

Parker County, Texas

Annual Financial Report

September 30, 2021

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Parker County, Texas
 Annual Financial Report
 Year Ended September 30, 2021
 Table of Contents

	Exhibit	Page(s)
Financial Section		
Independent Auditor's Report		3
Management's Discussion and Analysis		7
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position	A-1	19
Statement of Activities	A-2	20
Fund Financial Statements		
Balance Sheet - Governmental Funds	A-3	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-4	22
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	A-5	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-6	24
Statement of Net Position - Proprietary Fund	A-7	25
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	A-8	26
Statement of Cash Flows - Proprietary Fund	A-9	27
Statement of Net Position - Fiduciary Funds	A-10	28
Statement of Changes in Net Position - Fiduciary Funds	A-11	29
Notes to Financial Statements		31

Parker County, Texas
 Annual Financial Report
 Year Ended September 30, 2021
 Table of Contents – Continued

	Exhibit	Page(s)
Required Supplementary Information		
Texas County District Retirement System Schedule of Changes in Employer's Net Pension Liability and Related Ratios for the Employees of Parker County		57
Texas County District Retirement System Schedule of Employer Contributions		58
Texas County District Retirement System Schedule of Changes in Employer's Total OPEB Liability and Related Ratios for the Employees of Parker County		59
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	B-1	60
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Lateral Road Fund	B-2	62
Supplementary Information		
Combining Balance Sheet - Nonmajor Governmental Funds	C-2	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	C-3	72
Combining Statement of Net Position - Fiduciary Funds	C-4	78
Combining Statement of Changes in Net Position - Fiduciary Funds	C-5	81
Federal Award Programs		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		87
Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control over Compliance, in Accordance with the Uniform Guidance		89
Schedule of Findings and Questioned Costs		92
Summary of Prior Audit Findings		94
Schedule of Expenditures of Federal Awards		95
Notes to Schedule of Expenditures of Federal Awards		96

Financial Section

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Independent Auditor's Report

To the Honorable County Judge
and County Commissioners' Court
Parker County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Parker County, Texas (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 / Fort Worth, Texas 76107
Main: 817.332.7905

The Honorable County Judge
and County Commissioners' Court
Parker County, Texas

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2021, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Beginning net position for the fiduciary funds has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas County District Retirement System Pension and OPEB schedules, and Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund and Lateral Road Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis and required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Honorable County Judge
and County Commissioners' Court
Parker County, Texas

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
June 29, 2022

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Management's Discussion And Analysis

Management's discussion and analysis (MD&A) of Parker County's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2021. The MD&A should be read in conjunction with the accompanying financial statements and the notes to those financial statements.

Financial Highlights

- The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources of the County at September 30, 2021 by \$26,737,802 (net position). Of this amount, \$19,369,984 is restricted for specific purposes and \$(10,800,052) represents a deficit in unrestricted net position. Net position also reflects net investment in capital assets of \$18,167,870.
- In contrast to the government-wide statements, the fund statements report a combined fund balance at September 30, 2021 of \$102,524,603; of which \$5,458 represents nonspendable fund balance, \$69,728,574 represents fund balance restricted for funding of debt service, capital projects, the lateral road fund, and federal and state programs, \$1,467,589 represents fund balance committed to state and special programs, and \$31,322,982 or 31% represents unassigned fund balance.
- The general fund reports a fund balance of \$32,794,942; of which \$5,458 represents nonspendable fund balance, \$108,591 represents amounts restricted for federal and state programs and \$1,357,911 represents amounts committed to state and special programs, with the remaining reported as unassigned. Unassigned fund balance for the general fund equals 65% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and 4) other required supplementary information in addition to the basic financial statements themselves. This report also contains other supplementary information in addition to the basic 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 private sector business. They present the financial picture of the County from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets of the County as well as all liabilities (including long-term debt). Additionally, interfund activity has been eliminated.

The statement of net position presents information on all of the County's assets, deferred outflows of resources less liabilities and deferred inflows with the remaining 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.

The statement of activities presents information showing how net position changed during the most recent fiscal year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government; public safety; health and welfare; roads and bridges; law enforcement; judicial; recording; and tax assessing-collecting, along with interest and other costs.

The government-wide financial statements can be found on pages 19 and 20 of this report.

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 three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, 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 fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

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

The County maintains forty-two individual funds (excluding fiduciary funds), thirty-seven special revenue funds, a capital project fund, a debt service fund, a lateral road fund, an internal service fund and a general fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Lateral Road Fund, Capital Projects Tax Road Bonds Fund, the Debt Service Fund, and the American Rescue Plan Act (ARPA) Fund which are classified as major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The governmental fund financial statements can be found on pages 21 and 23 of this report.

Proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The County uses an internal service fund to account for its self-insurance programs. Because these activities benefit governmental functions, they have been included with governmental activities in the government-wide financial statements.

The proprietary fund financial statements can be found on pages 25 through 27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate Statement of Net Position. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The fiduciary fund financial statements can be found on page 28 and 29 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 54 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pensions, OPEB and budget comparisons. The required supplementary information can be found on pages 57 through 62 of this report. Combining statements and schedules are also included in the report as other supplementary information and can be found on pages 69 through 84.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$26,737,802 as of September 30, 2021.

Parker County's Net Position

	Governmental Activities	
	2021	2020
Current and other assets	\$ 135,901,218	\$ 109,933,304
Capital assets, net of depreciation	86,539,859	79,778,240
Total assets	222,441,077	189,711,544
Deferred outflow of resources	14,568,652	7,537,355
Long-term liabilities, including due in one year	180,522,174	175,410,927
Unearned revenue	13,876,189	712,528
Other liabilities	11,880,943	8,326,273
Total liabilities	206,279,306	184,449,728
Deferred inflow of resources	3,992,621	2,678,380
Net position		
Net investment in capital assets	18,167,870	10,975,663
Restricted	19,369,984	17,066,384
Unrestricted	(10,800,052)	(17,921,256)
Total net position	\$ 26,737,802	\$ 10,120,791

Net investment in capital assets (e.g., land, buildings, infrastructure, furniture and equipment, and work in progress, etc.) less any related debt used to acquire those assets that is still outstanding is \$18,167,870. The County uses these capital assets to provide services to citizens; consequently, 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 \$19,369,984 of the County's net position represents resources that are subject to external restrictions on how they may be used. All restricted assets of the County are being held for purposes established by state and local laws, future construction, and debt service requirements on the County's outstanding debt. The County currently has an unrestricted net deficit of \$10,800,052, which is the result of prior year conveyance of assets to other governmental entities.

The County's governmental activities increased net position by \$16,617,011 during the current year. The total cost of all governmental activities this year was \$74,327,617. The amount that our taxpayers paid for these activities through property taxes was \$55,014,324 or 74%.

Parker County's Changes in Net Position

	Governmental Activities	
	2021	2020
Revenues		
Program revenues		
Charges for services	\$ 13,381,155	\$ 12,394,388
Operating grants and contributions	8,662,685	4,701,907
Capital grants and contributions	328,645	-
General revenues		
Property taxes	55,014,324	52,009,269
Sales and other taxes	13,327,626	11,256,272
Investment earnings	108,747	872,709
Other	121,446	55,010
Total revenues	90,944,628	81,289,555
Expenses		
General government	11,763,859	12,493,697
Roads and bridges	12,434,906	11,339,750
Public safety	4,175,122	879,628
Law enforcement	23,159,217	23,590,574
Judicial	12,325,031	12,346,610
Health and welfare	892,917	815,745
Recording	4,300,282	3,729,955
Tax assessing-collecting	1,262,320	1,247,592
Interest and other costs	4,013,963	5,647,254
Total expenses	74,327,617	72,090,805
Change in net position	16,617,011	9,198,750
Net position-beginning	10,120,791	922,041
Net position-ending	\$ 26,737,802	\$ 10,120,791

Revenues by Source

Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Program revenues of \$22,372,485 equaled 30% of governmental expenses of \$74,327,617. As expected, general revenues in the amount of \$68,572,143 provided the remaining support and coverage for expenses.
- 31% or \$23,159,217 of the expenses are law enforcement while this category provided 25% of total revenues.
- Roads and bridges and judicial account for \$24,759,937 or 33% of expenses while providing about 7% of total revenues.
- Operating grant revenues and contributions comprised about 10% of total revenues.

Financial Analysis of Governmental Funds

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

Governmental funds. The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project 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 annual financing and budgeting requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$102,524,603 an increase of \$8,766,606 in comparison with the prior year. Approximately \$31,322,982 or 31% of the fund balance represents unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is made up of nonspendable fund balance of \$5,458, committed fund balance of \$1,467,589, and restricted fund balance of \$69,728,574. Committed fund balance is set aside for state and special programs while the restricted fund balance is set aside to pay debt service in the amount of \$3,598,158, and fund capital projects in the amount of \$49,534,628, lateral roads in the amount of \$10,014,728, and federal and state programs in the amount of \$6,581,060.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, fund balance of the general fund was \$32,794,942, of which \$5,458 was nonspendable fund balance, \$108,591 was restricted, \$1,357,911 was committed and the remainder was unassigned. As a measure of the general fund's liquidity, we compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents over 96% of total fund balance for the general fund.

The fund balance of the County's general fund increased by \$7,378,142, which is primarily due to less expenditures than revenue to operate the County.

The debt service fund has a total fund balance of \$3,598,158, all of which is restricted for debt service. The increase in the debt service fund was \$1,440,518.

The capital projects funds had a total fund balance of \$49,534,628 which is restricted for construction and improvements of roads and bridges or acquisition of County-owned buildings and equipment. The net decrease in fund balance during the current year in the capital projects funds was \$501,475 after capital outlay expenditures and bond proceeds from the issuance of debt during the current year.

The lateral road fund had a total fund balance of \$10,014,728, all of which is restricted for maintenance and construction of County roads and bridges. The net increase in fund balance during the current year in the lateral road fund was \$565,478 due to continued healthy property tax collections.

General Fund Budgetary Highlights

The original fiscal year 2021 budget was adopted in September 2020, with total general fund expenditures in the amount of \$53,580,568.

In total, the original general fund budget for expenditures were \$1,266,361 less than the final general fund amended budget for expenditures.

Significant variations between the final budget and actual amounts include the following:

- Actual revenues were greater than budgeted by \$6,530,926 primarily due to the increase in sales tax collections and additional intergovernmental, fees of office and miscellaneous revenue over what was expected; and
- Actual expenditures were \$4,854,673 less than budgeted primarily due to lower costs in general government, judicial and law enforcement expenditures than anticipated.

