

COUNTY OF CROCKETT
Annual Financial Report
Year Ended December 31, 2023

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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 Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2023, and 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 for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Crockett, 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 Matters

Basis of Accounting

We draw attention to Section I., Note C. of 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.

New Accounting Standard

The County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, described in Note I., J. to the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Section I., Note C., and for 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.

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

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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America and Government Auditing Standards, we:

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

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

Supplementary Information

The management's discussion and analysis, budgetary comparison information, and net pension liability and contributions information for the Texas County & District Retirement System are presented to supplement the basic financial statements. We have applied certain limited procedures to the 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.

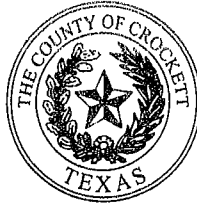
The Honorable County Judge
and Commissioners' Court
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2024, 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 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 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

September 20, 2024



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, 2023, 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 \$49,795,573 (net position). Of this amount, \$22,990,334 (unrestricted) may be used to meet the County's ongoing obligations.

The County's total net position increased by \$2,877,502 or 6%. This amount consists of a \$3,115,938 increase attributable to current year operations and a \$238,436 decrease attributable to prior period adjustments described in Note IV., F. to the financial statements. The County's statement of activities shows total revenues of \$24,130,533 and total expenses of \$21,014,595.

The total fund balance of the General Fund is \$18,255,975 which is an increase of \$2,266,337 or 14% 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,	
	2023	2022
Current and Other Assets	\$ 26,224,191	\$ 30,906,066
Capital Assets	25,668,776	20,020,627
Total Assets	\$ 51,892,967	\$ 50,926,693
Other Liabilities	\$ 172,675	\$ 338,740
Deferred Inflows of Resources	\$ 1,924,719	\$ 3,669,882
Net Position		
Net Investment in Capital Assets	\$ 25,668,776	\$ 26,020,627
Restricted	1,136,463	891,300
Unrestricted	22,990,334	20,006,144
Total Net Position	\$ 49,795,573	\$ 46,918,071

A large portion of the County's net position resulting from modified cash basis transactions (\$25,668,776) reflects the County's investment in capital assets. These assets are not available for future spending. An additional portion of the County's net position (\$1,136,463) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$22,990,334) 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 \$3,115,938 and \$4,697,544 for the fiscal years ended December 31, 2023 and 2022, respectively. Key elements of these increases are as follows:

CHANGES IN NET POSITION - MODIFIED CASH BASIS

	Governmental Activities	
	Year Ended December 31,	
	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 3,193,306	\$ 3,302,220
Operating Grants and Contributions	837,143	699,971
Capital Grants and Contributions	0	559,569
General Revenues		
Property Taxes - Maintenance	18,429,124	17,853,130
Property Taxes - Debt Service	13,815	326,324
Other Revenues	129,491	435,081
Investment Earnings	1,527,654	396,256
Total Revenues	\$ 24,130,533	\$ 23,572,551
Expenses		
General Government	\$ 3,295,243	\$ 3,271,666
Roads and Bridges	3,110,807	2,736,428
Justice System	1,523,879	1,286,207
Public Safety	2,750,736	2,002,430
Corrections and Rehabilitation	1,249,547	1,101,764
Public Health and Wellness	7,712,168	7,253,534
Culture and Recreation	1,372,215	1,219,455
Interest on Long-Term Debt	0	3,523
Total Expenses	\$ 21,014,595	\$ 18,875,007
Change in Net Position	\$ 3,115,938	\$ 4,697,544
Net Position - Beginning	46,918,071	42,220,527
Prior Period Adjustments	(238,436)	0
Net Position - Ending	\$ 49,795,573	\$ 46,918,071

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 \$24,126,797, an increase of \$3,229,353 or 15% in comparison with the prior year. These fund balances are reported in various governmental funds as follows:

General Fund \$18,255,975. Of this balance \$658,409 is committed for roof projects.

Special Revenue Funds \$5,205,317. Of this balance \$470,958 is restricted by legislation and \$4,734,359 is committed as follows:

Roads and Bridges	\$ 3,971,588
Health Center Improvement	465,777
Care Center - Jean Powers	174,939
Fire Department	23,986
Library Memorial	18,525
Grant Funds	18,244
Hot Check Funds	15,849
Wind Farm	41,540
Animal Control	620
DARE Program	<u>3,291</u>
Total	<u>\$ 4,734,359</u>

Interest and Sinking Funds \$404,210. The net balance of these funds is reported as restricted for debt service.

