

COUNTY OF CROCKETT
Annual Financial Report
Year Ended December 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor’s Report	1-2
Management’s Discussion and Analysis	3-8
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis.....	9
Statement of Activities - Modified Cash Basis.....	10
Fund Financial Statements	
Balance Sheet - Modified Cash Basis - Governmental Funds	11-12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position - Modified Cash Basis	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds.....	14-15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Modified Cash Basis	16
Statement of Fiduciary Net Position - Modified Cash Basis - Fiduciary Funds	17
Statement of Changes in Fiduciary Net Position - Modified Cash Basis - Fiduciary Funds	18
Notes to the Financial Statements	19-37
<u>Other Information</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis - Budget and Actual - General Fund	38
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis - Budget and Actual - Road and Bridge Fund.....	39
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis - Budget and Actual - Care Center Fund.....	40
Schedule of Changes in Net Pension Liability and Related Ratios - Texas County & District Retirement System.....	41-42
Schedule of Employer Contributions - Texas County & District Retirement System	43-44
Notes to the Other Information	45
COMPLIANCE AND INTERNAL CONTROLS SECTION	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46-47

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

The Honorable County Judge
and Commissioners' Court
County of Crockett
P.O. Box 989
Ozona, TX 76943-0989

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Crockett, Texas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Crockett, Texas, as of December 31, 2020, the respective changes in modified cash-basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Section I., Note C.

Basis of Accounting

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

Emphasis of Matter

The County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, described in Note I., J. to the financial statements. As a result, the County reported a restatement of the custodial funds' beginning net position for the change in accounting principle, as described in Note IV., C. to the financial statements. Our opinion is not modified with respect to the restatement.

Other Matters

Other Information

The management's discussion and analysis, budgetary comparison information, and net pension liability and contributions information for the Texas County & District Retirement System on pages 3 through 8, 38 through 40, and 41 through 45, respectively, are presented to supplement the basic financial statements. We have applied certain limited procedures to this 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2021, on our consideration of the County of Crockett's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Crockett's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Crockett's internal control over financial reporting and compliance.

Eckert & Company, LLP

November 4, 2021



COUNTY OF CROCKETT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the County of Crockett's financial performance provides an overview of the County's financial activities for the year ended December 31, 2020, within the limitations of the County's modified cash basis of accounting. It should be read in conjunction with the County's basic financial statements and independent auditor's report.

Financial Highlights - Modified Cash Basis of Accounting

The County's assets exceeded its liabilities and deferred inflows of resources at the end of the current year by \$37,064,712 (net position). Of this amount, \$15,716,654 (unrestricted) may be used to meet the County's ongoing obligations.

The County's total net position increased by \$3,379,508 or 10%. This amount consists of a \$3,469,383 increase attributable to current year operations and a \$89,875 decrease attributable to prior period adjustments described in Note IV., C. The County's statement of activities shows total revenues of \$20,896,148 and total expenses of \$17,426,765.

The total fund balance of the General Fund is \$12,136,972 which is an increase of \$255,863 or 2% compared to the prior year.

Overview of the Financial Statements

The County's financial statements are presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's modified cash basis of accounting.

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the 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/deferred inflows of resources resulting from the use of the modified cash basis of accounting, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Overview of the Financial Statements - Continued

The statement of activities presents information showing how the County's net position changed during the current year while keeping in mind the limitations of the modified cash basis of accounting.

The governmental activities of the County include public transportation through roads and bridges, judicial, public safety, corrections and rehabilitation, public health and wellness, and culture and recreation, as well as general administrative and support services.

The County has no component units.

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 other state and 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 two categories: governmental funds and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the current year.

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 County's near-term financing decisions. Both the governmental fund balance sheet - modified cash basis and the governmental fund statement of revenues, expenditures, and changes in fund balances - modified cash basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet - modified cash basis and in the governmental fund statement of revenues, expenditures, and changes in fund balances - modified cash basis for the General Fund, the Road and Bridge Fund, and the Care Center Fund, all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation.

The County adopts a budget for its General Fund and Special Revenue Funds.

Fiduciary Funds - - Fiduciary funds are used to account for assets which are held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, or other County funds. The County's fiduciary funds are custodial funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Government-Wide Financial Analysis

Net Position - A summary of the County's net position is presented below:

NET POSITION - MODIFIED CASH BASIS

	Governmental Activities	
	December 31,	
	2020	2019
Current and Other Assets	\$ 19,285,728	\$ 17,415,173
Capital Assets	23,097,972	23,509,278
Total Assets	\$ 42,383,700	\$ 40,924,451
Other Payables	\$ 170,026	\$ 171,869
Long-Term Liabilities	2,810,000	5,217,000
Total Liabilities	\$ 2,980,026	\$ 5,388,869
Deferred Inflows of Resources	\$ 2,338,962	\$ 1,850,378
Net Position		
Net Investment in Capital Assets	\$ 20,666,286	\$ 18,668,400
Restricted	681,772	553,658
Unrestricted	15,716,654	14,463,146
Total Net Position	\$ 37,064,712	\$ 33,685,204

A large portion of the County's net position resulting from modified cash basis transactions (\$20,666,286) reflects the County's investment in capital assets, less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position (\$681,772) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$15,716,654) may be used to meet the County's ongoing obligations.

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Government-Wide Financial Analysis - Continued

Governmental Activities - Governmental activities increased the County's net position resulting from modified cash basis transactions by \$3,469,383 and \$3,569,207 for the fiscal years ended December 31, 2020 and 2019, respectively. Key elements of these increases are as follows:

CHANGES IN NET POSITION - MODIFIED CASH BASIS

	Governmental Activities	
	Year Ended December 31,	
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 2,991,291	\$ 3,487,066
Operating Grants and Contributions	1,001,572	603,333
General Revenues		
Property Taxes - Maintenance	13,949,516	11,426,412
Property Taxes - Debt Service	2,578,999	2,611,469
Contributions and Donations	123,450	0
Other Revenues	113,736	1,985,323
Investment Earnings	137,584	463,349
Total Revenues	\$ 20,896,148	\$ 20,576,952
Expenses		
General Government	\$ 2,612,663	\$ 2,575,053
Roads and Bridges	2,474,667	2,314,515
Justice System	1,330,778	1,418,100
Public Safety	1,756,686	1,818,363
Corrections and Rehabilitation	1,094,217	1,240,557
Public Health and Wellness	7,029,027	6,327,426
Culture and Recreation	1,053,182	1,193,901
Interest on Long-Term Debt	74,745	119,030
Fees on Long-Term Debt	800	800
Total Expenses	\$ 17,426,765	\$ 17,007,745
Change in Net Position	\$ 3,469,383	\$ 3,569,207
Net Position - Beginning	33,685,204	30,206,908
Prior Period Adjustments	(89,875)	(90,911)
Net Position - Ending	\$ 37,064,712	\$ 33,685,204

MANAGEMENT’S DISCUSSION AND ANALYSIS - Continued

Financial Analysis of the County’s Funds

The 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 the County’s financing requirements. The unassigned fund balance may serve as a useful measure of the County’s net resources available for spending at the end of the current year within the limitations of the County’s modified cash basis of accounting.