Capital Assets and Debt Administration

The capital assets of the County are those assets which are used in the performance of the County's functions including current year expenditures for infrastructure assets. At September 30, 2021, capital assets, net of accumulated depreciation, in the governmental activities totaled \$86,539,859. Depreciation on capital assets is recognized in the government-wide financial statements. Annual depreciation for buildings, improvements, infrastructure and machinery and equipment totaled \$5,517,194.

**Parker County's Capital Assets
(net of depreciation)**

	Governmental Activities	
	2021	2020
Land	\$ 19,246,010	\$ 18,538,084
Work in progress	9,214,781	9,686,019
Buildings and improvements	17,035,429	17,608,704
Infrastructure	30,813,364	24,137,201
Office furniture and equipment	4,174,602	2,797,939
Transportation equipment	1,288,935	1,648,435
Road maintenance equipment	4,554,604	4,353,628
Emergency management equipment	165,275	50,469
Other	46,859	957,761
	\$ 86,539,859	\$ 79,778,240

Additional information on the County's capital assets can be found in Note 6 of this report.

Long-term debt and capital leases. As of September 30, 2021, the County had unlimited tax road bonds, tax notes, and general obligation refunding bonds of \$145,659,412. Total capital leases payable were \$3,333,339.

The County's total property tax rate for fiscal year 2021 was \$0.358619 per \$100 assessed valuation, of which \$0.079876 was for annual debt service, \$0.073952 was for maintenance of County roads accounted for in the lateral road fund with the remaining \$0.204791 levied on general maintenance and operations in the general fund. Revenue in each of the taxing funds represented approximately 55%, 82% and 99% for the General Fund, Lateral Road Fund and Debt Service Fund, respectively. The revenue generated through property taxes largely offset the expenditure incurred in the respective funds, as shown below.

	General Fund	Lateral Road Fund	Debt Service Fund
Property Taxes	\$ 31,349,094	\$ 11,756,714	\$ 12,180,298
Other Revenue	25,663,192	2,649,829	4,706
Total Revenue	57,012,286	14,406,543	12,185,004
Expenditures	48,414,535	14,122,313	10,995,818
Other Financing Sources (Uses)	(1,219,609)	281,248	251,332
Change in Fund Balance	\$ 7,378,142	\$ 565,478	\$ 1,440,518

Parker County's Outstanding Debt

	Governmental Activities	
	2021	2020
Unlimited tax road bonds	\$ 132,694,412	\$ 135,545,000
Tax notes	6,960,000	1,425,000
General obligation refunding bonds	6,005,000	7,405,000
Capital leases payable	3,333,339	3,850,517
	\$ 148,992,751	\$ 148,225,517
Total		

Additional information on the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

The annual budget is developed to provide efficient and effective economic uses of the County's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities.

In considering the County budget for fiscal year 2022, the County Commissioners and management considered that the County, which is located near the Fort Worth Metroplex, is anticipating an increase in new large businesses and retail sales, therefore sales tax revenues for the County are expected to increase approximately 26%.

Request for Information

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the appropriate financial office (County Auditor) at 1112 Santa Fe Drive, Weatherford, Texas, 76086 or (Parker County Judge) at 1 Courthouse Square, Weatherford, Texas 76086.

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Basic Financial Statements

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Parker County, Texas
Statement of Net Position
September 30, 2021

Exhibit A-1

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 39,619,666
Investments	91,621,264
Receivables, net of allowance	4,554,058
Prepaid expenses and other assets	106,230
Land and work in progress	28,460,791
Other capital assets, net of depreciation	58,079,068
	<hr/>
Total assets	222,441,077
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding	5,356,332
Deferred outflows related to pension	8,855,308
Deferred outflows related to OPEB	357,012
	<hr/>
Total deferred outflows of resources	14,568,652
LIABILITIES	
Accounts payable and accrued liabilities	7,300,799
Accrued salaries and benefits payable	1,977,757
Accrued interest payable	947,066
Due to other governmental entities	1,655,321
Unearned revenue	13,876,189
Noncurrent liabilities	
Due within one year	9,815,725
Due in more than one year	170,706,449
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Total liabilities	206,279,306
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	3,934,166
Deferred inflows related to OPEB	58,455
	<hr/>
Total deferred inflows of resources	3,992,621
NET POSITION	
Net investment in capital assets	18,167,870
Restricted for	
Debt service	2,695,114
Lateral road	10,093,810
State and federal programs	6,581,060
Unrestricted	(10,800,052)
	<hr/>
Total net position	<u>\$ 26,737,802</u>

The Notes to Financial Statements are an integral part of this statement.

Parker County, Texas
Statement of Activities
Year Ended September 30, 2021

Exhibit A-2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary government				
Governmental activities				
General government	\$ 11,763,859	\$ 533,410	\$ 325,487	\$ -
Roads and bridges	12,434,906	2,678,114	159,900	328,645
Public safety	4,175,122	111,650	4,611,450	-
Law enforcement	23,159,217	1,991,729	2,666,517	-
Judicial	12,325,031	2,997,679	868,561	-
Health and welfare	892,917	545,416	30,770	-
Recording	4,300,282	1,945,697	-	-
Tax assessing-collecting	1,262,320	2,577,460	-	-
Interest and other costs	4,013,963	-	-	-
Total primary government	<u>\$ 74,327,617</u>	<u>\$ 13,381,155</u>	<u>\$ 8,662,685</u>	<u>\$ 328,645</u>
General revenue				
Property taxes				55,014,324
Sales and other taxes				13,327,626
Investment earnings				108,747
Other general revenue				121,446
Total general revenues				<u>68,572,143</u>
Change in net position				16,617,011
Net position, beginning of year				<u>10,120,791</u>
Net position, end of year				<u>\$ 26,737,802</u>

The Notes to Financial Statements are an integral part of this statement.

Parker County, Texas
Balance Sheet – Governmental Funds
September 30, 2021

Exhibit A-3

	General	Lateral Road	Capital Projects Tax Road Bonds	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash	\$ 10,286,599	\$ 3,380,386	\$ 15,283,855	\$ 1,048,730	\$ 4,157,121	\$ 2,508,243	\$ 36,664,934
Investments	24,093,381	7,903,115	35,732,620	2,451,858	9,719,068	5,921,606	85,821,648
Receivables, net of allowance							
Property taxes	248,575	134,092	-	96,953	-	-	479,620
Intergovernmental	3,326,245	-	328,645	-	-	44,093	3,698,983
Other	56,446	113,875	-	44,639	-	17,604	232,564
Prepaid items and other assets	5,458	-	-	-	-	772	6,230
Total assets	38,016,704	11,531,468	51,345,120	3,642,180	13,876,189	8,492,318	126,903,979
Total assets and deferred outflows of resources	\$ 38,016,704	\$ 11,531,468	\$ 51,345,120	\$ 3,642,180	\$ 13,876,189	\$ 8,492,318	\$ 126,903,979
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 3,503,526	\$ 1,081,663	\$ 1,810,492	\$ -	\$ -	\$ 348,302	\$ 6,743,983
Accrued salaries and benefits payable	1,472,890	355,995	-	-	-	50,325	1,879,210
Due to other governmental entities	143,777	-	-	-	-	1,511,544	1,655,321
Unearned revenue	-	-	-	-	13,876,189	-	13,876,189
Total liabilities	5,120,193	1,437,658	1,810,492	-	13,876,189	1,910,171	24,154,703
Deferred inflows of resources							
Property taxes	101,569	79,082	-	44,022	-	-	224,673
Total deferred inflows of resources	101,569	79,082	-	44,022	-	-	224,673
Fund balances							
Nonspendable							
Prepaid	5,458	-	-	-	-	-	5,458
Restricted for							
Debt service	-	-	-	3,598,158	-	-	3,598,158
Capital projects	-	-	49,534,628	-	-	-	49,534,628
Lateral road	-	10,014,728	-	-	-	-	10,014,728
Federal and state programs	108,591	-	-	-	-	6,472,469	6,581,060
Committed for state and special programs	1,357,911	-	-	-	-	109,678	1,467,589
Unassigned	31,322,982	-	-	-	-	-	31,322,982
Total fund balances	32,794,942	10,014,728	49,534,628	3,598,158	-	6,582,147	102,524,603
Total liabilities, deferred inflows of resources and fund balances	\$ 38,016,704	\$ 11,531,468	\$ 51,345,120	\$ 3,642,180	\$ 13,876,189	\$ 8,492,318	\$ 126,903,979

The Notes to Financial Statements are an integral part of this statement.

Parker County, Texas

Exhibit A-4

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2021

Total fund balances – governmental funds	\$ 102,524,603
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	86,539,859
Net deferred outflows and inflows of resources related to the pension liability are not due and payable in the current period, and therefore, have not been included in the fund financial statements.	
Deferred outflows related to pension	8,855,308
Deferred inflows related to pension	(3,934,166)
Net deferred outflows and inflows	4,921,142
Net deferred outflows and inflows of resources related to the OPEB liability that are not due and payable in the current period, and therefore, have not been included in the fund financial statements.	
Deferred outflows related to OPEB	357,012
Deferred inflows related to OPEB	(58,455)
Net deferred outflows and inflows	298,557
Accrued interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(947,066)
Revenues earned but not available within sixty days of year-end are not recognized as revenue on the fund financial statements.	224,673
Noncurrent liabilities, including bonds payable, compensated absences, pension and OPEB liability are not due and payable in the current period and therefore are not reported in the fund financial statements.	
Bonds payable	(145,659,412)
Capital leases	(3,333,339)
Deferred premiums on issuance	(13,975,064)
Net Pension liability	(15,034,256)
Total OPEB liability	(1,562,164)
Compensated absences	(957,939)
Total long-term liabilities	(180,522,174)
For debt refundings, the difference between the acquisition price and the net carrying amount of the debt has been deferred and amortized in the government-wide financial statements.	5,356,332
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the government-wide statement of net position.	8,341,876
Total net position – governmental activities	\$ 26,737,802

The Notes to Financial Statements are an integral part of this statement.