Jail Project Interest and Sinking	\$ 40,860
Wellness Center Project Interest and Sinking	95,674
Clinic Project Interest and Sinking	<u>267,676</u>
Total	<u>\$ 404,210</u>

Capital Project Funds \$261,295. The net balance of these funds is reported as restricted for capital projects.

General Fund Budget

The original budget for the General Fund was \$16,867,822, and the final amended budget was \$16,843,833 which represents a \$23,989 decrease in appropriations. Variances between the original budget and the final amended budget are shown on page 38 in the supplementary information section of the audit report.

The County has adopted a budget for the General Fund in the amount of \$16,295,667 for the fiscal year 2024, which is a decrease of \$548,166 from the fiscal year 2023.

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, 2023.

Long-Term Debt - The County had no long-term debt outstanding.

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: Frank Tambunga, 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, 2023

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 26,133,950
Due from Other Governments	89,606
Due from Others	635
Capital Assets:	
Capital Assets Not Being Depreciated	310,000
Land	913,880
Infrastructure, Net	5,569,517
Buildings and Improvements, Net	16,642,553
Machinery and Equipment, Net	2,223,925
Construction in Progress	8,901
Total Assets	51,892,967
LIABILITIES	
Payroll Liabilities	76,477
Due to State	67,211
Unearned Revenues	27,862
Due to Others	1,125
Total Liabilities	172,675
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	1,924,719
Total Deferred Inflows of Resources	1,924,719
NET POSITION	
Net Investment in Capital Assets	25,668,776
Restricted:	
Restricted by Legislation	470,958
Restricted for Capital Projects	261,295
Restricted for Debt Service	404,210
Unrestricted	22,990,334
Total Net Position	\$ 49,795,573

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, 2023

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 3,295,243	\$ 286,365	\$ 66,360	\$ (2,942,518)
Roads and Bridges	3,110,807	318,183	-	(2,792,624)
Justice System	1,523,879	668,185	70,916	(784,778)
Public Safety	2,750,736	381,820	235,645	(2,133,271)
Corrections and Rehabilitation	1,249,547	-	-	(1,249,547)
Public Health and Wellness	7,712,168	1,527,280	464,222	(5,720,666)
Culture and Recreation	1,372,215	11,473	-	(1,360,742)
TOTAL PRIMARY GOVERNMENT	\$ 21,014,595	\$ 3,193,306	\$ 837,143	(16,984,146)

General Revenues:

Taxes:	
Property Taxes, Levied for General Purposes	18,429,124
Property Taxes, Levied for Debt Service	13,815
Miscellaneous Revenue	129,491
Investment Earnings	1,527,654
Total General Revenues	20,100,084
Change in Net Position	3,115,938
Net Position - Beginning	46,918,071
Prior Period Adjustments	(238,436)
Net Position - Ending	\$ 49,795,573

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, 2023

	General Fund	Road and Bridge Fund	Care Center Fund
ASSETS			
Cash and Cash Equivalents	\$ 19,815,134	\$ 4,321,584	\$ 22,119
Due from Other Governments	35,444	-	-
Due from Other Funds	91,985	-	-
Due from Others	635	-	-
Total Assets	<u>\$ 19,943,198</u>	<u>\$ 4,321,584</u>	<u>\$ 22,119</u>
LIABILITIES			
Payroll Liabilities	\$ 38,566	\$ 11,771	\$ 22,119
Due to Other Funds	-	-	-
Due to State	62,163	-	-
Unearned Revenues	-	-	-
Due to Others	-	-	-
Total Liabilities	<u>100,729</u>	<u>11,771</u>	<u>22,119</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	1,586,494	338,225	-
Total Deferred Inflows of Resources	<u>1,586,494</u>	<u>338,225</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 Capital Projects	658,409	-	-
Committed for Care Center	-	-	-
Committed for Health Services	-	-	-
Committed for Roads and Bridges	-	3,971,588	-
Other Committed Fund Balance	-	-	-
Unassigned Fund Balance	17,597,566	-	-
Total Fund Balances	<u>18,255,975</u>	<u>3,971,588</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 19,943,198</u>	<u>\$ 4,321,584</u>	<u>\$ 22,119</u>