The County’s governmental funds reported combined ending fund balances on the modified cash basis of accounting of \$16,776,740, an increase of \$1,383,814 or 9% in comparison with the prior year. These fund balances are reported in various governmental funds as follows:

General Fund \$12,136,972. Of this balance \$1,259,845 is committed for roof projects.

Special Revenue Funds \$3,970,496. Of this balance \$390,814 is restricted by legislation and \$3,579,682 is committed as follows:

Roads and Bridges	\$ 2,834,895
Health Center Improvement	343,654
Care Center - Jean Powers	190,500
Courthouse Renovation	119,468
Fire Department	68,333
Library Memorial	2,930
Grant Fund	44
Hot Check Funds	15,850
Wind Farm	1,720
Animal Control	470
DARE Program	<u>1,818</u>
Total	<u><u>\$ 3,579,682</u></u>

Interest and Sinking Funds \$290,958. The net balance of these funds is reported as restricted for debt service.

Jail Project Interest and Sinking (Deficit)	\$ (45,436)
Wellness Center Project Interest and Sinking	37,086
Clinic Project Interest and Sinking	<u>299,308</u>
Total	<u><u>\$ 290,958</u></u>

Capital Project Funds \$378,314. The net balance of these funds is reported as restricted for capital projects.

General Fund Budget

The original budget for the General Fund was \$13,233,167, and the final amended budget was \$13,169,474 which represents a \$63,693 decrease in appropriations. Variances between the original budget and the final amended budget are shown on page 38 in the other information section of the audit report.

The County has adopted a budget for the General Fund in the amount of \$13,599,009 for the fiscal year 2021, which is an increase of \$429,535 from the fiscal year 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Capital Assets and Debt - Modified Cash Basis

Capital Assets - Financial statement footnote III., C. discloses the County's capital asset activity for the year ended December 31, 2020.

Long-Term Debt - Financial statement footnote III., H. discloses the County's debt activity for the year ended December 31, 2020.

Requests for Information

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Fred M. Deaton, County Judge, County of Crockett, P.O. Box 1857, Ozona, TX 76943-1857.

Basic Financial Statements

COUNTY OF CROCKETT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2020

	Primary Government
	Governmental Activities
ASSETS	
Cash in Bank	\$ 17,442,166
Due from Other Governments	159,268
Due from Fiduciary Funds	1,684,294
Capital Assets:	
Capital Assets Not Being Depreciated	310,000
Land	218,470
Infrastructure, Net	3,038,095
Buildings and Improvements, Net	17,182,771
Machinery and Equipment, Net	1,957,148
Construction in Progress	391,488
Total Assets	42,383,700
LIABILITIES	
Payroll Liabilities	98,554
Due to State	46,304
Unearned Revenue	25,168
Noncurrent Liabilities:	
Debt Due Within One Year	2,452,000
Bonds Payable - Noncurrent	358,000
Total Liabilities	2,980,026
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	2,338,962
Total Deferred Inflows of Resources	2,338,962
NET POSITION	
Net Investment in Capital Assets	20,666,286
Restricted for:	
Restricted by Legislation	390,814
Restricted for Debt Service	290,958
Unrestricted	15,716,654
Total Net Position	\$ 37,064,712

The notes to the financial statements are an integral part of this statement.

COUNTY OF CROCKETT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Net (Expense)
Revenue and
Changes in Net
Position

Primary Gov.
Governmental
Activities

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 2,612,663	\$ 329,042	\$ 8,480	\$ (2,275,141)
Roads and Bridges	2,474,667	269,216	67,922	(2,137,529)
Justice System	1,330,778	568,345	94,813	(667,620)
Public Safety	1,756,686	29,913	338,264	(1,388,509)
Corrections and Rehabilitation	1,094,217	-	-	(1,094,217)
Public Health and Wellness	7,029,027	1,794,775	491,493	(4,742,759)
Culture and Recreation	1,053,182	-	600	(1,052,582)
Debt Service Interest	74,745	-	-	(74,745)
Debt Service Fees	800	-	-	(800)
TOTAL PRIMARY GOVERNMENT	\$ 17,426,765	\$ 2,991,291	\$ 1,001,572	(13,433,902)

General Revenues:

Taxes:		
Property Taxes, Levied for General Purposes		13,949,516
Property Taxes, Levied for Debt Service		2,578,999
Contributions and Donations		123,450
Miscellaneous Revenue		113,736
Investment Earnings		137,584
Total General Revenues		16,903,285
Change in Net Position		3,469,383
Net Position - Beginning		33,685,204
Prior Period Adjustments		(89,875)
Net Position - Ending		\$ 37,064,712

The notes to the financial statements are an integral part of this statement.

COUNTY OF CROCKETT
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Road and Bridge Fund	Care Center Fund
ASSETS			
Cash in Bank	\$ 12,686,823	\$ 2,959,239	\$ -
Due from Other Governments	-	-	-
Due from Other Funds	1,208,164	251,174	-
Total Assets	<u>\$ 13,894,987</u>	<u>\$ 3,210,413</u>	<u>\$ -</u>
LIABILITIES			
Payroll Liabilities	\$ 98,554	\$ -	\$ -
Due to Other Funds	-	-	-
Due to State	46,304	-	-
Unearned Revenue	-	-	-
Total Liabilities	<u>144,858</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	1,613,157	375,518	-
Total Deferred Inflows of Resources	<u>1,613,157</u>	<u>375,518</u>	<u>-</u>
FUND BALANCES			
Restricted Fund Balance:			
Restricted by Legislation	-	-	-
Retirement of Long-Term Debt	-	-	-
Restricted for Capital Projects	-	-	-
Committed Fund Balance:			
Committed for Care Center	-	-	-
Committed for Capital Projects	1,259,845	-	-
Committed for Health Center	-	-	-
Committed for Roads and Bridges	-	2,834,895	-
Other Committed Fund Balance	-	-	-
Unassigned Fund Balance	10,877,127	-	-
Total Fund Balances	<u>12,136,972</u>	<u>2,834,895</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 13,894,987</u>	<u>\$ 3,210,413</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 1,796,104	\$ 17,442,166
159,268	159,268
225,356	1,684,694
<u>\$ 2,180,728</u>	<u>\$ 19,286,128</u>
\$ -	\$ 98,554
400	400
-	46,304
25,168	25,168
<u>25,568</u>	<u>170,426</u>
350,287	2,338,962
<u>350,287</u>	<u>2,338,962</u>
390,814	390,814
290,958	290,958
378,314	378,314
190,500	190,500
-	1,259,845
343,654	343,654
-	2,834,895
210,633	210,633
-	10,877,127
<u>1,804,873</u>	<u>16,776,740</u>
<u>\$ 2,180,728</u>	<u>\$ 19,286,128</u>