Parker County, Texas
Statement of Revenues, Expenditures,
and Changes in Fund Balance – Governmental Funds
Year Ended September 30, 2021

Exhibit A-5

	General	Lateral Road	Capital Projects Tax Road Bonds	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 31,349,094	\$ 11,756,714	\$ -	\$ 12,180,298	\$ -	\$ -	\$ 55,286,106
Sales taxes	13,076,033	-	-	-	-	-	13,076,033
Intergovernmental	4,195,660	297,365	328,645	-	-	5,374,175	10,195,845
Fees of office	7,152,757	2,073,323	-	-	-	1,812,155	11,038,235
Fines and forfeitures	-	224,014	-	-	-	-	224,014
Interest	36,799	11,283	46,145	4,706	-	2,644	101,577
Royalties	58,031	-	-	-	-	-	58,031
Miscellaneous	1,143,912	43,844	-	-	-	44,990	1,232,746
Total revenues	57,012,286	14,406,543	374,790	12,185,004	-	7,233,964	91,212,587
EXPENDITURES							
Current							
General government	9,446,085	-	4,902	-	-	142,922	9,593,909
Roads and bridges	-	8,630,054	-	-	-	-	8,630,054
Public safety	424,025	-	-	-	-	3,511,661	3,935,686
Law enforcement	21,636,417	-	-	-	-	37,586	21,674,003
Judicial	10,433,897	-	-	-	-	1,251,733	11,685,630
Health and welfare	793,316	-	-	-	-	48,366	841,682
Recording	2,786,105	-	-	-	-	1,317,289	4,103,394
Tax assessing-collecting	1,205,255	-	-	-	-	-	1,205,255
Capital outlay	961,869	5,368,449	6,799,363	-	-	2,295,297	15,424,978
Debt service							
Principal	598,938	111,423	-	4,715,000	-	-	5,425,361
Interest and other charges	128,628	12,387	-	6,071,798	-	-	6,212,813
Bond issuance costs	-	-	72,000	209,020	-	-	281,020
Total expenditures	48,414,535	14,122,313	6,876,265	10,995,818	-	8,604,854	89,013,785
Excess (deficiency) of revenues over (under) expenditures	8,597,751	284,230	(6,501,475)	1,189,186	-	(1,370,890)	2,198,802
OTHER FINANCING SOURCES (USES)							
Operating transfers in	27,774	-	-	-	-	1,282,607	1,310,381
Operating transfers out	(1,282,607)	-	-	-	-	(27,774)	(1,310,381)
Proceeds on sale of assets	35,224	88,065	-	-	-	-	123,289
Proceeds from capital lease	-	193,183	-	-	-	-	193,183
Bond proceeds	-	-	6,000,000	15,729,412	-	-	21,729,412
Payment to escrow	-	-	-	(16,571,446)	-	-	(16,571,446)
Premium on long-term debt issued	-	-	-	1,093,366	-	-	1,093,366
Total other financing sources (uses)	(1,219,609)	281,248	6,000,000	251,332	-	1,254,833	6,567,804
NET CHANGES IN FUND BALANCES	7,378,142	565,478	(501,475)	1,440,518	-	(116,057)	8,766,606
FUND BALANCES, beginning of year	25,416,800	9,449,250	50,036,103	2,157,640	-	6,698,204	93,757,997
FUND BALANCES, end of year	\$ 32,794,942	\$ 10,014,728	\$ 49,534,628	\$ 3,598,158	\$ -	\$ 6,582,147	\$ 102,524,603

The Notes to Financial Statements are an integral part of this statement.

Parker County, Texas
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$	8,766,606
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of the assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay	12,398,277	
Depreciation	<u>(5,517,194)</u>	6,881,083
The net effect of capital asset disposals decreases net position.		(119,464)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(271,782)
Capital leases provide current financial resources to governmental funds while increasing long-term liabilities in the statement of net position.		(193,183)
Bond proceeds provide current financial resources to governmental funds while increasing long-term liabilities in the statement of net position.		(21,729,412)
Current year payment to escrow agent for refunded debt are other financing uses in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.		15,730,000
Expenditures related to the County's participation in the Texas County and District Retirement System are recorded as they are paid in the governmental funds, but are recognized based on the change in net pension liability in the statement of activities.		(252,973)
Expenditures related to the County's participation in the Texas County and District Retirement System's Group Term Life program are recorded as they are paid in the governmental funds, but are recognized based on the change in total OPEB liability in the statement of activities.		(126,847)
Repayment of long-term capital lease, general obligation bonds and unlimited tax road bonds principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		5,425,361
Premiums associated with bonds payable are reported as an other financing source in governmental funds when bonds are issued. Amounts are reported net of amortization on the government-wide financial statements.		
Premium on bond issuance	(1,093,366)	
Net deletions related to refunding	803,105	
Amortization of premium from bond issuance	<u>884,092</u>	593,831
Current year amortization of the deferred charge on the issuance of refunding bonds is not reflected in the governmental funds, but is shown as a reduction of the net position in the government-wide financial statements.		
Current year deferred loss on refunding	1,644,500	
Amortization of deferred loss on refunding	<u>(539,085)</u>	1,105,415
Some items reported in the statement of activities do not involve current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities are:		
Changes in accrued interest payable	456,704	
Changes in compensated absences	<u>53,566</u>	510,270
Internal service funds are used by the County to account for health insurance activities. The net activity of the internal service fund is reported with governmental activities.		<u>298,106</u>
Change in net position of governmental activities - statement of activities		<u>\$ 16,617,011</u>

The Notes to Financial Statements are an integral part of this statement.

Parker County, Texas
Statement of Net Position – Proprietary Fund
September 30, 2021

Exhibit A-7

	<u>Insurance Escrow</u>
ASSETS	
Cash	\$ 2,954,732
Investments	5,799,616
Receivables, net of allowance	142,891
Prepaid items and other assets	<u>100,000</u>
Total assets	8,997,239
LIABILITIES	
Accounts payable and accrued liabilities	556,816
Accrued salaries and benefits payable	<u>98,547</u>
Total liabilities	<u>655,363</u>
NET POSITION	
Unrestricted	<u>8,341,876</u>
TOTAL NET POSITION	<u><u>\$ 8,341,876</u></u>

The Notes to Financial Statements are an integral part of this statement.

Parker County, Texas
Statement of Revenues, Expenses,
and Changes in Net Position – Proprietary Fund
Year Ended September 30, 2021

Exhibit A-8

	<u>Insurance Escrow</u>
OPERATING REVENUES	
Contributions	\$ 6,816,145
Total operating revenues	6,816,145
OPERATING EXPENSES	
Contractual	7,808,853
Total operating expenses	7,808,853
Operating loss	(992,708)
NONOPERATING REVENUES	
Miscellaneous	1,283,185
Interest	7,629
Total nonoperating revenues	1,290,814
Change in net position	298,106
NET POSITION, beginning of year	8,043,770
NET POSITION, end of year	<u>\$ 8,341,876</u>

Parker County, Texas
Statement of Cash Flows – Proprietary Fund
Year Ended September 30, 2021

Exhibit A-9

	<u>Insurance Escrow</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$ 6,689,773
Payments to providers	(7,842,289)
	<hr/>
Net used in operating activities	(1,152,516)
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of investments	933,346
Interest and related income	1,290,814
	<hr/>
Net cash provided by investing activities	2,224,160
NET INCREASE IN CASH	1,071,644
CASH, beginning of year	1,883,088
	<hr/>
CASH, end of year	<u>\$ 2,954,732</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (992,708)
Adjustments to reconcile operating loss to net cash used in operating activities	
Increase in accounts receivable	(126,372)
Decrease in accounts payable	(33,436)
	<hr/>
Net cash used in operating activities	<u>\$ (1,152,516)</u>

Parker County, Texas
Statement of Net Position –
Fiduciary Funds
September 30, 2021

Exhibit A-10

ASSETS

Cash	\$ 6,221,647
Investments	<u>532,521</u>
Total assets	<u><u>6,754,168</u></u>

LIABILITIES

Deposits held and due to others	<u>109,213</u>
Total liabilities	<u><u>109,213</u></u>

NET POSITION

Restricted - Individuals, organizations, and other governments	<u>6,644,955</u>
Total net position	<u><u>\$ 6,644,955</u></u>

The Notes to Financial Statements are an integral part of this statement.

Parker County, Texas
Statement of Changes in Net Position –
Fiduciary Funds
September 30, 2021

Exhibit A-11

ADDITIONS

Vehicle registration fees collected for state	\$ 50,821,511
Judicial/statutory ordered collections due to others	6,590,688
Held for others	5,208,608
Interest earnings	2,456

Total additions	<u>62,623,263</u>
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DEDUCTIONS

Vehicle registration due to state	50,661,513
Payments due under judicial order/statute	6,647,963
Payments to other governments and organizations	238,035
Payments to individuals	4,628,447

Total deductions	<u>62,175,958</u>
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NET INCREASE (DECREASE)

IN FIDUCIARY NET POSITION	447,305
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**NET POSITION - BEGINNING OF YEAR,
AS ORIGINALLY STATED**

Cumulative effect of adoption of GASB84	-
	<u>6,197,650</u>

NET POSITION - BEGINNING OF YEAR, AS RESTATED	6,197,650
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NET POSITION - END OF YEAR	<u>\$ 6,644,955</u>
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Parker County, Texas

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The financial statements of Parker County, Texas (the County) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Reporting Entity

The authority of county governments and their specific functions and responsibilities are created by and dependent upon laws and legal regulations of the Texas State Constitution. The County performs all local government functions within its jurisdiction. The County is governed by an elected County Judge and four County Commissioners elected from individual precincts. The Judge and Commissioners form the governing body as provided by state statute. Various branches of the County government are led by duly elected officials. The Commissioners' Court has governance responsibilities over all activities related to the County. The County receives funding from local, state and federal government sources and must comply with the requirements of these funding sources. The accompanying financial statements of the County present the financial position of the governmental activities and the respective changes in financial position. The County is not included in any other governmental reporting entity.

As required by GAAP, these financial statements present the County and its component unit, the Parker County Historical Society (the Society). A component unit is an entity for which the County is considered to be financially accountable.

The County created the entity to account for revenues and expenses associated with the preservation and restoration activities of the Society. The governing body is made up of members appointed by the Commissioner's Court. Upon dissolution of the Society, the assets of the Society shall be distributed to the County. The Society provides all of its services to the County. The Society is a blended component unit because, although legally separate, it is in substance part of the County's operations. As such, the Society has been included in the accompanying financial statements as the Historical Commission.

The County is a general purpose government providing the following services to its citizens: public safety, health and welfare, public transportation through roads and bridges, law enforcement, judicial, recording, tax assessing-collecting, and general and financial administrative services.

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the governmental, non-fiduciary, activities of the County. The effect of interfund transfers has been removed from the government-wide statements. Governmental activities are supported mainly by taxes and intergovernmental revenues.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues. These statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Parker County, Texas

Notes to Financial Statements

Governmental Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The General Fund, the Lateral Road Fund, the Capital Projects Tax Road Bonds Fund, the Debt Service Fund, and the American Rescue Plan Act (ARPA) Fund meet criteria as major governmental funds. Each major fund is reported in a separate column in the fund financial statements. Nonmajor funds include other Special Revenue Funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for nonmajor funds are presented within the Combining Statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due. Capital asset acquisitions are reported as expenditures in governmental funds.