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

Other Funds	Total Governmental Funds
\$ 1,975,113	\$ 26,133,950
54,162	89,606
-	91,985
-	635
<u>\$ 2,029,275</u>	<u>\$ 26,316,176</u>
\$ 4,021	\$ 76,477
91,985	91,985
5,048	67,211
27,862	27,862
1,125	1,125
<u>130,041</u>	<u>264,660</u>
-	1,924,719
<u>-</u>	<u>1,924,719</u>
470,958	470,958
404,210	404,210
261,295	261,295
-	658,409
174,939	174,939
465,777	465,777
-	3,971,588
122,055	122,055
-	17,597,566
<u>1,899,234</u>	<u>24,126,797</u>
<u>\$ 2,029,275</u>	<u>\$ 26,316,176</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, 2023

Total Fund Balances - Governmental Funds	\$	24,126,797
Capital assets used in governmental activities are not reported in the governmental funds financial statements. The net effect of these adjustments is to increase (decrease) net position.		26,020,627
Capital outlays are expenditures in the governmental funds financial statements. The net effect of these adjustments is to increase (decrease) net position.		1,456,680
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.		(1,808,531)
Net Position of Governmental Activities	\$	49,795,573

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, 2023

	General Fund	Road and Bridge Fund	Care Center Fund
REVENUES:			
Property Taxes	\$ 15,190,260	\$ 3,238,864	\$ -
Intergovernmental Revenue and Grants	252,208	66,360	166,556
Fines and Fees	988,959	327,124	1,414,761
Investment Earnings	1,352,510	128,624	-
Other Revenue	72,856	322	1,231
Total Revenues	17,856,793	3,761,294	1,582,548
EXPENDITURES:			
Current:			
General Government	3,473,890	-	-
Roads and Bridges	-	2,707,427	-
Justice System	1,514,220	-	-
Public Safety	2,865,701	-	-
Corrections and Rehabilitation	956,192	-	-
Public Health and Wellness	907,788	-	4,187,641
Culture and Recreation	1,366,688	-	-
Total Expenditures	11,084,479	2,707,427	4,187,641
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,772,314	1,053,867	(2,605,093)
OTHER FINANCING SOURCES (USES):			
Transfers In	-	-	2,605,093
Transfers Out	(4,350,628)	-	-
Total Other Financing Sources (Uses)	(4,350,628)	-	2,605,093
Net Change in Fund Balances	2,421,686	1,053,867	-
Fund Balance - January 1 (Beginning)	15,989,638	2,955,618	-
Prior Period Adjustment	(155,349)	(37,897)	-
Fund Balance - December 31 (Ending)	\$ 18,255,975	\$ 3,971,588	\$ -

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

Other Funds	Total Governmental Funds
\$ 13,815	\$ 18,442,939
352,019	837,143
450,988	3,181,832
46,520	1,527,654
<u>52,056</u>	<u>126,465</u>
<u>915,398</u>	<u>24,116,033</u>
211,374	3,685,264
-	2,707,427
7,495	1,521,715
230,185	3,095,886
8,901	965,093
2,198,533	7,293,962
<u>12,209</u>	<u>1,378,897</u>
<u>2,668,697</u>	<u>20,648,244</u>
<u>(1,753,299)</u>	<u>3,467,789</u>
1,745,535	4,350,628
-	(4,350,628)
<u>1,745,535</u>	<u>-</u>
(7,764)	3,467,789
1,952,188	20,897,444
<u>(45,190)</u>	<u>(238,436)</u>
<u>\$ 1,899,234</u>	<u>\$ 24,126,797</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, 2023

Total Net Change in Fund Balances - Governmental Funds	\$ 3,467,789
Current year capital outlays are expenditures in the governmental funds financial statements. The net effect of these adjustments is to increase (decrease) net position.	1,456,680
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.	(1,808,531)
Change in Net Position of Governmental Activities	<u>\$ 3,115,938</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, 2023

	Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 1,708,592
Total Assets	<u>1,708,592</u>
LIABILITIES	
Due to State	30,239
Tax Collections Due to Entities	710,425
Due to Others	40,647
Total Liabilities	<u>781,311</u>
NET POSITION	
Restricted for Custodial Purposes	927,281
Total Net Position	<u><u>\$ 927,281</u></u>