COUNTY OF CROCKETT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Total Fund Balances - Governmental Funds	\$	16,776,740
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds financial statements. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.		18,292,278
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including capital outlays and debt principal payments is to increase (decrease) net position.		3,405,659
Depreciation is not recognized as an expense in the governmental funds financial statements since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(1,409,965)
Net Position of Governmental Activities	<u>\$</u>	<u>37,064,712</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF CROCKETT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Road and Bridge Fund	Care Center Fund
REVENUES:			
Property Taxes	\$ 11,327,886	\$ 2,621,630	\$ -
Intergovernmental Revenue and Grants	183,938	67,922	133,692
Fines and Fees	907,583	286,353	1,430,441
Investment Earnings	116,372	14,060	-
Contributions and Donations	-	-	-
Other Revenue	71,927	50	1,384
Total Revenues	12,607,706	2,990,015	1,565,517
EXPENDITURES:			
Current:			
General Government	2,917,924	-	-
Roads and Bridges	-	2,099,673	-
Justice System	1,319,418	-	-
Public Safety	1,501,254	-	-
Corrections and Rehabilitation	809,763	-	-
Public Health and Wellness	930,549	-	3,751,450
Culture and Recreation	1,078,252	-	-
Debt Service:			
Debt Service Principal	-	-	-
Debt Service Interest	-	-	-
Debt Service Fees	-	-	-
Total Expenditures	8,557,160	2,099,673	3,751,450
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,050,546	890,342	(2,185,933)
OTHER FINANCING SOURCES (USES):			
Transfers In	-	-	2,185,933
Transfers Out	(3,704,808)	-	-
Total Other Financing Sources (Uses)	(3,704,808)	-	2,185,933
Net Change in Fund Balances	345,738	890,342	-
Fund Balance - January 1 (Beginning)	11,881,109	1,944,553	153,000
Prior Period Adjustments	(89,875)	-	(153,000)
Fund Balance - December 31 (Ending)	\$ 12,136,972	\$ 2,834,895	\$ -

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 2,578,999	\$ 16,528,515
616,020	1,001,572
366,914	2,991,291
7,152	137,584
123,450	123,450
2,397	75,758
<u>3,694,932</u>	<u>20,858,170</u>
14,225	2,932,149
-	2,099,673
7,781	1,327,199
340,776	1,842,030
-	809,763
2,127,949	6,809,948
2,922	1,081,174
2,407,000	2,407,000
74,745	74,745
800	800
<u>4,976,198</u>	<u>19,384,481</u>
<u>(1,281,266)</u>	<u>1,473,689</u>
1,518,875	3,704,808
-	(3,704,808)
<u>1,518,875</u>	<u>-</u>
237,609	1,473,689
1,414,264	15,392,926
153,000	(89,875)
<u>\$ 1,804,873</u>	<u>\$ 16,776,740</u>

COUNTY OF CROCKETT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
& CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Total Net Change in Fund Balances - Governmental Funds	\$ 1,473,689
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing capital outlays and debt principal payments is to increase (decrease) net position.	3,405,659
Depreciation is not recognized as an expense in the governmental funds financial statements since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(1,409,965)
Change in Net Position of Governmental Activities	<u>\$ 3,469,383</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF CROCKETT
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2020

	Custodial Funds
<hr/>	
ASSETS	
Cash in Bank	\$ 5,550,578
Due from Fiduciary Funds	7,483
Total Assets	<u>5,558,061</u>
LIABILITIES	
Due to Other Funds	1,684,294
Due to Fiduciary Funds	7,483
Due to State	25,158
Due to Others	20,687
Tax Collections Due to Entities	2,027,016
Total Liabilities	<u>3,764,638</u>
NET POSITION	
Restricted for Custodial Purposes	<u>1,793,423</u>
Total Net Position	<u><u>\$ 1,793,423</u></u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF CROCKETT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial Funds
ADDITIONS:	
Property Tax Collections	\$ 35,630,401
Hotel Taxes	341,390
Intergovernmental Revenue and Grants	1,518
Fines and Fees	1,150,714
Bond and Registry Accounts	26,454
Investment Earnings	32,548
Total Additions	37,183,025
DEDUCTIONS:	
Property Tax Remittances	35,585,265
Property Tax Attorney Fees	45,136
State and County Fees	1,149,962
Hotel Taxes	341,390
Investment Earnings to Entities	32,422
Bond and Registry Accounts	512,758
Supplies	1,777
Total Deductions	37,668,710
Net Change in Fiduciary Net Position	(485,685)
Total Net Position - January 1 (Beginning)	-
Prior Period Adjustment	2,279,108
Total Net Position - December 31 (Ending)	\$ 1,793,423

The notes to the financial statements are an integral part of this statement.

COUNTY OF CROCKETT
Notes to the Financial Statements
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Crockett, Texas, prepares its basic financial statements on the modified cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America.

A. Reporting Entity

The County of Crockett, Texas, was organized by an Act of the Texas Legislature in 1891. The County is governed by the Commissioners' Court, a five-member group consisting of an elected County Judge and four County Commissioners elected from individual precincts. Services provided by the County include public transportation through roads and bridges, judicial, public safety, corrections and rehabilitation, public health and wellness, and culture and recreation, as well as general administrative and support services. There are no component units included within the reporting entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities include programs supported primarily by taxes, grants, and other intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges for services - payments from parties that purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment of the County and (2) grants and contributions - payments from organizations outside the County that are restricted to meeting the operational or capital requirements of a particular function or segment of the County. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

All interfund transactions between governmental funds are eliminated in the government-wide financial statements. Interfund activities between governmental funds and fiduciary funds remain as interfund receivables and payables on the government-wide statement of net position.