Proprietary fund financial statements present the Internal Service Fund using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized at the time the liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary fund include the cost of contractual services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary fund level financial statements include custodial funds and use the economic resources measurement focus and the accrual basis of accounting. 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. The custodial funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Lateral Road Fund is a special revenue fund used to account for the maintenance and construction of County roads and bridges. Financing is provided primarily by an annual property tax levy. Additional revenue is provided by a charge on each auto registration and from fines levied by the County.

Capital Projects Tax Road Bonds Fund is used to account for the proceeds of the Unlimited Tax Road Bonds - Series 2013, Series 2017 and Series 2020 and the Tax Note – Series 2015 which were obtained for constructing, improving, extending, expanding, upgrading and/or developing roads in the County, right-of-way acquisition, utility relocation, traffic safety and operational improvements and other transportation related improvements, and payment of costs of issuance related to the bonds. The fund is also used to account for the proceeds of the Tax Note – Series 2021 which were obtained for the acquisition, construction, improvement and equipment of the Parker County Courthouse and a County annex facility, with any surplus proceeds to be used for the construction, acquisition, and equipment of other County buildings and for paying legal, fiscal, and engineering fees in connection with such projects.

Parker County, Texas

Notes to Financial Statements

Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

American Rescue Plan Act (ARPA) Fund is a special revenue fund used to account for the resources from the American Rescue Plan Act of 2021.

Additionally, the County reports the following fund types:

Other Governmental Funds are special revenue funds used to account for the proceeds of specific revenue sources which are set aside to finance particular functions or activities of the County.

The Insurance Escrow Fund is used to account for the group health insurance benefits provided to the County's departments on a cost reimbursement basis, and is an internal service fund.

Custodial Funds are used to account for assets held by the County as an agent for individuals, business, other governments and/or other funds.

Budget and Budgetary Accounting

The County follows these procedures in establishing budgetary data reflected in the financial statements:

- A. Under the Property Tax Code, the County is required to calculate the "voter-approval tax rate" and "no-new-revenue" tax rate. If the proposed tax rate exceeds the no-new-revenue tax rate by more than 3.5%, referred to as the voter-approval tax rate, the County is required to hold an election. If voters do not approve, the tax rate is set at the voter-approval tax rate. Legislation does allow the County to "bank" unused amounts between the adopted tax rate and the voter-approval tax rate for up to three years. This is referred to as the unused increment rate and if used, would allow the County to exceed the voter-approval tax rate in a future year without requiring an election.
- B. Public hearings are conducted at the Parker County Courthouse and Courthouse Annex to obtain taxpayer comments.
- C. Prior to October 1, the budget is legally enacted through adoption of an order by Commissioners Court.
- D. Budgeted amounts may be transferred between line items of the budget within the same fund. Any amendments which alter the line items or total expenditures of any department must be approved by the Commissioners Court. There must be an emergency condition existing in order for the Court to increase the total budget.

Budgets for the various funds are adopted on a basis consistent with GAAP. Expenditures in excess of appropriations are required by state statutes to be reported down to the department level. The budgeted amounts presented in these statements are as originally adopted, or as amended by the Commissioners Court, during the year ended September 30, 2021.

Cash and Investments

The County follows the practice of pooling cash and investments of all funds held by the County Treasurer, except when otherwise requested, in order to facilitate the management of cash. Balances in cash and pooled investments are available on a demand basis to each fund. Investments are reported at fair value or amortized cost.

The County considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Parker County, Texas
Notes to Financial Statements

Prepaid Items and Other Assets

Prepaid items and other assets consists of inventories accounted for under the first-in first-out method and prepaid items reflecting expenditures associated with future accounting periods.

Capital Assets and Depreciation

Capital assets, which include land, buildings and improvements, office furniture and equipment, road maintenance equipment, transportation equipment, firefighting equipment, emergency management equipment, other equipment, and infrastructure assets (e.g. roads and bridges) are reported in the government-wide financial statements. Capital assets are defined as assets with a cost of \$5,000 or more. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	10 - 40 years
Infrastructure	20 years
Office furniture and equipment	3 - 20 years
Road maintenance equipment	3 - 10 years
Transportation equipment	3 - 5 years
Firefighting equipment	5 years
Emergency management equipment	5 years
Other equipment	5 years

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Upon new debt issuance, premiums and discounts are deferred and amortized over the life of the debt.

In the fund financial statements, governmental fund types recognized debt premiums and discounts, as well as issuance costs during the current period. The face amount of debt issued is reported as other financing sources, net of the applicable premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Outflows/Inflows of Resources

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

- Deferred loss on refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension/OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

Parker County, Texas

Notes to Financial Statements

- Difference in projected and actual earnings on pension/OPEB liabilities – This difference is deferred and amortized over a closed five year period.
- Difference in expected actual pension/OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category, the portion of the County's property tax levy that was not collected until more than 60 days after the year end and, therefore, is not considered available.

Fund Balances

Governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Classifications of governmental funds are as follows:

Nonspendable Fund Balance - includes amounts that are not in spendable form, not expected to be converted into cash within the current period or at all, or legally or contractually required to be maintained intact.

Restricted Fund Balance - includes amounts that are restricted for specific purposes stipulated by law or external resource providers. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a formal action of Commissioner's Court, which is the County's highest level of decision-making authority, and, conjunctively, require the same formal action by Commissioner's Court to remove or revise the enacted constraint limitations.

Assigned Fund Balance - includes amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by the Commissioner's Court, but operationally the ability to implement the intent may be delegated to one or more persons. Designees may be listed in the County's fund balance policy or, alternatively, in the County's budgetary policy. The County had no assigned fund balance as of September 30, 2021.

Unassigned Fund Balance - represents the residual classification of all spendable amounts in the General Fund, not contained within the other classifications. The unassigned category is also used to report negative fund balances in all other funds.

It is the County's goal to achieve and maintain an unassigned General Fund balance of approximately 25% to 50% of budgeted expenditures for the fiscal year, to be used for unanticipated needs and to maintain restricted fund balance of the Debt Service Fund of approximately 25% of the following year's debt service requirements, to be used for debt service. At the end of fiscal year 2021, the unassigned General Fund balance was 59% of final budgeted expenditures and the Debt Service Fund balance was at 30% of the following year's debt service requirements.

Where appropriate, the County will use restricted, committed, and assigned fund balances, in that order, prior to using unassigned resources.

Parker County, Texas

Notes to Financial Statements

Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets - the component of net position that reports the difference between capital assets less the accumulated depreciation and the outstanding balance of debt net of premiums and discounts, excluding any unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Since some of the County's borrowings are from financed capital assets owned by other governments, the portion of the capital assets owned by other governments add to the above equation. As of September 30, 2021, an estimated \$39,700,000 are County financed capital assets owned by other governments. This amount will be added to the net investment in capital assets.

Restricted net position - consists of external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments, enabling legislation, and constitutional provisions.

Unrestricted net position - represents net position not restricted for any project or other purpose.

When both restricted and unrestricted net position are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at the end of the fiscal year. Encumbrances outstanding at that time are cancelled and become available for future appropriation.

Pension

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, County specific information about its Fiduciary Net Position in the Texas County and District Retirement System (TCDRS) and additions to/deductions from the County's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the County's Net Pension Liability is obtained from TCERS through a report prepared for the County by TCERS consulting actuary, Milliman, in compliance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Parker County, Texas

Notes to Financial Statements

Other Post-Employment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the County's actuary report. For this purpose, OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Information regarding the County's Total OPEB Liability is obtained from TCDRS through a report prepared for the County by TCDRS consulting actuary, Milliman, in compliance with GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

Implementation of New Accounting Standards

GASB Statement No. 84, Fiduciary Activities (GASB 84), establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2018; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 84 to reporting periods beginning after December 15, 2019, with earlier application encouraged. GASB 84 was implemented in the County's 2021 financial statements, resulting in a cumulative effect adjustment of \$6,197,650 as of October 1, 2020 to beginning net position in the fiduciary financial statements due to reclassification of certain fiduciary activities to conform to the new standard.

Note 2. Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under a written investment policy (the Investment Policy) that primarily emphasizes safety of principal, availability of liquidity to meet the County's obligations and market rate of return. The Investment Policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under chapter 2256 of the Texas Government Code.

The County's investments are invested pursuant to the Investment Policy, which is approved annually by Commissioners' Court. The Investment Policy includes a list of authorized investment instruments and a maximum allowable stated maturity of any individual investment. In addition, it includes an investment strategy that specifically addresses each fund's investment options and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification, yield and management of maturities.

The County is authorized to invest in the following investment instruments provided that they meet the guidelines of the Investment Policy:

1. Obligations of the United States or its instrumentalities;
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed or insured by the State of Texas or the United States or its instrumentalities;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States or its instrumentalities;

Parker County, Texas

Notes to Financial Statements

5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state that are rated A or higher by a nationally recognized investment rating firm;
6. Certificates of deposit that are guaranteed or insured by the FDIC or are secured as to principal by obligations described in Section 2256.009(a) of the Public Funds Investment Act or any other manner or amount provided by law for County deposits;
7. Fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in Section 2256.009(2) of the Public Funds Investment Act, and are placed through a primary government securities dealer or a bank domiciled in the State of Texas;
8. Banker's acceptances with the remaining term of 270 days or less, in the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1, or the equivalent by at least one nationally recognized credit rating agency;
9. Commercial paper that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank;
10. No-load money market mutual funds registered with the Securities and Exchange Commission (SEC) that have a dollar weighted average portfolio maturity of 90 days or less, and include in their investment objective the maintenance of a stable net asset value of \$1 for each share;
11. No-load mutual funds registered with the SEC, invested in obligations approved by the County that have an average weighted maturity of less than two years, continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent, and conformed to the eligibility of investment pools to receive and invest funds of investing entities; and
12. Eligible investment pools.

As of September 30, 2021, the County has the following pooled investments:

	Weighted Average Maturity	Credit Rating	Market Value	Percentage of Total
Baird - Federated Government				
Obligation Fund Institutional Class	37 days	AAAm	\$ 44,856,437	49%
Texas CLASS	90 days	AAAm	46,205,333	51%
			<u>\$ 91,061,770</u>	<u>100%</u>

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP which establishes a three-level fair value hierarchy based on the inputs that are used to measure assets and liabilities. Financial instruments valued at net asset value (NAV) are excluded from the hierarchy. The Federated Government Obligation Fund Institutional Class is measured at net asset value and is therefore excluded from fair value reporting within the hierarchy.

Parker County, Texas

Notes to Financial Statements

The Texas CLASS investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality liquidity, and diversification requirements within the investment pool.

The investment pool transacts at a net asset value of \$1.00 per share, investments held are highlight rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. Texas CLASS has a redemption notice period of one day and no maximum transaction amount. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. Texas CLASS is measured at net asset value and is therefore excluded from fair value reporting within the hierarchy.

