

COUNTY OF CROCKETT  
 Annual Financial Report  
 Year Ended December 31, 2022

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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, 2022, 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, 2022, 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 District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 July 31, 2023, 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*

July 31, 2023



# 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, 2022, 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 \$46,918,071 (net position). Of this amount, \$20,006,144 (unrestricted) may be used to meet the County's ongoing obligations.

The County's total net position increased by \$4,697,544 or 11% as a result of current year operations. The County's statement of activities shows total revenues of \$23,572,551 and total expenses of \$18,875,007.

The total fund balance of the General Fund is \$15,989,638 which is an increase of \$3,152,033 or 25% 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,	
	2022	2021
Current and Other Assets	\$ 30,906,066	\$ 22,502,224
Capital Assets	20,020,627	24,174,350
Total Assets	\$ 50,926,693	\$ 46,676,574
Other Liabilities	\$ 338,740	\$ 491,027
Long-Term Liabilities	0	358,000
Total Liabilities	\$ 338,740	\$ 849,027
Deferred Inflows of Resources	\$ 3,669,882	\$ 3,607,020
Net Position		
Net Investment in Capital Assets	\$ 26,020,627	\$ 23,816,350
Restricted	891,300	881,974
Unrestricted	20,006,144	17,522,203
Total Net Position	\$ 46,918,071	\$ 42,220,527

A large portion of the County's net position resulting from modified cash basis transactions (\$26,020,627) 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 (\$891,300) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$20,006,144) 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 \$4,697,544 and \$5,155,815 for the fiscal years ended December 31, 2022 and 2021, respectively. Key elements of these increases are as follows:

CHANGES IN NET POSITION - MODIFIED CASH BASIS

	Governmental Activities	
	Year Ended December 31,	
	2022	2021
Revenues		
Program Revenues		
Charges for Services	\$ 3,302,220	\$ 2,879,286
Operating Grants and Contributions	699,971	838,687
Capital Grants and Contributions	559,569	1,018,737
General Revenues		
Property Taxes - Maintenance	17,853,130	15,084,778
Property Taxes - Debt Service	326,324	2,634,684
Other Revenues	435,081	83,926
Investment Earnings	396,256	36,830
Total Revenues	\$ 23,572,551	\$ 22,576,928
Expenses		
General Government	\$ 3,271,666	\$ 2,748,000
Roads and Bridges	2,736,428	2,484,012
Justice System	1,286,207	1,283,896
Public Safety	2,002,430	1,922,835
Corrections and Rehabilitation	1,101,764	1,053,469
Public Health and Wellness	7,253,534	6,740,524
Culture and Recreation	1,219,455	1,158,161
Interest on Long-Term Debt	3,523	29,816
Fees on Long-Term Debt	0	400
Total Expenses	\$ 18,875,007	\$ 17,421,113
Change in Net Position	\$ 4,697,544	\$ 5,155,815
Net Position - Beginning	42,220,527	37,064,712
Net Position - Ending	\$ 46,918,071	\$ 42,220,527

**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 \$20,897,444, an increase of \$2,493,267 or 14% in comparison with the prior year. These fund balances are reported in various governmental funds as follows:

General Fund \$15,989,638. Of this balance \$658,409 is committed for roof projects.

Special Revenue Funds \$4,154,737. Of this balance \$476,311 is restricted by legislation and \$3,678,426 is committed as follows:

Roads and Bridges	\$ 2,955,618
Health Center Improvement	343,654
Care Center - Jean Powers	174,939
Courthouse Renovation	117,579
Fire Department	19,005
Library Memorial	11,127
Grant Funds	9,645
Hot Check Funds	15,849
Wind Farm	26,720
Animal Control	520
DARE Program	<u>3,770</u>
Total	<u><u>\$ 3,678,426</u></u>

Interest and Sinking Funds \$414,989. The net balance of these funds is reported as restricted for debt service.

