-	105	29,649	-
-	-	-	-	-	-	22,228
-	-	-	-	-	-	-
-	-	118,893	-	-	-	-
1,021,418	441,474	560,391	17,395	105	29,649	22,228
-	-	-	-	-	-	-
-	-	449,059	-	3,021	-	52,391
-	-	764,897	-	-	64,621	-
-	-	-	-	-	-	-
991,699	439,514	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
991,699	439,514	1,213,956	-	3,021	64,621	52,391
29,719	1,960	(653,565)	17,395	(2,916)	(34,972)	(30,163)
-	-	-	-	-	-	-
-	10,764	599,466	-	-	24,000	57,900
(29,717)	-	-	-	-	-	-
(29,717)	10,764	599,466	-	-	24,000	57,900
2	12,724	(54,099)	17,395	(2,916)	(10,972)	27,737
22,539	(46,685)	(15,157)	64,577	8,916	26,845	10,534
-	-	-	-	-	-	-
22,539	(46,685)	(15,157)	64,577	8,916	26,845	10,534
$ 22,541	$ (33,961)	$ (69,256)	$ 81,972	$ 6,000	$ 15,873	$ 38,271

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue			
	County Sheriff Forfeiture	Forfeitures Constables	County Clerk Records Management	Records Management
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	23,519	-	122,351	5,663
Charges for services	-	-	-	-
Interest	163	1	13,416	-
Miscellaneous	-	-	-	-
Total revenues	23,682	1	135,767	5,663
EXPENDITURES				
Current:				
General administration	-	-	80,269	1,231
Legal	-	-	-	-
Public safety	12,933	-	-	-
Public transportation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	22,991	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	35,924	-	80,269	1,231
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,242)	1	55,498	4,432
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(12,242)	1	55,498	4,432
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	86,117	508	485,515	20,988
ADJUSTMENTS				
Change in financial reporting entity-fomerly a major fund*	-	-	-	-
FUND BALANCES, BEGINNING , RESTATED	86,117	508	485,515	20,988
FUND BALANCES, ENDING	$ 73,875	$ 509	$ 541,013	$ 25,420

Special Revenue						
Courthouse Security	LEOSE Sheriff	Justice Court Technology	D. A. Federal Forfeiture	Records Management Archival County Clerk	Records Management Archival District Clerk	Justice Court Security
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,157	-	-	-	-	-
22,842	-	16,634	31,020	120,245	22,558	-
16,365	-	-	13,500	-	-	416
-	-	-	101	13,891	-	-
-	-	-	-	-	-	-
39,207	6,157	16,634	44,621	134,136	22,558	416
-	-	-	-	-	-	-
-	-	45,622	11,166	-	-	-
288,456	1,006	-	-	-	-	28,668
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	176,242	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
288,456	1,006	45,622	11,166	176,242	-	28,668
(249,249)	5,151	(28,988)	33,455	(42,106)	22,558	(28,252)
-	-	-	-	-	-	-
250,000	-	26,000	-	-	-	-
-	-	-	-	-	-	-
250,000	-	26,000	-	-	-	-
751	5,151	(2,988)	33,455	(42,106)	22,558	(28,252)
66,944	68	10,296	78,924	491,010	58,151	79,239
-	-	-	-	-	-	-
66,944	68	10,296	78,924	491,010	58,151	79,239
$ 67,695	$ 5,219	$ 7,308	$ 112,379	$ 448,904	$ 80,709	$ 50,987

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue			
	HAVA (Help America Vote Act)	Environmental Health Food Permit	District Clerk Technology	Improvement Districts
REVENUES				
Property taxes	$ -	$ -	$ -	$ 714,056
Other taxes	-	-	-	-
Licenses and permits	-	4,900	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	668	-
Charges for services	135,226	-	-	915,872
Interest	413	-	-	513
Miscellaneous	-	-	-	-
Total revenues	135,639	4,900	668	1,630,441
EXPENDITURES				
Current:				
General administration	77,837	-	269	1,519,331
Legal	-	-	-	-
Public safety	-	-	-	-
Public transportation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	6,813	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	84,650	-	269	1,519,331
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	50,989	4,900	399	111,110
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	50,989	4,900	399	111,110
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	179,860	4,965	20,445	(8,750)
ADJUSTMENTS				
Change in financial reporting entity- fomerly a major fund*	-	-	-	-
FUND BALANCES, BEGINNING , RESTATED	179,860	4,965	20,445	(8,750)
FUND BALANCES, ENDING	$ 230,849	$ 9,865	$ 20,844	$ 102,360