Separate financial statements are provided for governmental 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. All remaining governmental funds are aggregated and reported as other funds.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as are the fiduciary fund financial statements.

The fund financial statements are reported using the current financial resources measurement focus as applied to the modified cash basis of accounting.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus and Basis of Accounting - Continued

Governmental funds utilize a current financial resources measurement focus. Current financial assets and liabilities are generally the only items included on their balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. Fund balance is used to measure available spendable financial resources at the end of the period.

Basis of Accounting

The government-wide financial statements and the fund financial statements are presented using the modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position, fund equity, revenues, expenditures, and expenses when they result from cash transactions with a provision for depreciation in the government-wide financial statements. The modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America.

The use of the modified cash basis of accounting results in certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable, expenses for goods or services received but not yet paid, and accrued expenses and liabilities) not being recorded in these financial statements.

The government reports the following major governmental funds:

General Fund - This Fund is the general operating fund of the County. It is used to account for all revenues except those required to be accounted for in other funds.

Road and Bridge Fund - This Fund is a special revenue fund and is used to account for revenues for the road and bridge precincts.

Care Center Fund - This Fund is a special revenue fund and is used to account for revenues for the Care Center.

Additionally, the government reports the following fund types:

Debt Service Funds - These Funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Capital Projects Funds - These Funds account for financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Special Revenue Funds - These Funds account for resources restricted to, or committed for, specific purposes by the County or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a special revenue fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Fiduciary Funds account for assets held by the County in a trustee capacity or resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those Funds are not available to support the County's own programs.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus and Basis of Accounting - Continued

The County has the following Fiduciary Funds:

Custodial Funds - These Funds are used to account for assets which are held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, or other County funds.

D. Interfund Receivables and Payables

Activity between individual funds may result in amounts owed between funds which are classified as Due To and From Other Funds. Other than amounts due to or from fiduciary funds these balances are eliminated in the statement of net position.

E. Capital Assets

In the government-wide financial statements, capital assets arising from modified cash basis transactions are reported in the statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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.

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

<u>Assets</u>	<u>Years</u>
Infrastructure	20-30
Buildings and Improvements	30-40
Machinery and Equipment	5-10

In the fund financial statements, capital assets arising from modified cash basis transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

F. Long-Term Debt

Long-term debt arising from modified cash basis transactions to be repaid from governmental resources is reported as liabilities in the government-wide financial statements.

Long-term debt arising from modified cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payments of principal and interest are reported as expenditures.

G. Compensated Absences

County employees are entitled to paid time off and sick leave based on their length of employment. Paid time off (PTO) can accumulate up to twenty-three to thirty-three days based on their length of employment. PTO does not accumulate or vest. Employees can accumulate up to sixty days of sick leave, but it does not vest. Sick leave earned past the sixty days is converted to PTO at a rate of 2 to 1. Employees are not paid for unused PTO or sick leave upon separation from service.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Net Position on the Statement of Net Position

Net position on the statement of net position includes the following:

Net Investment in Capital Assets - This component of net position represents the difference between capital assets net of accumulated depreciation and the outstanding balance of debt, excluding any unspent debt proceeds that is directly attributable to the acquisition, construction, or improvement of those assets.

Restricted by Legislation - This component of net position represents the difference between assets and liabilities of certain Special Revenue Funds that consists of assets with constraints placed on their use by state legislation.

Restricted for Debt Service - This component of net position represents the difference between assets and liabilities of the Debt Service Fund that consists of assets with constraints placed on their use by creditors.

Unrestricted - This is the difference between assets and liabilities/deferred inflows of resources that is not reported as Net Investment in Capital Assets, Restricted by Legislation, or Restricted for Debt Service.

I. Fund Balances

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

Restricted - Amounts that can be spent only for specific purposes because usage restraints have been imposed by external sources such as creditors (through a debt covenant), grantors, contributors, or laws or regulations of other governments.

Committed - Amounts that can be used only for specific purposes determined by a formal action of the Commissioners' Court, the County's highest level of decision-making authority. Commitments may be modified or rescinded only through formal action by the Commissioners' Court.

Unassigned - Amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund.

The details of the fund balances are included in the governmental funds balance sheet.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are 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, as needed, unless the Commissioners' Court has provided otherwise in its commitment or assignment actions.

Restricted net position for custodial purposes represents the net position available in the custodial funds for distribution to individuals, private organizations, and other governments.

J. Implementation of New Accounting Standard

The County implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and, therefore, should be reported as such. The statement defines types of fiduciary funds, eliminating agency funds and replacing them with custodial funds. Under this guidance, fiduciary funds will now report a net position and a statement of changes in net position.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. Property Tax Revenues

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

Property taxes are recognized as revenues when they are collected and available for use.

L. Interfund Transfers

Permanent relocations of resources between funds of the reporting entity are classified as interfund transfers. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budget

The County prepares and adopts a budget for governmental funds prior to the beginning of each fiscal year. The County holds public meetings for the purpose of obtaining comments from citizens prior to adopting the budget. Once a budget is approved, it can be amended only by approval of a majority of the members of the Commissioners' Court. The budget was amended during the year.

Budgets for the General Fund and Special Revenue Funds are adopted on a modified cash basis and cover a one-year period. Appropriations lapse at year end.

B. Excess Expenditures Over Appropriations

The County expended more than budgeted as reported on page 38, by an immaterial amount.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

A. Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy.

Custodial Credit Risk - Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits and investments in certificates of deposit may not be returned to it. The County's policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following: The State of Texas requires that a financial institution secure deposits and investments made by state and local governments by pledging securities in excess of the highest cash balance of the government. The County is not exposed to custodial credit risk for its deposits since they are covered by depository insurance and pledged securities held by a third party in the County's name.

Concentration of Credit Risk: The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the total entity investments represent a concentration risk. The County is not exposed to this risk as described in the preceding paragraph.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At December 31, 2020, the County was not significantly exposed to credit risk.