Jail Project Interest and Sinking	\$ 53,951
Wellness Center Project Interest and Sinking	101,409
Clinic Project Interest and Sinking	<u>259,629</u>
Total	<u><u>\$ 414,989</u></u>

Capital Project Funds \$338,080. The net balance of these funds is reported as restricted for capital projects.

**General Fund Budget**

The original budget for the General Fund was \$16,252,278, and the final amended budget was \$16,295,667 which represents a \$43,389 increase 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 \$16,867,831 for the fiscal year 2023, which is an increase of \$572,164 from the fiscal year 2022.

## 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, 2022.

*Long-Term Debt* - Financial statement footnote III., H. discloses the County's debt activity for the year ended December 31, 2022.

### **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, 2022

	Primary	Government
	Governmental Activities	
<b>ASSETS</b>		
Cash in Bank	\$	24,886,885
Due from Other Governments		8,748
Capital Assets:		
Capital Assets Not Being Depreciated		310,000
Land		913,880
Infrastructure, Net		5,922,977
Buildings and Improvements, Net		16,842,284
Machinery and Equipment, Net		2,031,486
Other Assets		10,433
Total Assets		50,926,693
<b>LIABILITIES</b>		
Due to State		133,939
Unearned Revenues		204,801
Total Liabilities		338,740
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue - Property Taxes		3,669,882
Total Deferred Inflows of Resources		3,669,882
<b>NET POSITION</b>		
Net Investment in Capital Assets		26,020,627
Restricted:		
Restricted by Legislation		476,311
Restricted for Debt Service		414,989
Unrestricted		20,006,144
Total Net Position	\$	46,918,071

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, 2022

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government:</b>			
GOVERNMENTAL ACTIVITIES:			
General Government	\$ 3,271,666	\$ 264,178	\$ 30,446
Roads and Bridges	2,736,428	363,244	60,476
Justice System	1,286,207	891,599	71,146
Public Safety	2,002,430	-	179,228
Corrections and Rehabilitation	1,101,764	-	-
Public Health and Wellness	7,253,534	1,783,199	358,675
Culture and Recreation	1,219,455	-	-
Debt Service Interest	3,523	-	-
TOTAL PRIMARY GOVERNMENT	\$ 18,875,007	\$ 3,302,220	\$ 699,971

General Revenues:  
Taxes:  
Property Taxes, Levied for General Purposes  
Property Taxes, Levied for Debt Service  
Miscellaneous Revenue  
Investment Earnings  
Total General Revenues  
Change in Net Position  
Net Position - Beginning  
Net Position - Ending

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

		Net (Expense) Revenue and Changes in Net Position	
		Primary Government	Governmental
Capital Grants and Contributions			
\$	13,995	\$	(2,963,047)
	93,061		(2,219,647)
	-		(323,462)
	158,613		(1,664,589)
	-		(1,101,764)
	293,900		(4,817,760)
	-		(1,219,455)
	-		(3,523)
\$	<u>559,569</u>		<u>(14,313,247)</u>

17,853,130
326,324
435,081
<u>396,256</u>
19,010,791
4,697,544
<u>42,220,527</u>
<u>\$ 46,918,071</u>

COUNTY OF CROCKETT  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022

	General Fund	Road and Bridge Fund	Care Center Fund
<b>ASSETS</b>			
Cash in Bank	\$ 19,055,117	\$ 3,600,636	\$ -
Due from Other Governments	-	-	-
Other Assets	10,433	-	-
Total Assets	<u>\$ 19,065,550</u>	<u>\$ 3,600,636</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
Due to State	\$ 51,048	\$ -	\$ -
Unearned Revenues	-	-	-
Total Liabilities	<u>51,048</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	3,024,864	645,018	-
Total Deferred Inflows of Resources	<u>3,024,864</u>	<u>645,018</u>	<u>-</u>
<b>FUND BALANCES</b>			
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	658,409	-	-
Committed for Health Center	-	-	-
Committed for Roads and Bridges	-	2,955,618	-
Other Committed Fund Balance	-	-	-
Unassigned Fund Balance	15,331,229	-	-
Total Fund Balances	<u>15,989,638</u>	<u>2,955,618</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 19,065,550</u>	<u>\$ 3,600,636</u>	<u>\$ -</u>