Special Revenue						
Improvement District - Auditor	Improvement District - Treasurer	Improvement District - Tax	Grants	American Rescue Plan*	TAN Series 2020	Long Term Grants
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	225,958	1,998,353	-	775,000
-	-	-	-	-	-	-
18,000	18,000	18,000	-	-	-	-
74	100	118	-	92,425	118	513
-	-	-	20,797	-	-	-
18,074	18,100	18,118	246,755	2,090,778	118	775,513
13,741	17,632	1,248	16,902	685,245	-	625,029
-	-	-	-	-	-	-
-	-	-	163,067	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	75,841	1,331,832	-	162,498
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,741	17,632	1,248	255,810	2,017,077	-	787,527
4,333	468	16,870	(9,055)	73,701	118	(12,014)
-	-	-	-	-	-	-
-	-	-	5,199	-	-	11,937
-	-	-	-	-	(270,920)	-
-	-	-	5,199	-	(270,920)	11,937
4,333	468	16,870	(3,856)	73,701	(270,802)	(77)
42,137	53,614	55,197	(3,991)	-	479,153	-
-	-	-	-	107,241	-	-
42,137	53,614	55,197	(3,991)	107,241	479,153	-
$ 46,470	$ 54,082	$ 72,067	$ (7,847)	$ 180,942	$ 208,351	$ (77)

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MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue	Capital Projects		
	Chapter 59 Forfeiture	Certificates of Obligation 2019*	Debt Service*	Total Nonmajor Governmental
REVENUES				
Property taxes	$ -	$ -	$ 2,773,894	$ 9,198,393
Other taxes	-	-	-	163,159
Licenses and permits	-	-	-	957,800
Intergovernmental	-	-	-	4,927,253
Fines and forfeitures	30,047	-	-	1,036,465
Charges for services	-	-	-	1,157,607
Interest	16	-	949	243,772
Miscellaneous	-	-	-	174,689
Total revenues	30,063	-	2,774,843	17,859,138
EXPENDITURES				
Current:				
General administration	-	7,732	-	3,046,466
Legal	-	-	-	561,259
Public safety	14,934	-	-	1,338,582
Public transportation	-	-	-	5,758,469
Health and welfare	-	-	-	1,431,213
Capital outlay	-	885,781	-	3,175,068
Debt service:				
Principal retirement	-	-	2,090,000	2,147,030
Interest and fiscal charges	-	-	751,960	753,703
Total expenditures	14,934	893,513	2,841,960	18,211,790
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,129	(893,513)	(67,117)	(352,652)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	3,911
Transfers in	-	270,920	-	1,256,186
Transfers out	-	-	-	(300,637)
Total other financing sources (uses)	-	270,920	-	959,460
NET CHANGE IN FUND BALANCES	15,129	(622,593)	(67,117)	606,808
FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED	-	-	-	3,601,068
ADJUSTMENTS				
Change in financial reporting entity- fomerly a major fund*	-	(38,006)	173,347	242,582
FUND BALANCES, BEGINNING , RESTATED	-	(38,006)	173,347	3,843,650
FUND BALANCES, ENDING	$ 15,129	$ (660,599)	$ 106,230	$ 4,450,458

MEDINA COUNTY, TEXAS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property taxes	$ 2,841,561	$ 2,841,561	$ 2,773,894	$ (67,667)
Interest	-	-	949	949
Total revenues	2,841,561	2,841,561	2,774,843	(66,718)
EXPENDITURES				
Debt service				
Principal	2,090,000	2,090,000	2,090,000	-
Interest	751,561	751,561	751,960	(399)
Total expenditures	2,841,561	2,841,561	2,841,960	(399)
NET CHANGE IN FUND BALANCE	-	-	(67,117)	(66,319)
FUND BALANCE, BEGINNING	173,347	173,347	173,347	-
FUND BALANCE, ENDING	$ 173,347	$ 173,347	$ 106,230	$ (66,319)

MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 1

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 1,717,221	$ 1,717,221	$ 1,676,039	$ (41,182)
Other taxes	14,779	14,779	54,381	39,602
Licenses and permits	232,746	232,746	238,960	6,214
Fines and forfeitures	147,736	147,736	152,791	5,055
Interest	5,000	5,000	27,990	22,990
Miscellaneous	-	-	6,310	6,310
Total revenues	2,117,482	2,117,482	2,156,471	38,989
EXPENDITURES				
Public transportation	2,147,099	1,927,099	1,638,075	289,024
Capital outlay	100,000	326,000	325,989	11
Debt service:				
Principal	29,190	29,190	29,190	-
Interest	895	895	892	3
Total expenditures	2,277,184	2,283,184	1,994,146	289,038
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(159,702)	(165,702)	162,325	328,027
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	3,911	3,911
Total other financing sources (uses)	-	-	3,911	3,911
NET CHANGE IN FUND BALANCE	(159,702)	(165,702)	166,236	331,938
FUND BALANCE, BEGINNING	239,645	239,645	239,645	-
FUND BALANCE, ENDING	$ 79,943	$ 73,943	$ 405,881	$ 331,938

MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 2

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 1,810,152	$ 1,810,152	$ 1,805,514	$ (4,638)
Other taxes	9,906	9,906	36,450	26,544
Licenses and permits	232,746	232,746	237,990	5,244
Fines and forfeitures	147,736	147,736	152,791	5,055
Interest	10,000	10,000	56,617	46,617
Miscellaneous	-	-	5,827	5,827
Total revenues	2,210,540	2,210,540	2,295,189	84,649
EXPENDITURES				
Public transportation	2,643,134	2,683,134	1,735,695	947,439
Debt service:				
Principal	27,840	27,840	27,840	-
Interest	855	855	851	4
Total expenditures	2,671,829	2,711,829	1,764,386	947,443
NET CHANGE IN FUND BALANCE	(461,289)	(501,289)	530,803	1,032,092
FUND BALANCE, BEGINNING	685,709	685,709	685,709	-
FUND BALANCE, ENDING	$ 224,420	$ 184,420	$ 1,216,512	$ 1,032,092

MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 3

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 1,301,441	$ 1,301,441	$ 1,269,561	$ (31,880)
Other taxes	11,200	11,200	41,214	30,014
Licenses and permits	232,746	232,746	238,248	5,502
Fines and forfeitures	147,736	147,736	152,791	5,055
Interest	5,000	5,000	21,369	16,369
Miscellaneous	-	-	19,415	19,415
Total revenues	1,698,123	1,698,123	1,742,598	44,475
EXPENDITURES				
Public transportation	1,388,738	1,500,738	1,253,401	247,337
Capital outlay	50,000	112,500	112,455	45
Total expenditures	1,438,738	1,613,238	1,365,856	247,382
NET CHANGE IN FUND BALANCE	259,385	84,885	376,742	291,857
FUND BALANCE, BEGINNING	139,700	139,700	139,700	-
FUND BALANCE, ENDING	$ 399,085	$ 224,585	$ 516,442	$ 291,857

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MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 4

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 982,521	$ 982,521	$ 959,329	$ (23,192)
Other taxes	8,456	8,456	31,114	22,658
Licenses and permits	232,746	232,746	237,702	4,956
Fines and forfeitures	147,736	147,736	152,791	5,055
Interest	6,000	6,000	14,985	8,985
Miscellaneous	-	-	3,447	3,447
Total revenues	1,377,459	1,377,459	1,399,368	21,909
EXPENDITURES				
Public transportation	1,477,871	1,510,371	1,179,740	330,631
Capital outlay	150,000	129,000	26,184	102,816
Total expenditures	1,627,871	1,639,371	1,205,924	433,447
NET CHANGE IN FUND BALANCE	(250,412)	(261,912)	193,444	455,356
FUND BALANCE, BEGINNING	264,055	264,055	264,055	-
FUND BALANCE, ENDING	$ 13,643	$ 2,143	$ 457,499	$ 455,356

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2024

	Custodial Funds				
	State Taxes	County Clerk	District Clerk	Unclaimed Money	Tax Office
ASSETS					
Cash and investments	$ 201,982	$ 371,069	$ 1,236,045	$ 26,561	$ 7,989,944
Total assets	201,982	371,069	1,236,045	26,561	7,989,944
LIABILITIES					
Due to other governments	-	39,531	380,367	-	2,561,769
Total liabilities	-	39,531	380,367	-	2,561,769
NET POSITION					
Restricted for individuals, organizations and other governments	201,982	331,538	855,678	26,561	5,428,175
Total net position	$ 201,982	$ 331,538	$ 855,678	$ 26,561	$ 5,428,175