As of September 30, 2021, the County had \$1,092,014 in certificates of deposit that are considered level 2 within the hierarchy. As of September 30, 2021, the County's investments, including pooled investments and certificates of deposit, totaled \$ 92,153,785.

Interest Rate Risk - The County limits exposure to fair value losses arising from interest rates by not directly investing in securities with maturity dates that exceed 2 years from the date of purchase. At September 30, 2021, 100% of the County's portfolio had maturity dates less than two years.

Credit Risk - Investments are exposed to credit risk if the security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. As of September 30, 2021, the County's investments are rated by Standard and Poor's (see credit ratings above) and have an average weighted maturity of 90 days or less. Certificate of deposits are not rated.

Concentration of Credit Risk - The County does not place a limit on the amount that may be invested.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name. At September 30, 2021, the County's deposits were insured or collateralized with securities held by the County or by its agent in the County's name.

Note 3. Property Tax

Taxes are levied on October 1 in conformity with Subtitle E, Texas Property Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1. Property taxes attach as an enforceable lien as of January 1 to secure the payment of all taxes, penalties, and interest ultimately imposed. The Parker County Appraisal District assesses and collects property taxes for the County. The tax rate for the year ended September 30, 2021, excluding that portion budgeted for the retirement of long-term debt principal and interest was 0.278743 per \$100 valuation. The total tax rate for all purposes was 0.358619 per \$100 valuation. The County's tax notes, bonds and certificates of obligation require an annual tax levy sufficient to pay principal and interest on the bonds with allowances being made for delinquent taxes.

Parker County, Texas
Notes to Financial Statements

Note 4. Delinquent Property Taxes

In the governmental fund financial statements, property taxes are recognized as revenue when collected including those collected 60 days after fiscal year end. Delinquent property taxes receivable represent all uncollected property taxes and an account for estimated uncollectible taxes (allowance) is established based on the County's collection history. Deferred inflows of resources are reported in connection with property taxes receivable for revenues that are not considered to be available. The County's taxes on real property are a lien against such property until paid.

The following schedule details delinquent property taxes receivable by fund at September 30, 2021:

Fund	Delinquent Taxes	Allowance	Net Receivable
<u> </u>	<u> </u>	<u> </u>	<u> </u>
General	\$ 864,080	\$ (615,505)	\$ 248,575
Debt Service	337,023	(240,070)	96,953
Lateral Road	<u>365,182</u>	<u>(231,090)</u>	<u>134,092</u>
Total	<u>\$ 1,566,285</u>	<u>\$ (1,086,665)</u>	<u>\$ 479,620</u>

Note 5. Compensatory Pay

County policy allows the accrual of vacation, compensatory time, and sick pay benefits for all employees other than elected officials. The expense of the benefits is recognized when incurred. Vacation and compensatory pay is paid upon termination if the employee gives two weeks' notice or is terminated by the County. The liability for accrued vacation and compensatory pay is included below with general long-term debt. At September 30, 2021 the value of accumulated vacation and compensatory benefits amounted to \$957,939. The General Fund has been used to liquidate the liability.

Parker County, Texas
Notes to Financial Statements

Note 6. Changes in Capital Assets

During the year ended September 30, 2021, the County completed various capital projects relating to infrastructure, roads and bridges, and right-of-ways.

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning 10/1/20	Additions	Deletions	Transfers	Reclassifications	Balance 9/30/21
Governmental activities						
Capital assets, not being depreciated						
Land	\$ 18,538,084	\$ 707,926	\$ -	\$ -	\$ -	\$ 19,246,010
Work in progress	9,686,019	5,543,792	-	(6,015,030)	-	9,214,781
Total capital assets not being depreciated	28,224,103	6,251,718	-	(6,015,030)	-	28,460,791
Depreciable capital assets						
Buildings and improvements	37,193,048	521,801	4,590	-	-	37,710,259
Infrastructure	143,787,413	2,839,649	-	6,015,030	-	152,642,092
Office furniture and equipment	8,866,415	1,189,594	131,755	-	937,921	10,862,175
Transportation equipment	6,723,717	237,520	348,585	-	-	6,612,652
Road maintenance equipment	18,817,798	1,165,576	640,606	-	-	19,342,768
Emergency management equipment	639,051	153,090	-	-	-	792,141
Other	1,129,257	39,329	1,667	-	(937,921)	228,998
Total depreciable capital assets	217,156,699	6,146,559	1,127,203	6,015,030	-	228,191,085
Less accumulated depreciation for						
Buildings and improvements	19,584,344	1,090,499	13	-	-	20,674,830
Infrastructure	119,650,212	2,178,516	-	-	-	121,828,728
Office furniture and equipment	6,068,476	681,560	62,463	-	-	6,687,573
Transportation equipment	5,075,282	558,093	309,658	-	-	5,323,717
Road maintenance equipment	14,464,170	959,599	635,605	-	-	14,788,164
Emergency management equipment	588,582	38,284	-	-	-	626,866
Other	171,496	10,643	-	-	-	182,139
Total accumulated depreciation	165,602,562	5,517,194	1,007,739	-	-	170,112,017
Depreciable capital assets, net	51,554,137	629,365	119,464	6,015,030	-	58,079,068
Governmental activities capital assets, net	\$ 79,778,240	\$ 6,881,083	\$ 119,464	\$ -	\$ -	\$ 86,539,859

Parker County, Texas

Notes to Financial Statements

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

Governmental activities		
General government	\$	1,642,981
Roads and bridges		3,256,522
Public safety		65,931
Law enforcement		474,374
Judicial		63,158
Health and Welfare		9,800
Recording		4,428
		<hr/>
Total depreciation for governmental activities	\$	<u>5,517,194</u>

Note 7. Long-Term Debt and Capital Leases

Unlimited Tax Road Bonds

The County issued \$18,965,000 in unlimited tax road bonds in December of 2012 for the purpose of constructing, improving, extending, expanding, upgrading and/or developing roads in the County, right-of-way acquisition, utility relocation, traffic safety and operational improvements and other transportation related improvements. Principal payments are due in annual installments on February 15. The bonds are scheduled to mature in February of 2022. Interest is payable February 15 and August 15, at an interest rate of 4.0%. The outstanding balance at September 30, 2021 was \$690,000.

The County issued \$36,325,000 in unlimited tax road bonds in February 2017 for the purpose of (1) construction, acquisition by purchase, maintenance, and operation of macadamized, graveled or paved roads, or in aid thereof, within the County, including, but not limited to, constructing, improving, extending, expanding, upgrading and/or developing roads in the county, including right-of-way acquisition, utility relocation, traffic safety and operational improvements and other transportation related improvements. Principal payments are due in annual installments on February 15. The bonds are scheduled to mature in February of 2042. Interest is payable February 15 and August 15, at interest rates ranging from 2.0% to 5.0%. The outstanding balance at September 30, 2021 was \$35,330,000.

The County issued \$31,505,000 in unlimited tax road bonds in March of 2020 for the purpose of construction, acquisition by purchase, maintenance, and operation of macadamized, graveled or paved roads, or in aid thereof, within the County, including, but not limited to, constructing, improving, extending, expanding, upgrading and/or developing roads in the county, including right-of-way acquisition, utility relocation, traffic safety and operational improvements and other transportation related improvements. Principal payments are due in annual installments on February 15. The bonds are scheduled to mature in February of 2046. Interest is payable February 15 and August 15, at interest rates ranging from 3.5% to 3.75%. The outstanding balance at September 30, 2021 was \$31,505,000.

Unlimited Tax Refunding Bonds

The County issued \$53,350,000 in refunding bonds in April of 2016 with interest rates ranging from 2 to 5%. The proceeds were used to advance refund \$53,885,000 of Unlimited Tax Road Bond, Series 2009 which had interests rate ranging from 3 to 5.25%. The proceeds were placed in an irrevocable trust with an escrow agent to provide funds for future debt service payment on the refunded bonds. As a result, \$53,885,000 of Unlimited Tax Road Bonds, Series 2009 are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The outstanding balance at September 30, 2021 was \$49,810,000.

Parker County, Texas

Notes to Financial Statements

In the current year, the County issued \$15,729,412 in refunding bonds, with interest rates ranging from .395 to 2.682%. The proceeds were used to advance refund \$15,730,000 of Unlimited Tax Road Bonds, Series 2013. The net proceeds of \$16,571,446 were deposited in an irrevocable trust with an escrow agent to provide funds for future debt service payment on the refunded bonds. As a result, a portion of the 2013 bonds are considered defeased and the liability for those bonds have been removed from the statement of net position. The advance refunding reduced the County's total debt service payments by \$1,407,197 to obtain an economic gain (difference between the present values of debt service payments on the old and new debt) of \$1,138,079. The outstanding balance at September 30, 2021 was \$15,359,412.

General Obligation Refunding Bonds

On December 15, 2015, the County issued \$2,435,000 General Obligation Refunding Bonds, Series 2015 with an interest rate of 2.09%. The proceeds were used to refund \$2,335,000 of General Obligation Refunding Bonds, Series 2005 which had interest rates ranging from 3.8 to 4.5%. The proceeds were placed with an escrow agent and refunded all of the General Obligation Refunding Bonds, Series 2005 on January 21, 2016. The outstanding balance at September 30, 2021 was \$1,015,000.

The County issued refunding General Obligation Bonds, Series 2014 in the amount of \$12,645,000 with interest rates between 0.393% and 3.469%. Principal payments are due in annual installments on February 15. Interest is due on February 15 and August 15 of each year. The bonds are scheduled to mature in February of 2025. The outstanding balance on the Series 2014 bonds at September 30, 2021 was \$4,990,000.

Current requirements for bonded indebtedness of the County are accounted for in the Debt Service fund.

Tax Notes

The County issued Tax Note - Series 2015 in December of 2015 in the amount of \$3,175,000 with an interest rate of 2.020% to fund capital projects related to building renovations. Principal payments are due in annual installments on December 15. Interest is due on June 15 and December 15. The note is scheduled to mature in February of 2023. The outstanding balance at September 30, 2021 was \$960,000.

The County issued Tax Note - Series 2021 in April of 2021 in the amount of \$6,000,000 with an interest rate of 1.13% to fund capital projects related to building renovations. Principal payments are due in annual installments on February 15. Interest is due on February 15 and August 15. The note is scheduled to mature in February of 2028. The outstanding balance at September 30, 2021 was \$6,000,000.