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



Other Funds	Total Governmental Funds
\$ 2,231,132	\$ 24,886,885
8,748	8,748
-	10,433
\$ 2,239,880	\$ 24,906,066
\$ 82,891	\$ 133,939
204,801	204,801
287,692	338,740
-	3,669,882
-	3,669,882
476,311	476,311
414,989	414,989
338,080	338,080
174,939	174,939
-	658,409
343,654	343,654
-	2,955,618
204,215	204,215
-	15,331,229
1,952,188	20,897,444
\$ 2,239,880	\$ 24,906,066

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, 2022

<b>Total Fund Balances - Governmental Funds</b>	\$	20,897,444
Capital assets used in governmental activities and long-term liabilities are not reported in the governmental funds financial statements. The net effect of these adjustments is to increase (decrease) net position.		23,816,350
Capital outlays and long-term debt principal payments are expenditures in the governmental funds financial statements. The net effect of these adjustments is to increase (decrease) net position.		3,862,786
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.		(1,658,509)
<b>Net Position of Governmental Activities</b>	<u>\$</u>	<u>46,918,071</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, 2022

	General Fund	Road and Bridge Fund	Care Center Fund
<b>REVENUES:</b>			
Property Taxes	\$ 14,708,896	\$ 3,144,234	\$ -
Intergovernmental Revenue and Grants	162,277	60,476	211,719
Fines and Fees	1,149,339	369,011	1,361,357
Investment Earnings	337,783	38,057	-
Other Revenue	389,316	-	10,547
Total Revenues	<u>16,747,611</u>	<u>3,611,778</u>	<u>1,583,623</u>
<b>EXPENDITURES:</b>			
Current:			
General Government	3,051,379	-	-
Roads and Bridges	-	4,278,847	-
Justice System	1,263,572	-	-
Public Safety	2,525,661	-	-
Corrections and Rehabilitation	817,310	-	-
Public Health and Wellness	936,988	-	3,793,923
Culture and Recreation	1,115,009	-	-
Debt Service:			
Debt Service Principal	-	-	-
Debt Service Interest	-	-	-
Total Expenditures	<u>9,709,919</u>	<u>4,278,847</u>	<u>3,793,923</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,037,692</u>	<u>(667,069)</u>	<u>(2,210,300)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	-	-	2,210,300
Transfers Out	(3,885,659)	-	-
Total Other Financing Sources (Uses)	<u>(3,885,659)</u>	<u>-</u>	<u>2,210,300</u>
Net Change in Fund Balances	3,152,033	(667,069)	-
Fund Balance - January 1 (Beginning)	<u>12,837,605</u>	<u>3,622,687</u>	<u>-</u>
Fund Balance - December 31 (Ending)	<u>\$ 15,989,638</u>	<u>\$ 2,955,618</u>	<u>\$ -</u>

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

Other Funds	Total Governmental Funds
\$ 326,324	\$ 18,179,454
825,068	1,259,540
422,515	3,302,222
20,416	396,256
41,391	441,254
<u>1,635,714</u>	<u>23,578,726</u>
45,317	3,096,696
93,061	4,371,908
20,471	1,284,043
334,070	2,859,731
-	817,310
2,446,566	7,177,477
1,762	1,116,771
358,000	358,000
3,523	3,523
<u>3,302,770</u>	<u>21,085,459</u>
<u>(1,667,056)</u>	<u>2,493,267</u>
1,675,359	3,885,659
-	(3,885,659)
<u>1,675,359</u>	<u>-</u>
8,303	2,493,267
<u>1,943,885</u>	<u>18,404,177</u>
<u>\$ 1,952,188</u>	<u>\$ 20,897,444</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, 2022