Custodial Funds							
County Sheriff	LEOSE	Cafeteria Plan	4th Court of Appeals	Medina County Elected Official Escrow	D.A. Pretrial Diversion Program	Forfeiture	Total Custodial Funds
$ 381,561	$ 49,081	$ 31,419	$ 80	$ 168,174	$ 65,455	$ 69,702	$ 10,591,073
381,561	49,081	31,419	80	168,174	65,455	69,702	10,591,073
100,609	-	-	-	168,174	-	-	3,250,450
100,609	-	-	-	168,174	-	-	3,250,450
280,952	49,081	31,419	80	-	65,455	69,702	7,340,623
$ 280,952	$ 49,081	$ 31,419	$ 80	$ -	$ 65,455	$ 69,702	$ 7,340,623

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Custodial Funds				
	State Taxes	County Clerk	District Clerk	Unclaimed Money	Tax Office
ADDITIONS					
Contributions from judgements	$ -	$ 2,139	$ 228,431	$ 15,534	$ -
Commissions income	-	-	-	-	-
Taxes and fees collected	-	-	-	-	157,221,049
Bonds received	-	26,989	671,496	-	-
Deposits held	642,008	572	-	-	-
Interest income	-	107	838	-	21,139
Seizure	-	-	-	-	-
Total additions	642,008	29,807	900,765	15,534	157,242,188
DEDUCTIONS					
Bonds refunded	-	32,695	81,500	-	-
Disbursements on behalf of contracting entities	-	-	-	-	152,620,621
Buy money	-	-	-	-	-
Judgments	-	-	-	-	-
Tax sale fee	-	-	-	-	-
Deposits returned	-	497	-	-	-
Disbursements to beneficiaries	660,381	-	369,324	148	-
Other	-	-	-	-	-
Total deductions	660,381	33,192	450,824	148	152,620,621
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(18,373)	(3,385)	449,941	15,386	4,621,567
NET POSITION, BEGINNING	220,355	334,923	405,737	11,175	806,608
NET POSITION, ENDING	$ 201,982	$ 331,538	$ 855,678	$ 26,561	$ 5,428,175

Custodial Funds							
County Sheriff	LEOSE	Cafeteria Plan	4th Court of Appeals	Medina County Elected Official Escrow	D.A. Pretrial Diversion Program	Forfeiture	Total Custodial Funds
$ 36,486	$ -	$ -	$ 4,067	$ -	$ 69,255	$ 77,150	$ 433,062
24,530	51,319	-	-	-	-	-	75,849
344,900	-	-	-	-	-	-	157,565,949
88,110	-	-	-	-	-	-	786,595
234,036	-	138,026	-	33,745,110	-	-	34,759,752
244	-	-	-	-	-	-	22,328
44,877	-	-	-	-	-	-	44,877
773,183	51,319	138,026	4,067	33,745,110	69,255	77,150	193,688,412
42,657	-	-	-	-	-	-	156,852
7,203	-	-	-	-	-	-	152,627,824
2,000	-	-	-	-	-	-	2,000
75,010	-	-	-	-	-	7,448	82,458
297,158	-	-	-	-	-	-	297,158
27,125	-	-	-	33,842,314	3,800	-	33,873,736
225,011	-	142,252	4,682	-	-	-	1,401,798
-	2,238	-	-	-	-	-	2,238
676,164	2,238	142,252	4,682	33,842,314	3,800	7,448	188,444,064
97,019	49,081	(4,226)	(615)	(97,204)	65,455	69,702	5,244,348
183,933	-	35,645	695	97,204	-	-	2,096,275
$ 280,952	$ 49,081	$ 31,419	$ 80	$ -	$ 65,455	$ 69,702	$ 7,340,623

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COMPLIANCE SECTION

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

Honorable County Judge and
Commissioners' Court
Hondo, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Medina County, Texas (the "County"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Medina County, Texas' basic financial statements, and have issued our report thereon dated March 24, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 24, 2025

PATTILLO, BROWN & HILL, L.L.P.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND THE STATE OF TEXAS GRANT MANAGEMENT STANDARDS

Honorable County Judge and
Commissioners' Court
Hondo, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Medina County, Texas' (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Texas Grant Management Standards* (TxGMS) that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2024. The County's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and 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 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); and TxGMS. Our responsibilities under those standards, the Uniform Guidance, and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 and state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal or 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 federal or 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 federal or 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 the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 24, 2025