Parker County, Texas
Notes to Financial Statements

Debt service requirements for the outstanding tax notes, bonds, and certificates of obligation are as follows:

Year	Principal	Interest	Total
2022	\$ 6,400,000	\$ 5,520,388	\$ 11,920,388
2023	6,245,872	5,790,938	12,036,810
2024	6,168,540	5,701,051	11,869,591
2025	7,140,000	4,840,410	11,980,410
2026	7,540,000	4,574,878	12,114,878
2027-2031	39,430,000	18,486,604	57,916,604
2032-2036	36,045,000	10,923,033	46,968,033
2037-2041	24,405,000	5,229,884	29,634,884
2042-2046	12,285,000	992,681	13,277,681
	<u>\$ 145,659,412</u>	<u>\$ 62,059,867</u>	<u>\$ 207,719,279</u>

A summary of changes in governmental activities long-term debt are as follows:

	October 1, 2020	Additions	Retirements	September 30, 2021	Due Within One Year
General Obligation Refunding Bonds, Series 2014	\$ 6,145,000	\$ -	\$ 1,155,000	\$ 4,990,000	\$ 1,190,000
General Obligation Refunding Bonds, Series 2015	1,260,000	-	245,000	1,015,000	245,000
Unlimited Tax Road Bonds 2013	17,015,000	-	16,325,000	690,000	690,000
Tax Note, Series 2015	1,425,000	-	465,000	960,000	475,000
Unlimited Tax Refunding, Series 2016	51,510,000	-	1,700,000	49,810,000	1,790,000
Unlimited Tax Road Bonds 2017	35,515,000	-	185,000	35,330,000	280,000
Unlimited Tax Road Bonds 2020	31,505,000	-	-	31,505,000	715,000
Unlimited Tax Refunding, Series 2020	-	15,729,412	370,000	15,359,412	205,000
Tax Note, Series 2021	-	6,000,000	-	6,000,000	810,000
Deferred premiums on issuance	14,568,895	1,093,366	1,687,197	13,975,064	1,687,197
Capital lease payable	3,850,517	193,183	710,361	3,333,339	770,589
Net pension liability	10,261,968	4,772,288	-	15,034,256	-
Total OPEB liability	1,343,042	219,122	-	1,562,164	-
Compensated absences	1,011,505	1,384,043	1,437,609	957,939	957,939
Totals	<u>\$ 175,410,927</u>	<u>\$ 29,391,414</u>	<u>\$ 24,280,167</u>	<u>\$ 180,522,174</u>	<u>\$ 9,815,725</u>

Capital Leases Payable

Precinct One

The County entered into a capital lease agreement in June 2019 in the amount of \$198,979. The lease balance is payable in five successive annual payments of \$44,395 and a final payment of \$1, bearing interest at the rate of 3.76% per annum. The capital lease proceeds were used to purchase equipment by Precinct One (Fund 01). The balance as of September 30, 2021 was \$123,765.

Parker County, Texas
Notes to Financial Statements

The County entered into a capital lease agreement in April 2020 in the amount of \$104,774. The lease balance is payable in three successive annual payments of \$37,419 and a final of \$1, bearing interest at the rate of 3.53% per annum. The capital lease proceeds were used to purchase equipment by Precinct One (Fund 01). The balance as of September 30, 2021 was \$71,054.

The County entered into a capital lease agreement in March 2021 in the amount of \$193,183. The lease balance is payable in five successive annual payments of \$42,335 and a final of \$1, bearing interest at the rate of 3.13% per annum. The capital lease proceeds were used to purchase equipment by Precinct One (Fund 01). The balance as of September 30, 2021 was \$193,183.

Precinct Four

The County entered into a capital lease agreement in June 2015 in the amount of \$263,915. The lease balance is payable in seven successive annual payments of \$41,995 each and a final payment of \$1, bearing interest at the rate of 3.24% per annum. The capital lease proceeds were used to purchase equipment by Precinct Four (Fund 04). The balance at September 30, 2021 was \$40,677.

Emergency Management

The County has a capital lease agreement related to County-wide communications equipment. The lease balance is payable in five successive annual payments of \$525,853 and a final payment of \$274,214 in fiscal year 2024 bearing interest at the rate of 3.33% per annum. The balance at September 30, 2021 was \$1,249,961.

The County entered into a capital lease agreement in December 2018 in the amount of \$847,102. The lease balance is payable in annual payments of \$49,521 for the first four years and 160,224 for the remaining six years, bearing interest at the rate of 4.79%. The capital lease proceeds were used to upgrade County-wide communications equipment. The balance at September 30, 2021 was \$838,112.

Election Equipment

The County entered into a capital lease agreement in October 2019 in the amount of \$937,921. The lease balance is payable in seven successive annual payments of \$152,192, bearing interest at the rate of 3.29% per annum. The capital lease proceeds were used to purchase election equipment for the elections department. The balance at September 30, 2021 was \$816,587.

The following is an analysis of equipment leased under capital leases as of September 30, 2021:

	Governmental Activities
Equipment	\$ 5,986,778
Less accumulated depreciation	(2,467,466)
Total	<u>\$ 3,519,313</u>

Future minimum lease payments for the above capital leases are as follows:

Scheduled minimum lease payments	\$ 3,761,156
Amount representing interest	(427,817)
Present value of future minimum capital lease payments (principal payoff)	<u>\$ 3,333,339</u>

Parker County, Texas
Notes to Financial Statements

The following are the future annual requirements for the capital leases:

Year	Principal	Interest	Total
2022	\$ 770,589	\$ 123,122	\$ 893,711
2023	754,472	97,244	851,716
2024	601,506	71,855	673,361
2025	304,742	50,010	354,752
2026	316,600	38,152	354,752
2027-2029	585,430	47,434	632,864
Total	\$ 3,333,339	\$ 427,817	\$ 3,761,156

Note 8. Retirement Plan

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 TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report on a calendar year basis. The annual comprehensive financial report is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034. This report is also available at www.tcdrs.org.

The plan provisions are adopted by the Commissioners Court within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Contributions

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, however the County may elect to contribute at a rate higher than the actuarially determined rate, or make additional lump sum contributions on an ad hoc basis to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. The employer contributed using the actuarially determined rate of 12.4% for the months of the calendar year 2021 and 2020.

Parker County, Texas
Notes to Financial Statements

The deposit rate payable by the employee members for calendar year 2021 and 2020 is the rate of 7% as adopted by the Commissioner's Court. The employee contribution rate and the employer contribution rate may be changed by the Commissioner's Court of the employer within the options available in the TCDRS Act.

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2020
Actuarial cost method	Entry Age Normal
Asset valuation method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary increase	Varies by age and service 4.60% average over career, including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Payroll growth	3.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.50%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Parker County, Texas
Notes to Financial Statements

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of December 31, 2020 are summarized below:

Asset Class	Target Allocation ⁽¹⁾	Gemoetric Real ⁽²⁾
US Equities	11.50%	4.25%
Global Equities	2.50%	4.55%
International Equities - Developed	5.00%	4.25%
International Equities - Emerging	6.00%	4.75%
Investment - Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	2.11%
Direct Lending	16.00%	6.70%
Distressed Debt	4.00%	5.70%
REIT Equities	2.00%	3.45%
Master Limited Partnerships (MLPs)	2.00%	5.10%
Private Real Estate Partnerships	6.00%	4.90%
Private Equity	25.00%	7.25%
Hedge Funds	6.00%	1.85%
Cash Equivalents	2.00%	-0.70%
Total	100.00%	

(1) Target asset allocation adopted at the March 2021 TCDRS Board meeting.

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.00%, per Cliffwater's 2021 capital market assumptions.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.60%) in measuring the net pension liability at December 31, 2020:

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total pension liability	\$ 155,582,824	\$ 137,325,693	\$ 122,023,510
Fiduciary net pension	122,291,437	122,291,437	122,291,437
Net pension liability / (asset)	\$ 33,291,387	\$ 15,034,256	\$ (267,927)

Parker County, Texas
Notes to Financial Statements

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

At September 30, 2021, the County reported \$15,034,256 for the net pension liability and pension expense of \$3,716,350 related to the December 31, 2020 valuation. The breakdown of the components of pension expense follows:

	<u>Pension Expense</u>	
Service cost	\$	3,510,624
Interest on total pension liability ⁽¹⁾		9,866,046
Administrative expenses		89,483
Member contributions		(1,996,111)
Expected investment return net of investment expenses		(8,963,993)
Recognition of deferred inflows/outflows of resources		
Recognition of economic/demographic gains or losses		294,850
Recognition of assumption changes or inputs		2,051,001
Recognition of investment gains or losses		(1,111,466)
Other ⁽²⁾		(24,084)
		<u> </u>
Pension expense	\$	<u>3,716,350</u>

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Relates to allocation of system-wide items.

At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 401,771	\$ -
Change in assumption	5,943,968	-
Net difference between projected and actual investment earnings	-	3,934,166
Contributions subsequent to the measurement date	2,509,569	-
	<u> </u>	<u> </u>
Total	<u>\$ 8,855,308</u>	<u>\$ 3,934,166</u>

Parker County, Texas
Notes to Financial Statements

The \$2,509,569 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the pension liability for the measurement year ending December 31, 2021 (i.e. recognized in the County's financial statements for the year ended September 30, 2022). Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended December 31</u>	<u>Pension Expense Amount</u>
2021	\$ 997,040
2022	1,922,886
2023	(18,656)
2024	<u>(489,697)</u>
Total	<u>\$ 2,411,573</u>

Note 9. Postemployment Benefits other than Pensions

Plan Description

The County participates in a defined-benefit group-term life insurance plan operated by TCDRS. This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. As the GTLF covers both active and retiree participants, with no segregation of assets, the GTLF is considered to be a single-employer unfunded OPEB plan.

Membership in the plan at December 31, 2020, the date of the latest actuarial valuation, consists of the following:

Inactive employees currently receiving benefits	245
Inactive employees entitled to but not yet receiving benefits	107
Active employees	<u>482</u>
Total	<u><u>834</u></u>

Valuation of Assets

For purposes of calculating the total OPEB liability, the plan is considered to be unfunded and therefore no assets are accumulated for OPEB.

Actuarial Assumptions

The OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions. All actuarial assumptions that determined the total OPEB liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

Parker County, Texas

Notes to Financial Statements

Annual rates of disability and annual rates of retirement were based on a service-related table. Mortality rates for depositing members were based on 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for Service retirees, beneficiaries and non-depositing members were based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for disabled retirees were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Discount Rate

Because the Group Term Life Fund is considered an unfunded trust under GASB Statement No. 75, paragraph 155, the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Based on the 20 Year Bond GO Index published by bondbuyer.com as of the measurement date of December 31, 2020, a discount rate of 2.12% is used.