Interest Rate Risk: Not applicable

Foreign Currency Risk: Not applicable

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

B. Interfund Receivables, Payables, and Transfers

1. The following is a summary of amounts due from and due to other funds:

	<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>
General Fund			
Nonmajor Governmental Funds	\$ 400	\$ 0	Operating Loan
Fiduciary Funds	1,207,764	0	Unremitted Fees and Taxes
	<u>\$ 1,208,164</u>	<u>\$ 0</u>	
Road and Bridge Fund			
Fiduciary Funds	<u>\$ 251,174</u>	<u>\$ 0</u>	Unremitted Fees and Taxes
Nonmajor Governmental Funds			
General Fund	\$ 0	\$ 400	Operating Loan
Fiduciary Funds	225,356	0	Unremitted Fees and Taxes
	<u>\$ 225,356</u>	<u>\$ 400</u>	
Fiduciary Funds			
General Fund	\$ 0	\$ 1,207,764	Unremitted Fees and Taxes
Road and Bridge Fund	0	251,174	Unremitted Fees and Taxes
Nonmajor Governmental Funds	0	225,356	Unremitted Fees and Taxes
Fiduciary Funds	7,483	7,483	Unremitted Fees and Taxes
	<u>\$ 7,483</u>	<u>\$ 1,691,777</u>	
Totals	<u>\$ 1,692,177</u>	<u>\$ 1,692,177</u>	

All amounts due are expected to be repaid within one year.

2. Interfund transfers consist of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Care Center Fund	\$ 2,185,933	Current Operations
General Fund	Nonmajor Governmental Funds	<u>1,518,875</u>	Current Operations
Total		<u>\$ 3,704,808</u>	

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

C. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Land	\$ 218,470	\$ 0	\$ 0	\$ 218,470
Other	310,000	0	0	310,000
Total Capital Assets Not Being Depreciated	<u>\$ 528,470</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 528,470</u>
Capital Assets Being Depreciated				
Buildings and Improvements	\$ 21,644,815	\$ 266,710	\$ 0	\$ 21,911,525
Infrastructure	5,860,871	0	0	5,860,871
Machinery and Equipment	8,337,514	340,461	(147,881)	8,530,094
Software	156,802	0	0	156,802
Construction in Progress	0	391,488	0	391,488
Total Capital Assets Being Depreciated	<u>\$ 36,000,002</u>	<u>\$ 998,659</u>	<u>\$ (147,881)</u>	<u>\$ 36,850,780</u>
Total Capital Assets	<u>\$ 36,528,472</u>	<u>\$ 1,390,147</u>	<u>\$ (147,881)</u>	<u>\$ 37,379,250</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ (3,950,167)	\$ (778,587)	\$ 0	\$ (4,728,754)
Infrastructure	(2,637,469)	(185,307)	0	(2,822,776)
Machinery and Equipment	(6,309,405)	(425,282)	147,881	(6,586,806)
Software	(122,153)	(20,789)	0	(142,942)
Total Accumulated Depreciation	<u>\$ (13,019,194)</u>	<u>\$ (1,409,965)</u>	<u>\$ 147,881</u>	<u>\$ (14,281,278)</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,509,278</u>	<u>\$ (19,818)</u>	<u>\$ 0</u>	<u>\$ 23,097,972</u>

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

C. Capital Assets - Continued

Depreciation expense was charged to governmental activities programs as follows:

General Government	\$ 141,149
Roads and Bridges	374,994
Justice System	3,579
Public Safety	128,644
Corrections and Rehabilitation	284,454
Public Health and Wellness	396,913
Culture and Recreation	<u>80,232</u>
Total	<u>\$ 1,409,965</u>

D. Due from Other Governments

The County participates in various grant programs. Amounts due from the State for these programs are summarized as follows:

TDEM - Cares Act	\$ 152,416
Stone Garden Grant	<u>6,852</u>
Total	<u>\$ 159,268</u>

E. Due To State

The County collects various state required fines and fees. Amounts due to the State for these collections are summarized as follows:

Court Costs and Fees	<u>\$ 46,304</u>
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F. Unearned Revenue

Unearned revenue at year end consisted of the following:

Cares Act Funding	<u>\$ 25,168</u>
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G. Deferred Inflows of Resources

The statement of net position and the balance sheet report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category, ad valorem taxes, which were collected in the current year but will be used to fund the following year's budget.

H. Long-Term Debt

The County's long-term liabilities consist of bonded indebtedness and a tax note. The current requirements for the general obligation bonds and the tax note principal and interest are accounted for in the Interest and Sinking Funds.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

H. Long-Term Debt - Continued

The following is a summary of changes in long-term debt for the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds - 2016A (Direct Placement)	\$ 2,502,000	\$ 0	\$ 1,240,000	\$ 1,262,000	\$ 1,262,000
General Obligation Bonds - 2016B (Direct Placement)	1,662,000	0	823,000	839,000	839,000
Tax Note (Direct Placement)	1,053,000	0	344,000	709,000	351,000
Totals	<u>\$ 5,217,000</u>	<u>\$ 0</u>	<u>\$ 2,407,000</u>	<u>\$ 2,810,000</u>	<u>\$ 2,452,000</u>

The County's outstanding bond issues, which are payable from the Interest and Sinking Funds are as follows:

Crockett County, Texas, General Obligation Bonds, Series 2016A (Direct Placement). Issued to pay for the construction and equipping of a new County Jail in the original amount of \$6,050,000. Due in variable installments through February 2021, with an interest rate of 1.75%. ¹	\$ 1,262,000
Crockett County, Texas, General Obligation Bonds, Series 2016B (Direct Placement). Issued to pay for the construction and equipping of a County Wellness Center in the original amount of \$4,000,000. Due in variable installments through February 2021, with an interest rate of 1.97%. ¹	<u>839,000</u>
Total Bonds Payable	<u>\$ 2,101,000</u>

¹ During each year while bonds are outstanding, the County is required to levy and collect sufficient ad valorem taxes, within the limits prescribed by law on all taxable property within the County as provided in the Order, to provide for the payment of principal and interest as it becomes due. If the County defaults in the payment of principal, interest, or redemption price on the bonds when due, or if it fails to make payments into any fund or funds created in the Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set for in the Order, the registered owners may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the bonds if there is no other available remedy at law to compel performance of the bonds or Order and the County's obligations are not uncertain or disputed.

The County's outstanding tax note issue, which is payable from Interest and Sinking Fund is as follows:

Crockett County, Texas, Tax Note, Series 2015 (Direct Placement). Issued to construct and equip a new County health clinic and pay costs of issuance related to the Tax Note in the original amount of \$2,045,000. Due in variable installments through February 15, 2022, with an interest rate of 1.97%. ¹	<u>\$ 709,000</u>
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¹ During each year while tax notes are outstanding, the County is required to budget an amount necessary to pay the tax notes out of taxes and other revenues and funds lawfully available. In case of default the lender will proceed against the County with legal action for any relief permitted by law.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

H. Long-Term Debt - Continued

The combined annual debt service requirements are as follows:

Year Ending December 31,	General Obligation Bonds - 2016A (Direct Placement)		General Obligation Bonds - 2016B (Direct Placement)		Tax Note (Direct Placement)		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 1,262,000	\$ 11,043	\$ 839,000	\$ 8,264	\$ 351,000	\$ 10,510	\$ 2,481,817
2022	0	0	0	0	358,000	3,526	361,526
Totals	\$ 1,262,000	\$ 11,043	\$ 839,000	\$ 8,264	\$ 709,000	\$ 14,036	\$ 2,843,343

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan Description - The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County & District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County & District Retirement System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 1-800-823-7782.