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	2,493,267
Current year capital outlays and long-term debt principal payments are expenditures in the governmental funds financial statements. The net effect of these adjustments is to increase (decrease) net position.		3,862,786
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.		(1,658,509)
<b>Change in Net Position of Governmental Activities</b>	<u>\$</u>	<u>4,697,544</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, 2022

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	Custodial Funds
<hr/>	
ASSETS	
Cash in Bank	\$ 5,816,312
Total Assets	<u>5,816,312</u>
LIABILITIES	
Due to State	34,660
Tax Collections Due to Entities	4,900,769
Due to Others	37,831
Total Liabilities	<u>4,973,260</u>
NET POSITION	
Restricted for Custodial Purposes	843,052
Total Net Position	<u><u>\$ 843,052</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, 2022

	Custodial Funds
<b>ADDITIONS:</b>	
Property Taxes Collected	\$ 43,993,089
Hotel Taxes Collected	229,007
Fines and Fees	1,941,131
Bond and Registry Receipts	56,812
Investment Earnings	25,044
Inmate Trust and Commissary Funds	54,901
Care Center Patient Trust Funds	89,372
Total Additions	46,389,356
<b>DEDUCTIONS:</b>	
Property Taxes Remitted to Entities	43,943,370
Property Tax Collection Fees	49,719
Hotel Taxes Remitted	229,007
State and County Fees	1,952,790
Investment Earnings to Entities	24,268
Bond and Registry Payments	828,300
Inmate and Commissary Expense	42,824
Care Center Patient Care	83,456
Total Deductions	47,153,734
Net Change in Fiduciary Net Position	(764,378)
Total Net Position - January 1 (Beginning)	1,607,430
Total Net Position - December 31 (Ending)	\$ 843,052

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

COUNTY OF CROCKETT  
Notes to the Financial Statements  
December 31, 2022

**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, 2022

**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, 2022

**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, 2022

**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. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized outflows of resources or inflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The County determined there was no impact upon its financial position, results of operations, or cash flows upon adoption.

COUNTY OF CROCKETT  
Notes to the Financial Statements - Continued  
December 31, 2022

**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.

**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, 2022

**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, 2022, the County was not significantly exposed to credit risk.

**Interest Rate Risk:** Not applicable

**Foreign Currency Risk:** Not applicable

**B. Interfund Transfers**

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Care Center Fund	\$ 2,210,300	Current Operations
General Fund	Nonmajor Governmental Funds	<u>1,675,359</u>	Current Operations
Total		<u>\$ 3,885,659</u>	

COUNTY OF CROCKETT  
Notes to the Financial Statements - Continued  
December 31, 2022

**III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2022, 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	\$ 218,470	\$ 695,410	\$ 0	\$ 0	\$ 913,880
Other	310,000	0	0	0	310,000
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 528,470</b>	<b>\$ 695,410</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,223,880</b>
Capital Assets Being Depreciated					
Buildings and Improvements	\$ 23,284,291	\$ 76,551	\$ 0	\$ 0	\$ 23,360,842
Infrastructure	7,207,665	2,013,413	0	2,860	9,223,938
Machinery and Equipment	8,759,680	685,087	(181,108)	0	9,263,659
Software	156,802	40,500	0	0	197,302
Construction in Progress	2,860	0	0	(2,860)	0
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 39,411,298</b>	<b>\$ 2,815,551</b>	<b>\$ (181,108)</b>	<b>\$ 0</b>	<b>\$ 42,045,741</b>
<b>Total Capital Assets</b>	<b>\$ 39,939,768</b>	<b>\$ 2,856,051</b>	<b>\$ (181,108)</b>	<b>\$ (2,860)</b>	<b>\$ 43,269,621</b>
Less Accumulated Depreciation					
Buildings and Improvements	\$ (5,585,545)	\$ (933,013)	\$ 0	\$ 0	\$ (6,518,558)
Infrastructure	(3,024,919)	(276,042)	0	0	(3,300,961)
Machinery and Equipment	(6,998,152)	(440,454)	174,933	0	(7,263,673)
Software	(156,802)	(9,000)	0	0	(165,802)
<b>Total Accumulated Depreciation</b>	<b>\$ (15,765,418)</b>	<b>\$ (1,658,509)</b>	<b>\$ 174,933</b>	<b>\$ 0</b>	<b>\$ (17,248,994)</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 24,174,350</b>	<b>\$ 1,197,542</b>	<b>\$ (6,175)</b>	<b>\$ (2,860)</b>	<b>\$ 26,020,627</b>