	OPEB Liability
Beginning Liability	\$ 1,343,042
Changes for the year:	
Service cost	45,026
Interest (on total OPEB liability)	37,618
Change of benefit terms	-
Difference between expected and actual experience	(5,371)
Changes of assumptions	172,347
Benefit payments, including refunds of employee contributions	(30,498)
Net changes	219,122
Ending Liability	\$ 1,562,164

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.12%) in measuring the total OPEB liability at December 31, 2020:

	1% Decrease in Discount Rate (1.12%)	Discount Rate (2.12%)	1% Increase in Discount Rate (3.12%)
Total OPEB liability	\$ 1,910,379	\$ 1,562,164	\$ 1,297,428

Parker County, Texas
Notes to Financial Statements

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

For the year ended September 30, 2021, the County recognized OPEB expense of \$157,497.

At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 7,384	\$ 9,601
Changes of assumptions	327,419	48,854
Contributions made subsequent to measurement date	22,209	-
	<u> </u>	<u> </u>
Total	<u><u>\$ 357,012</u></u>	<u><u>\$ 58,455</u></u>

The \$22,209 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the measurement year ending December 31, 2021 (i.e. recognized in the County's financial statements for the year ended September 30, 2022). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31	Net deferred outflows (inflows) of resources
<u> </u>	<u> </u>
2021	\$ 74,853
2022	74,853
2023	93,246
2024	33,396
	<u> </u>
Total	<u><u>\$ 276,348</u></u>

Note 10. Commitments and Contingencies

The County participates in several programs that are subject to audit by various State and Federal Agencies. These programs have complex compliance requirements. Should State or Federal auditors discover areas of material noncompliance, those County funds may be subject to refund if so determined by administrative audit review.

The County is subject to various lawsuits. Although the outcome of any litigation is not presently determinable, it is the opinion of the County's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Parker County, Texas
Notes to Financial Statements

Note 11. Risk Management

The County is exposed to various risks of loss related to torts, theft of; damage to and destruction of assets; errors and omissions; and natural disasters. To reduce its risk of exposure in these areas, the County is a member of the Texas Association of Counties Risk Pool for property. The pool is a public entity risk pool and was created based on the general objectives of formulating, developing and administering a program of self-insurance for the membership and obtaining lower costs for coverages. The pool coverage is offered through interlocal agreements between the pool and counties. The pool has the power to establish fees, contributions and methods for establishing rates. Under contract with the pool, the Association provides for such services as claims administration and management, underwriting, loss control services and training, and financial reporting for its members. The Association submits sealed bids to counties during the bid process. The pool is governed by a Board of Directors made up of employees or officials of counties which are members of the pool. Member counties make contributions to the pool based on fixed premiums, and the pool provides insurance coverage and applicable reinsurance or stop loss coverage to prevent extraordinary or catastrophic losses. The County purchases a fully insured program for general liability and workers' compensation coverage through Texas Association of Counties.

The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the pool are detailed in a separate document which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin, TX 78701.

There have been no significant reductions in coverage from the coverage in the past fiscal year, and there have been no settlements exceeding insurance coverage in the current or past three fiscal years.

Note 12. Tax Abatements

The County has economic development agreements which are negotiated under Chapter 381 of the Texas Local Government Code. This act allows localities to rebate property taxes for economic development purposes which include business relocation, retention and expansion.

The County has entered into agreements that reduce property taxes. The agreements call for a 50% rebate of County general and road property taxes paid for a period of 10 years. Property taxes for County debt service are excluded from the property tax rebate. Each agreement requires a developer to maintain a minimum assessed valuation. Property taxes rebated for the fiscal year ended September 30, 2021 amounted to \$132,461.

Note 13. Healthcare Coverage

During the year ended September 30, 2021, employees of the County were covered by a self-funded health insurance plan (the Plan). The County contributes each month to employee coverage. Employees authorize payroll withholdings to pay for a portion of the premium. The Plan is accounted for in the Insurance Escrow Fund (the Fund), an internal service fund. Should the Plan's income from operations for a given Plan year be inadequate to pay the ultimate cost of claims incurred in that Plan year, the General Fund of the County is liable to pay the additional claims.

Estimates of claims payable and of claims incurred but not reported at September 30, 2021, are reflected as accounts and claims payable of the Fund. The Plan is funded to discharge liabilities of the Fund as they become due. As of September 30, 2021, the County had \$321,029 in claims incurred but not reported, which has been included on the Proprietary Fund Statement of Net Position within accounts payable and accrued liabilities.

Parker County, Texas

Notes to Financial Statements

Note 14. Deficit in Unrestricted Net Position

The statement of net position reported a deficit in unrestricted net position of \$10,800,052 mainly due to unfunded pension and other post-employment benefit liabilities and conveyance of assets to other governmental entities.

Note 15. Subsequent Events

The County has evaluated subsequent events that occurred after September 30, 2021, through June 29, 2022, the date which the financial statements were available to be issued.

In June 2022, the County received \$13,876,189 from the US Department of the Treasury under the American Rescue Plan Coronavirus State & Local Fiscal Recovery Funds.

Required Supplementary Information

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Parker County, Texas

Texas County District Retirement System Schedule of Changes in Employer's Net Pension Liability and Related Ratios for the Employees of Parker County Year Ended September 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 3,510,624	\$ 3,361,530	\$ 3,271,658	\$ 3,393,141	\$ 3,460,575	\$ 2,887,467	\$ 2,748,729
Interest (on the total pension liability)	9,866,046	9,218,976	8,556,590	7,918,571	7,222,780	6,688,056	6,158,291
Effect of plan changes	-	-	-	-	-	(556,380)	-
Effect of assumption changes or inputs	7,925,291	-	-	278,709	-	845,089	-
Effect of economic/demographic (gains) or losses	259,760	114,506	598,793	206,343	(395,797)	(487,692)	174,522
Benefit payments/refunds of contributions	(4,960,312)	(4,754,858)	(3,939,643)	(3,662,750)	(3,135,686)	(2,701,616)	(2,798,116)
Net Change in Total Pension Liability	16,601,409	7,940,154	8,487,398	8,134,014	7,151,872	6,674,924	6,283,426
Total Pension Liability - Beginning	120,724,283	112,784,129	104,296,731	96,162,717	89,010,845	82,335,921	76,052,495
Total Pension Liability - Ending (a)	\$ 137,325,692	\$ 120,724,283	\$ 112,784,129	\$ 104,296,731	\$ 96,162,717	\$ 89,010,845	\$ 82,335,921
Plan Fiduciary Net Position							
Contributions - Employer	\$ 3,446,240	\$ 3,098,369	\$ 2,905,299	\$ 2,672,957	\$ 2,576,021	\$ 2,557,388	\$ 2,317,316
Contributions - Employee	1,996,111	1,893,924	1,779,272	1,713,434	1,674,294	1,627,429	1,475,998
Investment income net of investment expenses	11,412,481	15,556,204	(1,776,522)	12,127,987	5,644,776	(1,089,605)	4,721,721
Benefit payments/refunds of contributions	(4,960,312)	(4,754,858)	(3,939,643)	(3,662,750)	(3,135,686)	(2,701,616)	(2,798,116)
Administrative expense	(89,483)	(84,176)	(76,087)	(63,714)	(61,520)	(54,895)	(56,458)
Other	24,084	23,517	31,476	9,097	(53,623)	34,155	(100,779)
Net Change in Plan Fiduciary Net Position	11,829,121	15,732,980	(1,076,205)	12,797,011	6,644,262	372,856	5,559,682
Plan Fiduciary Net Position - Beginning	110,462,315	94,729,335	95,805,540	83,008,529	76,364,267	75,991,412	70,431,730
Plan Fiduciary Net Position - Ending (b)	\$ 122,291,436	\$ 110,462,315	\$ 94,729,335	\$ 95,805,540	\$ 83,008,529	\$ 76,364,268	\$ 75,991,412
Net Pension Liability - Ending (a) - (b)	\$ 15,034,256	\$ 10,261,968	\$ 18,054,794	\$ 8,491,191	\$ 13,154,188	\$ 12,646,577	\$ 6,344,509
Plan Fiduciary Net Position as a Percentage of							
Total Pension Liability	89.05%	91.50%	83.99%	91.86%	86.32%	85.79%	92.29%
Covered Employee Payroll	\$ 27,725,175	\$ 26,756,414	\$ 25,418,178	\$ 24,477,626	\$ 23,918,485	\$ 23,248,980	\$ 21,085,679
Net Pension Liability as a Percentage of Covered							
Employee Payroll	54.23%	38.35%	71.03%	34.69%	55.00%	54.40%	30.09%

Notes to Schedule:

As of December 31 - Measurement date

Benefit changes. There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of assumptions. There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Only seven years of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Parker County, Texas
Texas County District Retirement System
Schedule of Employer Contributions
Year Ended September 30, 2021

	Year Ended December 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 3,446,240	\$ 3,098,369	\$ 2,905,299	\$ 2,672,957	\$ 2,576,021	\$ 2,557,388	\$ 2,317,316	\$ 2,134,740	\$ 1,936,701	\$ 2,173,044
Contributions in relation to the actuarially determined contribution	3,446,240	3,098,369	2,905,299	2,672,957	2,576,021	2,557,388	2,317,316	2,134,740	1,936,701	2,173,044
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 27,725,175	\$ 26,756,214	\$ 25,418,178	\$ 24,477,626	\$ 23,918,485	\$ 23,248,980	\$ 21,085,679	\$ 20,234,526	\$ 19,483,984	\$ 19,629,775
Contributions as a percentage of covered-employee payroll	12.4%	11.6%	11.4%	10.9%	10.8%	11.0%	11.0%	10.5%	9.9%	11.1%

Notes to Schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20.0 years (based on contribution rate calculated in 12/31/20 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.6% average over career including inflation.
Investment rate of return	7.50%, net of investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule.

Parker County, Texas

Texas County District Retirement System Schedule of Changes in Employer's Total OPEB Liability and Related Ratios for the Employees of Parker County Year Ended September 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 45,026	\$ 28,288	\$ 33,924	\$ 33,002
Interest (on the total OPEB liability)	37,618	41,642	38,051	38,075
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	172,347	286,937	(122,132)	52,130
Effect of economic/demographic (gains) or losses	(5,371)	12,306	(9,889)	(4,045)
Benefit payments/refunds of contributions	(30,498)	(26,756)	(22,876)	(19,582)
Net Change in Total OPEB Liability	<u>219,122</u>	<u>342,417</u>	<u>(82,922)</u>	<u>99,580</u>
Total OPEB Liability - Beginning	<u>1,343,042</u>	<u>1,000,625</u>	<u>1,083,547</u>	<u>983,967</u>
Total OPEB Liability - Ending (a)	<u>\$ 1,562,164</u>	<u>\$ 1,343,042</u>	<u>\$ 1,000,625</u>	<u>\$ 1,083,547</u>
Covered Employee Payroll	\$ 27,725,175	\$ 26,756,214	\$ 25,418,178	\$ 24,477,626
Total OPEB Liability as a Percentage of Covered Employee Payroll	5.63%	5.02%	3.94%	4.43%

Notes to Schedule:

As of December 31 - Measurement date

Only four years of data is presented in accordance with GASB 75, Paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many as are available. The schedules should not include information that is not measured in accordance with the the requirements of this Statement."