The plan provisions are adopted by the governing body of the employer within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits 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 deposits 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 deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy - The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 10.81% for calendar year 2020.

The deposit rate payable by the employee members for calendar year 2020 is 7% as adopted by the governing body of the

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Actuarial Assumptions - All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2019 funding valuation, except as noted below and throughout this report. Please see the County's December 31, 2019 Summary Valuation Report for further details.

Following are the key assumptions and methods used in this GASB analysis:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line Amortization Over Expected Working Life
Recognition of Assumptions Changes or Inputs	Straight-Line Amortization Over Expected Working Life
Asset Valuation Method	
Smoothing Period	5 Years
Recognition Method	Non-Asymptotic
Corridor	None
Inflation	2.75%
Salary Increases	4.90%
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members eligible for service retirement are assumed to retire at various rates based upon age and gender. Deferred members are assumed to retire (100% probability) at the later of age 60 or earliest retirement eligibility. For all eligible members ages 75 and later, retirement is assumed to occur immediately.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	Mortality rates for depositing members are based on 90% of the gender-distinct RP-2014 Active Employee Mortality Table. Service retirees, beneficiaries, and non-depositing members are based on 130% for males and 110% for females of the RP-2014 Healthy Annuitant Mortality Table. Disabled retirees are based on 130% for males and 115% for females of the RP-2014 Disabled Annuitant Mortality Table. All of the rates are projected with 110% of the MP-2014 Ultimate scale after 2014.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Long-Term Expected Rate of Return - The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on April 2020 information for a 10-year time horizon.

Note the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2017.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected Minus Inflation)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	20.00%	8.20%
Global Equities	MSCI World (Net) Index	2.50%	5.50%
International Equities - Developed Markets	MSCI World Ex USA (Net) Index	7.00%	5.20%
International Equities - Emerging Markets	MSCI Emerging Markets (Net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (Net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Depletion of Plan Assets/GASB Discount Rate - The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

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

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. 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.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. 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.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefits 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 total 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, we have used a discount rate of 8.1%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8%, net of all expenses, increased by 0.1% to be gross of administrative expenses.

Changes in Net Pension Liability (Asset) - The following presents the increases (decreases) in net pension liability (asset):

<u>Changes in Net Pension Liability (Asset)</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
Balance as of December 31, 2018	\$ 28,921,418	\$ 24,567,145	\$ 4,354,273
Changes for the Year:			
Service Cost	\$ 677,952	\$ 0	\$ 677,952
Interest on Total Pension Liability	2,325,032	0	2,325,032
Effect of Plan Changes	0	0	0
Effect of Economic/Demographic Gains or Losses	82,433	0	82,433
Effect of Assumptions Changes or Inputs	0	0	0
Refund of Contributions	(136,418)	(136,418)	0
Benefit Payments	(1,689,684)	(1,689,684)	0
Administrative Expenses	0	(21,230)	21,230
Member Contributions	0	451,071	(451,071)
Net Investment Income	0	4,035,128	(4,035,128)
Employer Contributions	0	673,235	(673,235)
Other	0	(20,147)	20,147
Net Changes	<u>\$ 1,259,315</u>	<u>\$ 3,291,955</u>	<u>\$ (2,032,640)</u>
Balance as of December 31, 2019	<u>\$ 30,180,733</u>	<u>\$ 27,859,100</u>	<u>\$ 2,321,633</u>

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Sensitivity Analysis - The following presents the net pension liability (asset) of the County, calculated using the discount rate of 8.1%, 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 (7.1%) or 1 percentage point higher (9.1%) than the current rate.

	<u>1% Decrease in Discount Rate (7.1%)</u>	<u>Current Discount Rate (8.1%)</u>	<u>1% Increase in Discount Rate (9.1%)</u>
Total Pension Liability	\$ 33,503,856	\$ 30,180,733	\$ 27,336,461
Fiduciary Net Position	<u>27,859,100</u>	<u>27,859,100</u>	<u>27,859,100</u>
Net Pension Liability (Asset)	<u>\$ 5,644,756</u>	<u>\$ 2,321,633</u>	<u>\$ (522,639)</u>

Pension Expense (Income) - The following presents the components of pension expense (income):

<u>Pension Expense (Income)</u>	<u>January 1, 2019 to December 31, 2019</u>
Service Cost	\$ 677,952
Interest on Total Pension Liability	2,325,032
Effect of Plan Changes	0
Administrative Expenses	21,230
Member Contributions	(451,071)
Expected Investment Return Net of Investment Expenses	(1,960,426)
Recognition of Deferred Inflows/Outflows of Resources:	
Recognition of Economic/Demographic Gains or Losses	63,872
Recognition of Assumption Changes or Inputs	51,375
Recognition of Investment Gains or Losses	162,681
Other	<u>20,147</u>
Total Pension Expense (Income)	<u>\$ 910,792</u>

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Deferred Outflows/Deferred Inflows of Resources -As of December 31, 2020, the deferred outflows and inflows of resources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 111,608	\$ -
Changes in Assumptions	51,374	-
Net Differences Between Projected and Actual Earnings	-	711,944
Contributions Made Subsequent to Measurement Date	<u>676,970</u>	<u>-</u>
Totals	<u>\$ 839,952</u>	<u>\$ 711,944</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2020	\$ (69,615)
2021	(181,568)
2022	117,163
2023	(414,942)
2024	0
Thereafter	0

The net pension liability (asset), deferred resource outflows, and deferred resource inflows related to the pension liability (asset) are reported in the notes to the financial statements. Due to the County's reporting on the OCBOA - modified cash basis, these items are not reflected in the financial statements.