COUNTY OF CROCKETT  
Notes to the Financial Statements - Continued  
December 31, 2022

**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	\$ 174,970
Roads and Bridges	482,625
Justice System	2,164
Public Safety	134,743
Corrections and Rehabilitation	284,454
Public Health and Wellness	423,653
Culture and Recreation	<u>155,900</u>
Total	<u><u>\$ 1,658,509</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:

Stone Garden Grant	<u><u>\$ 8,748</u></u>
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**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	\$ 51,048
HAVA Funding	<u>82,891</u>
Total	<u><u>\$ 133,939</u></u>

**F. Unearned Revenue**

Unearned revenue at year end consisted of the following:

SLFRF Funds	<u><u>\$ 204,801</u></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.

COUNTY OF CROCKETT  
Notes to the Financial Statements - Continued  
December 31, 2022

**III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued**

**H. Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance
Tax Note (Direct Placement)	\$ 358,000	\$ 0	\$ 358,000	\$ 0

**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](http://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 9.66% for calendar year 2022.

The deposit rate payable by the employee members for calendar year 2022 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, 2022

**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, 2021 funding valuation, except as noted below and throughout this report. Please see the County's December 31, 2021 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, 2022

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 2022 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%	3.80%
Global Equities	MSCI World (Net) Index	2.50%	4.10%
International Equities - Developed Markets	MSCI World Ex USA (Net) Index	5.00%	3.80%
International Equities - Emerging Markets	MSCI Emerging Markets (Net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	4.50%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (Net) Index	2.00%	3.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

COUNTY OF CROCKETT  
Notes to the Financial Statements - Continued  
December 31, 2022

**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, 2022

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</u> (a)	<u>Fiduciary Net Position</u> (b)	<u>Net Pension Liability (Asset)</u> (a) - (b)
Balance as of December 31, 2020	\$ 32,126,742	\$ 29,854,617	\$ 2,272,125
Changes for the Year:			
Service Cost	\$ 770,922	\$ 0	\$ 770,922
Interest on Total Pension Liability	2,429,776	0	2,429,776
Effect of Plan Changes	0	0	0
Effect of Economic/Demographic Gains or Losses	(357,657)	0	(357,657)
Effect of Assumptions Changes or Inputs	(201,381)	0	(201,381)
Refund of Contributions	(191,562)	(191,562)	0
Benefit Payments	(1,696,866)	(1,696,866)	0
Administrative Expenses	0	(19,189)	19,189
Member Contributions	0	431,887	(431,887)
Net Investment Income	0	6,463,788	(6,463,788)
Employer Contributions	0	640,428	(640,428)
Other	0	(14,899)	14,899
Net Changes	<u>\$ 753,232</u>	<u>\$ 5,613,587</u>	<u>\$ (4,860,355)</u>
Balance as of December 31, 2021	<u>\$ 32,879,974</u>	<u>\$ 35,468,204</u>	<u>\$ (2,588,230)</u>

COUNTY OF CROCKETT  
Notes to the Financial Statements - Continued  
December 31, 2022