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

COUNTY OF CROCKETT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Custodial Funds
<hr/>	
ADDITIONS:	
Property Taxes Collected	\$ 44,594,608
Hotel Taxes Collected	226,599
Fines and Fees	1,804,406
Bond and Registry Receipts	85,705
Investment Earnings	100,013
Inmate Trust and Commissary Funds	35,793
Care Center Patient Trust Funds	81,875
Total Additions	46,928,999
DEDUCTIONS:	
Property Taxes Remitted to Entities	44,505,822
Property Tax Collection Fees	88,786
Hotel Taxes Remitted	226,599
State and County Fees	1,804,666
Investment Earnings to Entities	99,963
Bond and Registry Payments	8,444
Care Center Patient Care	76,233
Inmate and Commissary Expense	34,257
Total Deductions	46,844,770
Net Change in Fiduciary Net Position	84,229
Total Net Position - January 1 (Beginning)	843,052
Total Net Position - December 31 (Ending)	\$ 927,281

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

COUNTY OF CROCKETT
Notes to the Financial Statements
December 31, 2023

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, 2023

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 custodial 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, 2023

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 custodial 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.

The County had no outstanding long-term debt as of December 31, 2023.

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, 2023

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 amount of capital assets net of accumulated depreciation.

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 Capital Projects - This component of net position represents unspent tax note funds issued for capital projects.

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, Restricted for Capital Projects, 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.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J. Implementation of New Accounting Standard

The County implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The County determined there was no impact upon its financial position, results of operations, or cash flows upon adoption.

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.

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

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.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

A. Deposits and Investments - Continued

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, 2023, the County was not significantly exposed to credit risk.

Interest Rate Risk: Not applicable

Foreign Currency Risk: Not applicable

At December 31, 2023, the County’s investments with respective maturities and credit ratings consisted of the following:

	<u>Fair Value</u>	<u>Percent</u>	<u>Weighted Average Maturity</u>	<u>Credit Rating</u>
<u>Public Funds Investment Pools</u>				
Texas CLASS Government	<u>\$ 5,099,412</u>	<u>100%</u>	21 days	AAAm

Public Funds Investment Pools

Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment 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 AAAM 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.

The County’s investment in Pools is reported at an amount determined by the fair value per share of the Pool’s underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

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			
Wellness Construction Fund	\$ 91,985	\$ 0	Operating Loan
Wellness Construction Fund			
General Fund	0	91,985	Operating Loan
Totals	\$ 91,985	\$ 91,985	

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	\$ 2,605,093	Current Operations
General Fund	Nonmajor Governmental Funds	1,745,535	Current Operations
Total		\$ 4,350,628	

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

C. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassifications</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated					
Land	\$ 913,880	\$ 0	\$ 0	\$ 0	\$ 913,880
Other	310,000	0	0	0	310,000
Total Capital Assets Not Being Depreciated	\$ 1,223,880	\$ 0	\$ 0	\$ 0	\$ 1,223,880
Capital Assets Being Depreciated					
Buildings and Improvements	\$ 23,360,842	\$ 680,130	\$ 0	\$ 48,035	\$ 24,089,007
Infrastructure	9,223,938	0	0	0	9,223,938
Machinery and Equipment	9,263,659	767,649	(65,503)	(48,035)	9,917,770
Software	197,302	0	0	0	197,302
Construction in Progress	0	8,901	0	0	8,901
Total Capital Assets Being Depreciated	\$ 42,045,741	\$ 1,456,680	\$ (65,503)	\$ 0	\$ 43,436,918
Total Capital Assets	\$ 43,269,621	\$ 1,456,680	\$ (65,503)	\$ 0	\$ 44,660,798
Less Accumulated Depreciation					
Buildings and Improvements	\$ (6,518,558)	\$ (927,896)	\$ 0	\$ 0	\$ (7,446,454)
Infrastructure	(3,300,961)	(353,460)	0	0	(3,654,421)
Machinery and Equipment	(7,263,673)	(513,675)	65,503	0	(7,711,845)
Software	(165,802)	(13,500)	0	0	(179,302)
Total Accumulated Depreciation	\$ (17,248,994)	\$ (1,808,531)	\$ 65,503	\$ 0	\$ (18,992,022)
Governmental Activities Capital Assets, Net	\$ 26,020,627	\$ (351,851)	\$ 0	\$ 0	\$ 25,668,776