B. Self-Insurance

The County has entered into an interlocal participation agreement with the Texas Association of Counties Workers' Compensation Self-Insurance Fund (the Fund). The Fund is an unincorporated association of counties and other county-related political subdivisions of the State of Texas that was created to provide workers' compensation benefits for its members pursuant to the provisions of Article 8309h, Texas Revised Civil Statutes Annotated. The Fund provides for the self-insurance of certain defined risks jointly among the Fund members. The Fund is required to provide stop-loss coverage;

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

IV. OTHER INFORMATION - Continued

B. Self-Insurance - Continued

however, the amount of this coverage may be adjusted at the discretion of the Fund's Board of Trustees. The County's participation in the Fund is on a nonassessable basis. The County has no joint and several liability other than the maximum annual contribution required to be paid into the Fund. The County made contributions to the Fund based upon its standard annual premium which was computed using the Texas State Board of Insurance workers' compensation rates and adjusted by the County's experience modifier. Contributions are adjusted annually based upon the County's experience modifier; however, contributions are subject to adjustments on an interim basis if such adjustments are the result of changes mandated by state law.

The County has entered into an interlocal participation agreement with the Texas Association of Counties County Government Risk Management Pool (the Pool). The Pool is an unincorporated association of counties that was created to provide liability coverage to its members pursuant to the provisions of Article 4413 (32i), Texas Revised Civil Statutes Annotated. The Pool provides for the self-insurance of certain defined risks jointly among the Pool members. The Pool provides stop-loss coverage at the discretion of the Pool's Board of Trustees. The County made contributions to the Pool based upon a rating system approved by the Pool's Board of Trustees. Contributions are adjusted annually based upon the County's loss experience; however, the Pool has the right to impose a surcharge for any year in which the County's loss experience is higher than was projected in the rating system. The County's participation in the Pool provides coverage for public officials' liability, and law enforcement liability.

The County has coverage through Travelers Companies for property, auto damage and liability, crime, and general liability.

C. Adjustments to Net Position/Fund Balance

The financial statements reflect the following prior period adjustments:

	Net Position Statement of Activities	Fund Balances Governmental Funds	Net Position Fiduciary Funds
General Fund			
Adjustment to Prior Year's Revenues	\$ (89,875)	\$ (89,875)	\$ 0
Major Care Center Fund			
Adjustment to Prior Year's Revenues	(153,000)	(153,000)	0
Nonmajor Funds			
Adjustment to Prior Year's Revenues	153,000	153,000	0
Fiduciary Funds			
Implementation of GASB 84	<u>0</u>	<u>0</u>	<u>2,279,108</u>
Totals	<u>\$ (89,875)</u>	<u>\$ (89,875)</u>	<u>\$ 2,279,108</u>

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2020

IV. OTHER INFORMATION - Continued

D. Tax Abatements

The County has entered into contractual agreements with various entities in which the County has agreed to reduce the amount of ad valorem taxes payable on certain improvements constructed after the date the agreement was reached in accordance with Chapter 312 of the State of Texas Tax Code. The terms of the agreements are limited by the guidelines and criteria established by the County Commissioners. The agreements are in various stages of negotiation, construction, and completion. The 2019 tax assessment used for the County's 2020 fiscal budget had no assessed values for these agreements on the tax roll or abatements in force.

E. Deficit Fund Equity

The County reports a Restricted for Retirement of Long-Term Debt fund balance of \$290,958. This total is comprised of three funds, with one of the funds having a deficit fund balance. The components of this balance are as follows:

Jail Project Interest and Sinking (Deficit)	\$ (45,436)
Wellness Center Project Interest and Sinking	37,086
Clinic Project Interest and Sinking	<u>299,308</u>
Total	<u>\$ 290,958</u>

F. Commitments

In 2016 the County issued debt obligations for multiple construction projects. As of December 31, 2020, the balances to be expended in these funds are \$753 for the Clinic Project, \$251,552 for the Wellness Center Project, and \$126,009 for the Jail Project.

G. Contingencies

The County participates in medical reimbursement programs for Care Center patients which are governed by various rules and regulations of the administering agencies. These reimbursement programs are subject to audit and adjustment by the administering agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the programs, refunds of any money received may be required. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective programs; therefore, no provision has been recorded in the financial statements for such contingencies.

H. Subsequent Events

The County's management has evaluated subsequent events through November 4, 2021, the date which the financial statements were available for issue.

Other Information

COUNTY OF CROCKETT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 11,487,739	\$ 11,487,739	\$ 11,327,886	\$ (159,853)
Intergovernmental Revenue and Grants	313,533	313,533	183,938	(129,595)
Fines and Fees	1,141,850	1,141,850	907,583	(234,267)
Investment Earnings	350,000	350,000	116,372	(233,628)
Other Revenue	12,500	12,500	71,927	59,427
Total Revenues	13,305,622	13,305,622	12,607,706	(697,916)
EXPENDITURES:				
Current:				
General Government	2,895,848	2,910,530	2,917,924	(7,394)
Justice System	1,455,508	1,436,052	1,319,418	116,634
Public Safety	1,732,151	1,732,151	1,501,254	230,897
Corrections and Rehabilitation	843,335	831,525	809,763	21,762
Public Health and Wellness	1,098,864	1,001,942	930,549	71,393
Culture and Recreation	1,243,202	1,293,015	1,078,252	214,763
Total Expenditures	9,268,908	9,205,215	8,557,160	648,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,036,714	4,100,407	4,050,546	(49,861)
OTHER FINANCING SOURCES (USES):				
Transfers Out	(3,964,259)	(3,964,259)	(3,704,808)	259,451
Total Other Financing Sources (Uses)	(3,964,259)	(3,964,259)	(3,704,808)	259,451
Net Change	72,455	136,148	345,738	209,590
Fund Balance - January 1 (Beginning)	11,881,109	11,881,109	11,881,109	-
Prior Period Adjustments	-	-	(89,875)	(89,875)
Fund Balance - December 31 (Ending)	\$ 11,953,564	\$ 12,017,257	\$ 12,136,972	\$ 119,715

The notes to the financial statements are an integral part of this statement.