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	\$ 36,665,707	\$ 32,879,974	\$ 29,656,002
Fiduciary Net Position	<u>35,468,204</u>	<u>35,468,204</u>	<u>35,468,204</u>
Net Pension Liability (Asset)	<u>\$ 1,197,503</u>	<u>\$ (2,588,230)</u>	<u>\$ (5,812,202)</u>

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

<u>Pension Expense (Income)</u>	<u>January 1, 2021 to December 31, 2021</u>
Service Cost	\$ 770,922
Interest on Total Pension Liability	2,429,776
Effect of Plan Changes	0
Administrative Expenses	19,189
Member Contributions	(431,887)
Expected Investment Return Net of Investment Expenses	(2,237,235)
Recognition of Deferred Inflows/Outflows of Resources:	
Recognition of Economic/Demographic Gains or Losses	(387,105)
Recognition of Assumption Changes or Inputs	472,403
Recognition of Investment Gains or Losses	(1,184,948)
Other	<u>14,899</u>
Total Pension Expense (Income)	<u>\$ (533,986)</u>

COUNTY OF CROCKETT  
Notes to the Financial Statements - Continued  
December 31, 2022

**IV. OTHER INFORMATION - Continued**

**A. Defined Benefit Pension Plan - Continued**

**Deferred Outflows/Deferred Inflows of Resources** -As of December 31, 2022, the deferred outflows and inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 20,609	\$ 533,451
Changes in Assumptions	539,529	134,254
Net Differences Between Projected and Actual Earnings	-	4,092,457
Contributions Made Subsequent to Measurement Date	631,683	-
Totals	\$ 1,191,821	\$ 4,760,162

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
2022	\$ (800,921)
2023	(1,577,542)
2024	(976,252)
2025	(845,309)
2026	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; 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

COUNTY OF CROCKETT  
Notes to the Financial Statements - Continued  
December 31, 2022

**IV. OTHER INFORMATION - Continued**

**B. Self-Insurance - Continued**

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. 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, 2022, the following projects are completed and currently receiving a tax abatement:

<u>Project Name</u>	<u>Project Value 2021*</u>	<u>Project's Value Limitation Amount 2021</u>	<u>Amount of Applicant's Taxes Paid 2021</u>	<u>Amount of Applicant's Taxes Reduced 2021</u>
High Lonesome Wind	\$ 171,397,490	\$ 42,849,370	\$ 369,715	\$ 1,115,145
Ranchero Wind	275,327,000	68,831,750	597,110	1,791,330

\*The 2022 fiscal year budget is based on 2021 tax assessment; therefore 2021 is presented.

**D. Commitments**

In 2016 the County issued debt obligations for multiple construction projects. As of December 31, 2022, the balances to be expended in these funds are \$765 for the Clinic Project, \$209,230 for the Wellness Center Project, and \$128,085 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.

COUNTY OF CROCKETT  
Notes to the Financial Statements - Continued  
December 31, 2022

**IV. OTHER INFORMATION - Continued**

**E. Contingencies - Continued**

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.