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

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	\$ 174,437
Roads and Bridges	560,682
Justice System	2,164
Public Safety	189,863
Corrections and Rehabilitation	284,454
Public Health and Wellness	451,670
Culture and Recreation	<u>145,261</u>
Total	<u><u>\$ 1,808,531</u></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:

FEMA Assistance to Firefighters Grant	\$ 35,444
Concho Valley RAC	40,813
Operation Lone Star Grant	8,586
Stone Garden Grant	<u>4,763</u>
Total	<u><u>\$ 89,606</u></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	\$ 62,163
HAVA Funding	<u>5,048</u>
Total	<u><u>\$ 67,211</u></u>

F. Unearned Revenue

Unearned revenue at year end consisted of the following:

SLFRF Funds	<u><u>\$ 27,862</u></u>
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COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

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.

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan Description - The County provides retirement, disability, and death benefits through a nontraditional defined benefit pension plan in the statewide, Texas County & District Retirement System (TCDRS). All full-time 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. 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 8.63% for calendar year 2023.

The deposit rate payable by the employee members for calendar year 2023 is 7% as adopted by the governing body of the 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.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Actuarial Assumptions - All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2022 funding valuation, except as noted below and throughout this report. Please see the County's December 31, 2022 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 (Level Percent of Pay)
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	2.5%
Salary Increases	4.7%
Investment Rate of Return	7.6% (Gross of Administrative Expenses)
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. 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 135% for males and 120% for females of the gender-distinct Pub-2010 General Employees Amount-Weighted Mortality Table. Service retirees, beneficiaries, and non-depositing members are based on 135% for males and 120% for females of the Pub-2010 General Retirees Amount-Weighted Mortality Table. Disabled retirees are based on 160% for males and 125% for females of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table. All of the rates are projected with 100% of the MP-2021 Ultimate scale after 2010.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

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 January 2023 information for a 10-year time horizon.

Note the valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at its March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected Minus Inflation)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (Net) Index	2.50%	4.95%
International Equities - Developed Markets	MSCI World Ex USA (Net) Index	5.00%	4.95%
International Equities - Emerging Markets	MSCI Emerging Markets (Net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	7.60%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (Net) Index	2.00%	4.15%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

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.

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.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

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 7.6%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.5%, 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, 2021	<u>\$ 32,879,974</u>	<u>\$ 35,468,204</u>	<u>\$ (2,588,230)</u>
Changes for the Year:			
Service Cost	\$ 740,945	\$ 0	\$ 740,945
Interest on Total Pension Liability	2,483,901	0	2,483,901
Effect of Plan Changes	0	0	0
Effect of Economic/Demographic Gains or Losses	(328,192)	0	(328,192)
Effect of Assumptions Changes or Inputs	0	0	0
Refund of Contributions	(74,595)	(74,595)	0
Benefit Payments	(1,836,413)	(1,836,413)	0
Administrative Expenses	0	(19,065)	19,065
Member Contributions	0	457,740	(457,740)
Net Investment Income	0	(2,009,137)	2,009,137
Employer Contributions	0	631,683	(631,683)
Other	0	(86,032)	86,032
Net Changes	<u>\$ 985,646</u>	<u>\$ (2,935,819)</u>	<u>\$ 3,921,465</u>
Balance as of December 31, 2022	<u>\$ 33,865,620</u>	<u>\$ 32,532,385</u>	<u>\$ 1,333,235</u>

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

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 7.6%, 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 (6.6%) or 1 percentage point higher (8.6%) than the current rate.

	<u>1% Decrease in Discount Rate (6.6%)</u>	<u>Current Discount Rate (7.6%)</u>	<u>1% Increase in Discount Rate (8.6%)</u>
Total Pension Liability	\$ 37,734,895	\$ 33,865,620	\$ 30,574,806
Fiduciary Net Position	<u>32,532,385</u>	<u>32,532,385</u>	<u>32,532,385</u>
Net Pension Liability (Asset)	<u>\$ 5,202,510</u>	<u>\$ 1,333,235</u>	<u>\$ (1,957,579)</u>

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

<u>Pension Expense (Income)</u>	<u>January 1, 2022 to December 31, 2022</u>
Service Cost	\$ 740,945
Interest on Total Pension Liability	2,483,901
Effect of Plan Changes	0
Administrative Expenses	19,065
Member Contributions	(457,740)
Expected Investment Return Net of Investment Expenses	(2,661,014)
Recognition of Deferred Inflows/Outflows of Resources:	
Recognition of Economic/Demographic Gains or Losses	(503,020)
Recognition of Assumption Changes or Inputs	472,402
Recognition of Investment Gains or Losses	54,330
Other	<u>86,032</u>
Total Pension Expense (Income)	<u>\$ 234,901</u>