COUNTY OF CROCKETT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 2,630,478	\$ 2,630,478	\$ 2,621,630	\$ (8,848)
Intergovernmental Revenue and Grants	60,000	60,000	67,922	7,922
Fines and Fees	320,000	320,000	286,353	(33,647)
Investment Earnings	18,000	18,000	14,060	(3,940)
Other Revenue	6,000	6,000	50	(5,950)
Total Revenues	3,034,478	3,034,478	2,990,015	(44,463)
EXPENDITURES:				
Current:				
Roads and Bridges	3,162,778	3,162,778	2,099,673	1,063,105
Total Expenditures	3,162,778	3,162,778	2,099,673	1,063,105
Change in Fund Balance	(128,300)	(128,300)	890,342	1,018,642
Fund Balance - January 1 (Beginning)	1,944,553	1,944,553	1,944,553	-
Prior Period Adjustments	-	-	-	-
Fund Balance - December 31 (Ending)	\$ 1,816,253	\$ 1,816,253	\$ 2,834,895	\$ 1,018,642

COUNTY OF CROCKETT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL - CARE CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ 133,692	\$ 133,692
Fines and Fees	1,990,500	1,990,500	1,430,441	(560,059)
Other Revenue	2,500	2,500	1,384	(1,116)
Total Revenues	1,993,000	1,993,000	1,565,517	(427,483)
EXPENDITURES:				
Current:				
Public Health and Wellness	4,323,172	4,276,664	3,751,450	525,214
Total Expenditures	4,323,172	4,276,664	3,751,450	525,214
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,330,172)	(2,283,664)	(2,185,933)	97,731
OTHER FINANCING SOURCES (USES):				
Transfers In	2,330,172	2,330,172	2,185,933	(144,239)
Total Other Financing Sources (Uses)	2,330,172	2,330,172	2,185,933	(144,239)
Change in Fund Balance	-	46,508	-	(46,508)
Fund Balance - January 1 (Beginning)	153,000	153,000	153,000	-
Prior Period Adjustments	-	-	(153,000)	(153,000)
Fund Balance - December 31 (Ending)	\$ 153,000	\$ 199,508	\$ -	\$ (199,508)

COUNTY OF CROCKETT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
A. Total Pension Liability			
Service Cost	\$ 677,952	\$ 641,208	\$ 685,673
Interest (on the Total Pension Liability)	2,325,032	2,234,165	2,121,385
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	-	-	146,981
Changes of Assumptions	82,433	26,075	205,498
Benefit Payments, Including Refunds of Employee Contributions	(1,826,102)	(1,807,040)	(1,641,614)
Net Change in Total Pension Liability	\$ 1,259,315	\$ 1,094,408	\$ 1,517,923
Total Pension Liability - Beginning	28,921,418	27,827,010	26,309,087
Total Pension Liability - Ending	\$ 30,180,733	\$ 28,921,418	\$ 27,827,010
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 673,235	\$ 576,920	\$ 568,062
Contributions - Employee	451,071	409,578	406,174
Net Investment Income	4,035,128	(492,074)	3,380,675
Benefit Payments, Including Refunds of Employee Contributions	(1,826,102)	(1,807,040)	(1,641,614)
Administrative Expense	(21,230)	(19,732)	(17,239)
Other	(20,147)	(21,842)	(9,106)
Net Change in Plan Fiduciary Net Position	\$ 3,291,955	\$ (1,354,190)	\$ 2,686,952
Plan Fiduciary Net Position - Beginning	24,567,145	25,921,335	23,234,383
Plan Fiduciary Net Position - Ending	\$ 27,859,100	\$ 24,567,145	\$ 25,921,335
C. Net Pension Liability	\$ 2,321,633	\$ 4,354,273	\$ 1,905,675
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.31%	84.94%	93.15%
E. Covered Payroll	\$ 6,443,868	\$ 5,851,120	\$ 5,802,481
F. Net Pension Liability as a Percentage of Covered Payroll	36.03%	74.42%	32.84%

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

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

FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 702,876	\$ 626,667	\$ 645,681
2,057,213	1,964,819	1,867,998
-	(82,895)	-
(629,380)	317,438	-
-	31,204	27,323
(1,716,031)	(1,564,801)	(1,342,214)
\$ 414,678	\$ 1,292,432	\$ 1,198,788
25,894,409	24,601,977	23,403,189
\$ 26,309,087	\$ 25,894,409	\$ 24,601,977
\$ 619,546	\$ 575,797	\$ 590,952
412,638	395,156	390,739
1,669,589	116,517	1,493,032
(1,716,031)	(1,564,801)	(1,342,214)
(18,154)	(16,360)	(17,172)
(315,312)	170,093	96,892
\$ 652,276	\$ (323,598)	\$ 1,212,229
22,582,107	22,905,705	21,693,476
\$ 23,234,383	\$ 22,582,107	\$ 22,905,705
\$ 3,074,704	\$ 3,312,302	\$ 1,696,272
88.31%	87.21%	93.11%
\$ 5,894,829	\$ 5,645,080	\$ 5,581,985
52.16%	58.68%	30.39%

COUNTY OF CROCKETT
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2020

	2020	2019	2018
Actuarially Determined Contribution	\$ 676,970	\$ 673,235	\$ 576,920
Contributions in Relation to the Actuarially Determined Contributions	(676,970)	(673,235)	(576,920)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 6,263,827	\$ 6,443,868	\$ 5,851,120
Contributions as a Percentage of Covered Employee Payroll	10.80%	10.46%	9.86%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

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

	2017	2016	2015	2014
\$	568,062	\$ 619,546	\$ 575,797	\$ 590,952
	(568,062)	(619,546)	(575,797)	(590,952)
\$	-	\$ -	\$ -	\$ -
\$	5,802,481	\$ 5,894,829	\$ 5,645,080	\$ 5,581,985
	9.79%	10.50%	10.20%	10.60%

COUNTY OF CROCKETT
Notes to the Other Information
December 31, 2020

Note A - Net Pension Liability

Following are the key assumptions and methods used in this GASB analysis:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line Amortization Over Expected Working Life
Recognition of Assumptions Changes or Inputs	Straight-Line Amortization Over Expected Working Life
Asset Valuation Method	
Smoothing Period	5 Years
Recognition Method	Non-Asymptotic
Corridor	None
Inflation	2.75%
Salary Increases	4.90%
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members eligible for service retirement are assumed to retire at various rates based upon age and gender. Deferred members are assumed to retire (100% probability) at the later of age 60 or earliest retirement eligibility. For all eligible members ages 75 and later, retirement is assumed to occur immediately.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	Mortality rates for depositing members are based on 90% of the gender-distinct RP-2014 Active Employee Mortality Table. Service retirees, beneficiaries, and non-depositing members are based on 130% for males and 110% for females of the RP-2014 Healthy Annuitant Mortality Table. Disabled retirees are based on 130% for males and 115% for females of the RP-2014 Disabled Annuitant Mortality Table. All of the rates are projected with 110% of the MP-2014 Ultimate scale after 2014.

COMPLIANCE AND INTERNAL CONTROLS 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*

The Honorable County Judge
and Commissioners' Court
County of Crockett
P.O. Box 989
Ozona, TX 76943-0989

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Crockett, Texas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 4, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Crockett's financial statements are free of 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*.

The Honorable County Judge
and Commissioners' Court
Page 2

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

Eckert & Company, LLP

November 4, 2021