**F. Subsequent Events**

The County's management has evaluated subsequent events through July 31, 2023, 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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property Taxes	\$ 14,880,578	\$ 14,880,578	\$ 14,708,896	\$ (171,682)
Intergovernmental Revenue and Grants	142,700	170,384	162,277	(8,107)
Fines and Fees	1,113,500	1,113,500	1,149,339	35,839
Investment Earnings	50,000	50,000	337,783	287,783
Other Revenue	65,500	86,205	389,316	303,111
Total Revenues	<u>16,252,278</u>	<u>16,300,667</u>	<u>16,747,611</u>	<u>446,944</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	2,988,429	3,137,920	3,051,379	86,541
Justice System	1,547,253	1,565,806	1,263,572	302,234
Public Safety	4,456,700	4,295,071	2,525,661	1,769,410
Corrections and Rehabilitation	892,479	836,290	817,310	18,980
Public Health and Wellness	1,121,371	1,121,042	936,988	184,054
Culture and Recreation	1,403,549	1,337,041	1,115,009	222,032
Total Expenditures	<u>12,409,781</u>	<u>12,293,170</u>	<u>9,709,919</u>	<u>2,583,251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,842,497</u>	<u>4,007,497</u>	<u>7,037,692</u>	<u>3,030,195</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(3,842,497)	(4,002,497)	(3,885,659)	116,838
Total Other Financing Sources (Uses)	<u>(3,842,497)</u>	<u>(4,002,497)</u>	<u>(3,885,659)</u>	<u>116,838</u>
Net Change	-	5,000	3,152,033	3,147,033
Fund Balance - January 1 (Beginning)	<u>12,837,605</u>	<u>12,837,605</u>	<u>12,837,605</u>	<u>-</u>
Fund Balance - December 31 (Ending)	<u>\$ 12,837,605</u>	<u>\$ 12,842,605</u>	<u>\$ 15,989,638</u>	<u>\$ 3,147,033</u>

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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property Taxes	\$ 3,097,181	\$ 3,097,181	\$ 3,144,234	\$ 47,053
Intergovernmental Revenue and Grants	79,000	79,000	60,476	(18,524)
Fines and Fees	320,000	320,000	369,011	49,011
Investment Earnings	35,801	35,801	38,057	2,256
Other Revenue	6,000	6,000	-	(6,000)
Total Revenues	3,537,982	3,537,982	3,611,778	73,796
<b>EXPENDITURES:</b>				
Current:				
Roads and Bridges	3,537,982	4,384,020	4,278,847	105,173
Total Expenditures	3,537,982	4,384,020	4,278,847	105,173
Change in Fund Balance	-	(846,038)	(667,069)	178,969
Fund Balance - January 1 (Beginning)	3,622,687	3,622,687	3,622,687	-
Fund Balance - December 31 (Ending)	\$ 3,622,687	\$ 2,776,649	\$ 2,955,618	\$ 178,969

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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 225,000	\$ 225,000	\$ 211,719	\$ (13,281)
Fines and Fees	1,932,400	1,932,400	1,361,357	(571,043)
Other Revenue	2,500	2,500	10,547	8,047
Total Revenues	2,159,900	2,159,900	1,583,623	(576,277)
<b>EXPENDITURES:</b>				
Current:				
Public Health and Wellness	4,388,196	4,495,696	3,793,923	701,773
Total Expenditures	4,388,196	4,495,696	3,793,923	701,773
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,228,296)	(2,335,796)	(2,210,300)	125,496
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	2,228,296	2,333,296	2,210,300	(122,996)
Total Other Financing Sources (Uses)	2,228,296	2,333,296	2,210,300	(122,996)
Change in Fund Balance	-	(2,500)	-	2,500
Fund Balance - January 1 (Beginning)	-	-	-	-
Fund Balance - December 31 (Ending)	\$ -	\$ (2,500)	\$ -	\$ 2,500