MEDINA COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Number	Expenditures
FEDERAL AWARDS			
U. S. Department of Agriculture			
Pass-through Texas Health and Human Services Commission:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HHS000805300001	$ 959,736
Supplemental Nutrition Assistance Program - (SNAP) Cluster	10.561	HHS000805300001	61,682
Total Passed through the Texas Health and Human Services Commission			1,021,418
Total U. S. Department of Agriculture			1,021,418
U. S. Department of Justice			
Direct Programs:			
Internet Crimes Against Childern	16.543	C-01285	8,585
State Criminal Alien Assistance Program	16.606	15PJA-21-RR-05080-SCAA	5,389
Bulletproof Vest Program	16.607	2019BUBX19097430	11,348
Total Direct Programs			25,322
Total U. S. Department of Justice			25,322
U. S. Department of Treasury			
Direct programs:			
COVID-19 - American Rescue Plan Act (ARPA)	21.027	ARP 2021	1,998,353
Total Direct programs			1,998,353
Total U.S. Department of Treasury			1,998,353
U. S. Department of Health and Human Services			
Pass-through Texas Department of State Health Services:			
Public Health Emergency Preparedness (PHEP)	93.069	HHS001311200040	85,461
Public Health Emergency Preparedness (PHEP)	93.069	HHS001439500026	29,236
Total Assistance Listing Number 93.069			114,697
Immunization Cooperative Agreements	93.268	HHS001331300046	63,139
PHER: Public Health Crisis Response	93.354	HHS001077300001	82,021
STLT Response to Public Health	93.391	HHS001057600032	49,086
Public Health Grant	93.967	HHS001312600001	5,948
Preventative Health and Health Services Block Grant	93.991	HHS001324900035	29,711
Total Passed through the Texas Department of State Health Services:			344,602
Total U. S. Department of Health and Human Services			344,602
Federal Emergency Management Agency			
Pass-through Texas Water Development Board:			
FEMA TWDB FMA Scoping	97.029	TWDB 2200012804	53,274
Total Passed through Texas Water Development Board			53,274
Total Federal Emergency Management Agency			53,274
U. S. Department of Homeland Security			
Pass-through Office of the Governor			
State Homeland Security Program	97.067	47531-01	17,998
Total Passed through Office of the Governor			17,998
Total U. S. Department of Homeland Security			17,998
Total Federal Awards			$ 3,460,967

MEDINA COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Number	Expenditures
STATE AWARDS			
Texas Indigent Defense Commission			
Indigent Defense Formula Grant	N/A	212-24-163	$ 34,472
Indigent Defense Sustainability Grant	N/A	SG-24-005	2,214,491
Total Texas Indigent Defense Commission			2,248,963
Office of the Texas Comptroller			
Rural Sheriff's Office Salary Assistance Grant	N/A	IA-0000000067	500,000
Rural Prosecutor's Office Salary Assistance Grant	N/A	IA-0000000247	275,000
Total Office of the Texas Comptroller			775,000
Texas Department of State Health Services			
Immunization Cooperative Agreements	N/A	HHS001331300046	73,072
Preventative Health and Health Services Block Grant	N/A	HHS001324900035	19,335
Total Texas Department of State Health Services			92,407
Texas Office of the Attorney General			
VINE Grant	N/A	C-01148	18,030
Total Texas Office of the Attorney General			18,030
Texas Office of the Governor			
Operation Lone Star	N/A	4578102	164,608
Total Texas Office of the Governor			164,608
Total State Awards			$ 3,299,008

1. GENERAL

The accompanying schedule of expenditures of federal and state awards presents the activity of all applicable federal and state awards of Medina County, Texas. The County's reporting entity is defined in Note 1 to the County's basic financial statements. Federal and State awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included in the respective schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal and state awards is presented using modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

3. INDIRECT COSTS

The County has elected to use the de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

4. PASS-THROUGH EXPENDITURES

None of the expenditures reported on the Schedule of Expenditures of Federal and State Awards have been passed through to subrecipients.

MEDINA COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Summary of Auditors' Results

Financial Statements:	
Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None
Federal and State Awards:	
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance or TxGMS	None

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster:
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund
10.557	Special Supplemental Nutrition Program for Woman, Infants, and Children

Identification of major state programs:	Name of State Program: Rural Sheriff's Office Salary Assistance Grant Rural Prosecutor's Office Salary Assistance Grant
Dollar threshold used to distinguish between type A and type B federal programs	$750,000
Dollar threshold used to distinguish between type A and type B state programs	$750,000
Auditee qualified as low-risk auditee for federal single audit	Yes

Findings Related to the Financial Statements Which Are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal and State Awards

None

MEDINA COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

None

Financial Advisory Services
Provided By:

SAMCO Capital