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Deferred Outflows/Deferred Inflows of Resources -As of December 31, 2023, the deferred outflows and inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 338,014
Changes in Assumptions	-	67,127
Net Differences Between Projected and Actual Earnings	523,364	-
Contributions Made Subsequent to Measurement Date	610,114	-
Totals	\$ 1,133,478	\$ 405,141

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:

Year Ending December 31,	Pension Expense Amount
2023	\$ (752,909)
2024	(151,620)
2025	88,721
2026	934,031
2027	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. Risk Management

The County's major areas of risk management are: public officials', law enforcement, and automobile liability, general comprehensive liability and property damage, workers' compensation, unemployment and employee health insurance. The County has obtained commercial insurance through Texas Association of Counties insurance programs in which all risk is transferred to those entities for all the above areas. The County pays a deductible per incident except on the employee health insurance in which the deductible is the responsibility of the employee.

There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage for the current year or the previous three years.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

IV. OTHER INFORMATION - Continued

C. 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. As of December 31, 2023, the following projects are completed and currently receiving a tax abatement:

<u>Project Name</u>	<u>Project Value 2022</u>	<u>Project's Value Limitation Amount 2022</u>	<u>Amount of Applicant's Taxes Paid 2022</u>	<u>Amount of Applicant's Taxes Reduced 2022</u>
High Lonesome Wind	\$ 140,152,560	\$ 35,038,140	\$ 234,317	\$ 702,950
Scout Clean Energy	225,190,000	90,076,000	602,381	903,571
White Mesa Wind	439,193,630	109,798,410	734,274	2,201,622

D. Commitments

In 2016 the County issued debt obligations for multiple construction projects. As of December 31, 2023, the balances to be expended in these funds are \$804 for the Clinic Project, \$125,886 for the Wellness Center Project, and \$134,605 for the Jail Project.

E. 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.

The County participates in state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required, and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

COUNTY OF CROCKETT
Notes to the Financial Statements - Continued
December 31, 2023

IV. OTHER INFORMATION - Continued

F. Adjustments to Net Position/Fund Balances

The financial statements reflect the following prior period adjustments/adjustment:

	Net Position Statement of Activities	Fund Balances Governmental Funds
	<u> </u>	<u> </u>
General Fund		
Ad Valorem Tax Refund to Taxpayers	\$ (155,349)	\$ (155,349)
Road and Bridge Fund		
Ad Valorem Tax Refund to Taxpayers	(37,897)	(37,897)
Debt Service Funds		
Ad Valorem Tax Refund to Taxpayers	<u>(45,190)</u>	<u>(45,190)</u>
Totals	<u>\$ (238,436)</u>	<u>\$ (238,436)</u>

G. Subsequent Events

The County's management has evaluated subsequent events through September 20, 2024, the date which the financial statements were available for issue.

Supplementary 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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 15,158,106	\$ 15,158,106	\$ 15,190,260	\$ 32,154
Intergovernmental Revenue and Grants	153,501	147,500	252,208	104,708
Fines and Fees	1,316,475	1,316,475	988,959	(327,516)
Investment Earnings	180,250	180,250	1,352,510	1,172,260
Other Revenue	65,500	65,500	72,856	7,356
Total Revenues	16,873,832	16,867,831	17,856,793	988,962
EXPENDITURES:				
Current:				
General Government	3,866,810	3,919,432	3,473,890	445,542
Justice System	1,622,501	1,654,182	1,514,220	139,962
Public Safety	3,218,329	3,222,361	2,865,701	356,660
Corrections and Rehabilitation	1,108,108	975,093	956,192	18,901
Public Health and Wellness	1,195,175	1,141,645	907,788	233,857
Culture and Recreation	1,702,524	1,477,807	1,366,688	111,119
Total Expenditures	12,713,447	12,390,520	11,084,479	1,306,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,160,385	4,477,311	6,772,314	2,295,003
OTHER FINANCING SOURCES (USES):				
Transfers Out	(4,154,375)	(4,453,313)	(4,350,628)	102,685
Total Other Financing Sources (Uses)	(4,154,375)	(4,453,313)	(4,350,628)	102,685
Net Change	6,010	23,998	2,421,686	2,397,688
Fund Balance - January 1 (Beginning)	15,989,638	15,989,638	15,989,638	-
Prior Period Adjustment	-	-	(155,349)	(155,349)
Fund Balance - December 31 (Ending)	\$ 15,995,648	\$ 16,013,636	\$ 18,255,975	\$ 2,242,339