COUNTY OF CROCKETT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE YEAR ENDED DECEMBER 31, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
<b>A. Total Pension Liability</b>			
Service Cost	\$ 770,922	\$ 738,136	\$ 677,952
Interest (on the Total Pension Liability)	2,429,776	2,426,889	2,325,032
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(357,657)	(885,037)	82,433
Changes of Assumptions	(201,381)	1,618,589	-
Benefit Payments, Including Refunds of Employee Contributions	(1,888,428)	(1,952,568)	(1,826,102)
Net Change in Total Pension Liability	\$ 753,232	\$ 1,946,009	\$ 1,259,315
Total Pension Liability - Beginning	32,126,742	30,180,733	28,921,418
Total Pension Liability - Ending	\$ 32,879,974	\$ 32,126,742	\$ 30,180,733
<b>B. Total Fiduciary Net Position</b>			
Contributions - Employer	\$ 640,428	\$ 676,970	\$ 673,235
Contributions - Employee	431,887	438,468	451,071
Net Investment Income	6,463,788	2,876,322	4,035,128
Benefit Payments, Including Refunds of Employee Contributions	(1,888,428)	(1,952,568)	(1,826,102)
Administrative Expense	(19,189)	(21,845)	(21,230)
Other	(14,899)	(21,830)	(20,147)
Net Change in Plan Fiduciary Net Position	\$ 5,613,587	\$ 1,995,517	\$ 3,291,955
Plan Fiduciary Net Position - Beginning	29,854,617	27,859,100	24,567,145
Plan Fiduciary Net Position - Ending	\$ 35,468,204	\$ 29,854,617	\$ 27,859,100
<b>C. Net Pension Liability (Asset)</b>	\$ (2,588,230)	\$ 2,272,125	\$ 2,321,633
<b>D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	107.87%	92.93%	92.31%
<b>E. Covered Payroll</b>	\$ 6,169,817	\$ 6,263,827	\$ 6,443,868
<b>F. Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	(41.95%)	36.27%	36.03%

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 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 641,208	\$ 685,673	\$ 702,876	\$ 626,667	\$ 645,681
2,234,165	2,121,385	2,057,213	1,964,819	1,867,998
-	-	-	(82,895)	-
26,075	146,981	(629,380)	31,204	27,323
-	205,498	-	317,438	-
(1,807,040)	(1,641,614)	(1,716,031)	(1,564,801)	(1,342,214)
\$ 1,094,408	\$ 1,517,923	\$ 414,678	\$ 1,292,432	\$ 1,198,788
27,827,010	26,309,087	25,894,409	24,601,977	23,403,189
\$ 28,921,418	\$ 27,827,010	\$ 26,309,087	\$ 25,894,409	\$ 24,601,977
\$ 576,920	\$ 568,062	\$ 619,546	\$ 575,797	\$ 590,952
409,578	406,174	412,638	395,156	390,739
(492,074)	3,380,675	1,669,589	116,517	1,493,032
(1,807,040)	(1,641,614)	(1,716,031)	(1,564,801)	(1,342,214)
(19,732)	(17,239)	(18,154)	(16,360)	(17,172)
(21,842)	(9,106)	(315,312)	170,093	96,892
\$ (1,354,190)	\$ 2,686,952	\$ 652,276	\$ (323,598)	\$ 1,212,229
25,921,335	23,234,383	22,582,107	22,905,705	21,693,476
\$ 24,567,145	\$ 25,921,335	\$ 23,234,383	\$ 22,582,107	\$ 22,905,705
\$ 4,354,273	\$ 1,905,675	\$ 3,074,704	\$ 3,312,302	\$ 1,696,272
84.94%	93.15%	88.31%	87.21%	93.11%
\$ 5,851,120	\$ 5,802,481	\$ 5,894,829	\$ 5,645,080	\$ 5,581,985
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 2022

	2022	2021	2020
Actuarially Determined Contribution	\$ 631,683	\$ 640,428	\$ 676,970
Contributions in Relation to the Actuarially Determined Contributions	(631,683)	(640,428)	(676,970)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 6,539,141	\$ 6,169,817	\$ 6,263,827
Contributions as a Percentage of Covered Employee Payroll	9.70%	10.40%	10.80%

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.

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



COUNTY OF CROCKETT  
Notes to the Supplementary Information  
December 31, 2022

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, 2021 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	2021: No changes were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2021: 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 31, 2023.

**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*

July 31, 2023



# COUNTY OF CROCKETT

## Schedule of Status of Prior Findings Year Ended December 31, 2022

### **Prior Year Findings -**

Reference Number: 2021-001

Actual expenditures exceeded the budget.

### **Status of Prior Year Findings -**

Reference Number: 2021-001

This condition did not exist in the current year.