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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 3,233,864	\$ 3,233,864	\$ 3,238,864	\$ 5,000
Intergovernmental Revenue and Grants	79,000	79,000	66,360	(12,640)
Fines and Fees	320,000	320,000	327,124	7,124
Investment Earnings	35,801	35,801	128,624	92,823
Other Revenue	6,000	6,000	322	(5,678)
Total Revenues	3,674,665	3,674,665	3,761,294	86,629
EXPENDITURES:				
Current:				
Roads and Bridges	3,674,665	3,674,665	2,707,427	967,238
Total Expenditures	3,674,665	3,674,665	2,707,427	967,238
Change in Fund Balance	-	-	1,053,867	1,053,867
Fund Balance - January 1 (Beginning)	2,955,618	2,955,618	2,955,618	-
Prior Period Adjustment	-	-	(37,897)	(37,897)
Fund Balance - December 31 (Ending)	\$ 2,955,618	\$ 2,955,618	\$ 3,971,588	\$ 1,015,970

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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Intergovernmental Revenue and Grants	\$ 225,000	\$ 225,000	\$ 166,556	\$ (58,444)
Fines and Fees	1,932,400	1,932,400	1,414,761	(517,639)
Other Revenue	2,500	2,500	1,231	(1,269)
Total Revenues	2,159,900	2,159,900	1,582,548	(577,352)
EXPENDITURES:				
Current:				
Public Health and Wellness	4,536,493	4,551,493	4,187,641	363,852
Total Expenditures	4,536,493	4,551,493	4,187,641	363,852
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,376,593)	(2,391,593)	(2,605,093)	(213,500)
OTHER FINANCING SOURCES (USES):				
Transfers In	2,376,593	2,646,191	2,605,093	(41,098)
Total Other Financing Sources (Uses)	2,376,593	2,646,191	2,605,093	(41,098)
Change in Fund Balance	-	254,598	-	(254,598)
Fund Balance - January 1 (Beginning)	-	-	-	-
Fund Balance - December 31 (Ending)	\$ -	\$ 254,598	\$ -	\$ (254,598)

COUNTY OF CROCKETT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
A. Total Pension Liability			
Service Cost	\$ 740,945	\$ 770,922	\$ 738,136
Interest (on the Total Pension Liability)	2,483,901	2,429,776	2,426,889
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(328,192)	(357,657)	(885,037)
Changes of Assumptions	-	(201,381)	1,618,589
Benefit Payments, Including Refunds of Employee Contributions	(1,911,008)	(1,888,428)	(1,952,568)
Net Change in Total Pension Liability	\$ 985,646	\$ 753,232	\$ 1,946,009
Total Pension Liability - Beginning	32,879,974	32,126,742	30,180,733
Total Pension Liability - Ending	\$ 33,865,620	\$ 32,879,974	\$ 32,126,742
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 631,683	\$ 640,428	\$ 676,970
Contributions - Employee	457,740	431,887	438,468
Net Investment Income	(2,009,137)	6,463,788	2,876,322
Benefit Payments, Including Refunds of Employee Contributions	(1,911,008)	(1,888,428)	(1,952,568)
Administrative Expense	(19,065)	(19,189)	(21,845)
Other	(86,032)	(14,899)	(21,830)
Net Change in Plan Fiduciary Net Position	\$ (2,935,819)	\$ 5,613,587	\$ 1,995,517
Plan Fiduciary Net Position - Beginning	35,468,204	29,854,617	27,859,100
Plan Fiduciary Net Position - Ending	\$ 32,532,385	\$ 35,468,204	\$ 29,854,617
C. Net Pension Liability (Asset)	\$ 1,333,235	\$ (2,588,230)	\$ 2,272,125
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.06%	107.87%	92.93%
E. Covered Payroll	\$ 6,539,141	\$ 6,169,817	\$ 6,263,827
F. Net Pension Liability (Asset) as a Percentage of Covered Payroll	20.39%	(41.95%)	36.27%

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 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 677,952	\$ 641,208	\$ 685,673	\$ 702,876	\$ 626,667	\$ 645,681
2,325,032	2,234,165	2,121,385	2,057,213	1,964,819	1,867,998
-	-	-	-	(82,895)	-
82,433	26,075	146,981	(629,380)	31,204	27,323
-	-	205,498	-	317,438	-
(1,826,102)	(1,807,040)	(1,641,614)	(1,716,031)	(1,564,801)	(1,342,214)
\$ 1,259,315	\$ 1,094,408	\$ 1,517,923	\$ 414,678	\$ 1,292,432	\$ 1,198,788
28,921,418	27,827,010	26,309,087	25,894,409	24,601,977	23,403,189
\$ 30,180,733	\$ 28,921,418	\$ 27,827,010	\$ 26,309,087	\$ 25,894,409	\$ 24,601,977
\$ 673,235	\$ 576,920	\$ 568,062	\$ 619,546	\$ 575,797	\$ 590,952
451,071	409,578	406,174	412,638	395,156	390,739
4,035,128	(492,074)	3,380,675	1,669,589	116,517	1,493,032
(1,826,102)	(1,807,040)	(1,641,614)	(1,716,031)	(1,564,801)	(1,342,214)
(21,230)	(19,732)	(17,239)	(18,154)	(16,360)	(17,172)
(20,147)	(21,842)	(9,106)	(315,312)	170,093	96,892
\$ 3,291,955	\$ (1,354,190)	\$ 2,686,952	\$ 652,276	\$ (323,598)	\$ 1,212,229
24,567,145	25,921,335	23,234,383	22,582,107	22,905,705	21,693,476
\$ 27,859,100	\$ 24,567,145	\$ 25,921,335	\$ 23,234,383	\$ 22,582,107	\$ 22,905,705
\$ 2,321,633	\$ 4,354,273	\$ 1,905,675	\$ 3,074,704	\$ 3,312,302	\$ 1,696,272
92.31%	84.94%	93.15%	88.31%	87.21%	93.11%
\$ 6,443,868	\$ 5,851,120	\$ 5,802,481	\$ 5,894,829	\$ 5,645,080	\$ 5,581,985
36.03%	74.42%	32.84%	52.16%	58.68%	30.39%

COUNTY OF CROCKETT
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2023

	2023	2022	2021
Actuarially Determined Contribution	\$ 610,114	\$ 631,683	\$ 640,428
Contributions in Relation to the Actuarially Determined Contributions	(610,114)	(631,683)	(640,428)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 7,069,684	\$ 6,539,141	\$ 6,169,817
Contributions as a Percentage of Covered Employee Payroll	8.63%	9.70%	10.40%

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.

	2020	2019	2018	2017	2016	2015	2014
\$	676,970	\$ 673,235	\$ 576,920	\$ 568,062	\$ 619,546	\$ 575,797	\$ 590,952
	(676,970)	(673,235)	(576,920)	(568,062)	(619,546)	(575,797)	(590,952)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	6,263,827	\$ 6,443,868	\$ 5,851,120	\$ 5,802,481	\$ 5,894,829	\$ 5,645,080	\$ 5,581,985
	10.80%	10.46%	9.86%	9.79%	10.50%	10.20%	10.60%

COUNTY OF CROCKETT
Notes to the Supplementary Information
December 31, 2023

Note A - Net Pension Liability

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

Valuation Date	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 (Level Percent of Pay)
Amortization Method	Level Percent of Payroll, Closed
Remaining Amortization Period	0.0 Years (Based on Contribution Rate Calculated in December 31, 2022 Valuation)
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.5%
Salary Increases	Varies by Age and Service - 4.7% Average Over Career Including Inflation
Investment Rate of Return	7.5%, Net of Administrative and 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% for males and 120% for females of the Pub-2010 General Retirees Table, both projected with 100% of the MP-2021 Ultimate scale for 2010
Changes in Assumptions and Methods Reflected in the Schedule of Employer	2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2022: No changes in plan provisions were reflected in the Schedule.

COMPLIANCE AND INTERNAL CONTROLS SECTION



A Limited Liability Partnership

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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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 20, 2024.

Report on 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 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 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*.

Purpose of This Report

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

Eckert & Company, LLP

September 20, 2024