Parker County, Texas
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 General Fund
 Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 30,667,441	\$ 30,667,441	\$ 31,349,094	\$ 681,653
Sales taxes	9,750,000	9,750,000	13,076,033	3,326,033
Intergovernmental	2,744,066	2,994,066	4,195,660	1,201,594
Fees of office	6,085,450	6,085,450	7,152,757	1,067,307
Interest	326,500	326,500	36,799	(289,701)
Royalties	15,000	15,000	58,031	43,031
Miscellaneous	626,542	642,903	1,143,912	501,009
Total revenues	50,214,999	50,481,360	57,012,286	6,530,926
EXPENDITURES				
General government				
Commissioners' court	102,600	102,600	78,729	23,871
County judge	408,776	408,776	371,855	36,921
Veterans' service officer	76,255	76,255	71,924	4,331
Non-departmental	3,380,927	3,049,788	2,742,343	307,445
Employee benefits	206,525	206,525	206,455	70
Election expenses	879,420	879,420	764,875	114,545
County auditor	648,112	648,112	649,640	(1,528)
County treasurer	365,802	365,802	359,917	5,885
Building and grounds	1,931,517	1,911,567	1,738,918	172,649
Purchasing administration	331,979	331,979	330,180	1,799
Information technology	1,038,377	1,969,012	1,549,699	419,313
Social services	236,727	236,727	232,727	4,000
County extension services	367,053	367,053	348,823	18,230
Total general government	9,974,070	10,553,616	9,446,085	1,107,531
Public safety				
Emergency management	266,227	262,810	194,379	68,431
Fire protection	310,484	270,484	229,646	40,838
Total public safety	576,711	533,294	424,025	109,269
Law enforcement				
Jail	9,096,659	9,294,728	8,978,141	316,587
Constable #1	377,210	379,539	329,825	49,714
Constable #2	478,587	478,587	425,976	52,611
Constable #3	400,026	402,026	351,098	50,928
Constable #4	272,267	272,267	234,262	38,005
Sheriff administration	11,695,624	10,496,850	9,820,047	676,803
Sheriff investigation	116,649	113,246	95,933	17,313
Sheriff dispatching	7,108	5,193	4,850	343
Sheriff patrol	533,139	561,826	518,152	43,674
Training division	44,648	45,486	43,294	2,192
Jail transfer	94,239	94,239	55,487	38,752
Narcotics task force	110,059	108,075	100,982	7,093
Game warden	1,750	1,750	210	1,540
Animal control	597,559	595,559	569,942	25,617
Highway patrol (North)	61,657	61,657	37,622	24,035
Highway patrol (South)	74,961	74,961	70,596	4,365
Total law enforcement	23,962,142	22,985,989	21,636,417	1,349,572

Parker County, Texas
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 General Fund – Continued
 Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
Judicial				
District court 43rd	1,062,552	1,062,552	816,470	246,082
District court 415th	994,207	994,207	855,524	138,683
County court-at-law #1	1,029,806	1,036,669	872,317	164,352
County court-at-law #2	985,314	985,314	821,252	164,062
Justice of the peace #1	437,418	437,418	423,132	14,286
Justice of the peace #2	531,499	531,499	515,132	16,367
Justice of the peace #3	555,732	555,732	559,154	(3,422)
Justice of the peace #4	509,262	509,262	502,545	6,717
County attorney	2,768,287	2,769,287	2,670,476	98,811
District attorney	1,770,046	1,770,046	1,631,321	138,725
Adult probation	10,000	10,000	4,594	5,406
Probate	149,993	149,993	119,982	30,011
Juvenile probation	957,379	957,379	641,998	315,381
Total judicial	11,761,495	11,769,358	10,433,897	1,335,461
Health and welfare				
Medical examiner-investigator	303,845	300,345	283,975	16,370
911 addressing	68,825	68,825	82,748	(13,923)
Sanitations	446,171	446,171	426,593	19,578
Total health and welfare	818,841	815,341	793,316	22,025
Recording				
County clerk	618,514	618,514	608,652	9,862
County clerk court division	1,008,995	1,008,995	1,008,649	346
District clerk	1,218,050	1,218,050	1,168,804	49,246
Total recording	2,845,559	2,845,559	2,786,105	59,454
Tax assessing-collecting	1,291,174	1,291,174	1,205,255	85,919
Total tax assessing-collecting	1,291,174	1,291,174	1,205,255	85,919
Capital outlay	1,313,308	1,747,309	961,869	785,440
Total capital outlay	1,313,308	1,747,309	961,869	785,440
Debt service				
Principal	598,939	598,939	598,938	1
Interest	128,629	128,629	128,628	1
Total debt service	727,568	727,568	727,566	2
Total expenditures	53,270,868	53,269,208	48,414,535	4,854,673
Excess (deficiency) of revenues over (under) expenditures	(3,055,869)	(2,787,848)	8,597,751	11,385,599
OTHER FINANCING SOURCES				
Operating transfers in	27,774	27,774	27,774	-
Operating transfers out	(309,700)	(1,577,721)	(1,282,607)	295,114
Proceeds on sale of assets	15,000	15,000	35,224	20,224
Bond proceeds	-	-	-	-
Proceeds from capital lease	-	-	-	-
Total other financing sources	(266,926)	(1,534,947)	(1,219,609)	315,338
Net changes in fund balances	(3,322,795)	(4,322,795)	7,378,142	11,700,937
FUND BALANCES, October 1	25,416,800	25,416,800	25,416,800	-
FUND BALANCES, September 30	\$ 22,094,005	\$ 21,094,005	\$ 32,794,942	\$ 11,700,937

Parker County, Texas
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 Lateral Road Fund
 Year Ended September 30, 2021

Exhibit B-2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 11,481,206	\$ 11,481,206	\$ 11,756,714	\$ 275,508
Intergovernmental	128,500	128,500	297,365	168,865
Fees of office	1,926,000	1,926,000	2,073,323	147,323
Fines and forfeitures	300,000	300,000	224,014	(75,986)
Interest	110,000	110,000	11,283	(98,717)
Miscellaneous	6,500	6,500	43,844	37,344
Total revenues	13,952,206	13,952,206	14,406,543	454,337
EXPENDITURES				
Roads and bridges				
General	100,290	100,290	50,493	49,797
Precinct 1	2,729,896	2,675,751	2,117,717	558,034
Precinct 2	2,560,242	2,537,196	2,111,943	425,253
Precinct 3	2,829,926	2,889,197	2,358,809	530,388
Precinct 4	2,311,837	2,336,837	1,991,092	345,745
Total roads and bridges	10,532,191	10,539,271	8,630,054	1,909,217
Capital outlay				
Precinct 1	1,730,153	1,784,298	1,235,427	548,871
Precinct 2	1,532,336	1,555,382	1,233,499	321,883
Precinct 3	2,399,571	2,340,300	1,293,958	1,046,342
Precinct 4	2,254,067	2,229,067	1,605,565	623,502
Total capital outlay	7,916,127	7,909,047	5,368,449	2,540,598
Debt service				
Precinct 1	81,815	81,815	81,815	-
Precinct 4	42,600	42,600	41,995	605
Total debt service	124,415	124,415	123,810	605
Total expenditures	18,572,733	18,572,733	14,122,313	4,450,420
Excess (deficiency) of revenues over (under) expenditures	(4,620,527)	(4,620,527)	284,230	4,904,757
OTHER FINANCING SOURCES				
Proceeds on sale of assets	3,500	3,500	88,065	84,565
Proceeds from capital lease	-	-	193,183	193,183
Total other financing sources	3,500	3,500	281,248	277,748
NET CHANGE IN FUND BALANCES	(4,617,027)	(4,617,027)	565,478	5,182,505
FUND BALANCES, October 1	9,449,250	9,449,250	9,449,250	-
FUND BALANCES, September 30	\$ 4,832,223	\$ 4,832,223	\$ 10,014,728	\$ 5,182,505

Supplementary Information

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Nonmajor funds – Special Revenue Funds

Historical Commission Fund - To account for revenues and expenses associated with the preservation and restoration activities of the Parker County Historical Society, a blended component unit of Parker County, Texas.

Estray Fund - To account for the proceeds and expenses associated with the capture and sale of stray livestock.

Abandoned Vehicle Fund - To account for the proceeds and expenses associated with abandoned vehicles sold at public auction.

Courthouse Security Fund - To account for proceeds and expenses associated with courthouse security measures.

Voter Registration Fund - Monies received by the Elections for registering new voters and keeping voter registration lists up to date.

Sheriff's Forfeiture Federal Share Fund - Monies received through federal forfeitures held for use by the Sheriff in drug enforcement activities.

Contract Elections Fund - Monies received and disbursed in conducting elections.

Pre-Trial Intervention Fund - To account for revenues and expenses associated with pre-trial intervention for the County Attorney.

Sheriff's Evidence Fund - Monies not returned to the defendant held for use by the Sheriff in drug enforcement activities.

Sheriff's Forfeiture Fund - Monies not returned to the defendant held for use by the Sheriff in drug enforcement activities.

Law Enforcement Officers Standards and Education (LEOSE) Fund - These funds are allocated by the Legislature to be used for continuing education of Law Enforcement Officers.

District Attorney State Supplement Fund - To account for revenues from the State and expenses associated with the District Attorney's office salary supplements and part time employees.

Special District Attorney Fund - To account for the collection of fees from felony hot checks (over \$750) and expenses associated with law enforcement supplemental salaries and equipment purchases.

Special County Attorney Fund - To account for the collection of fees from misdemeanor hot checks (under \$750) and expenses associated with law enforcement supplemental salaries and equipment purchases.

District Attorney Awarded Fund - To account for the proceeds and expenses associated with property seizures in criminal cases under current law.

Justice Technology Fund - To account for revenues and expenses associated with the justice of the peace technology.

Law Library Fund - The County and District Clerks collect fees which are used for publications and maintenance of the law library located on the basement of the district courthouse.

Nonmajor funds – Special Revenue Funds (Continued)

Road and Bridge Escrow Fund - To account for funds held for road maintenance bonds.

Juvenile Probation Fees and Grant Fund - To account for proceeds collected at a local level and restricted for expenses in association with the social education of juvenile probationers and to account for the grant proceeds and expenses to support basic juvenile probation services and assist the board in adhering to the standards and policies.

Adult Probation Bond Fund - To account for revenues and expenses associated with the supervision bond fees of adult probationers in Parker County.

District Court Records Technology Fund - To account for revenues and expenses associated with the district court records technology.

Justice Court Security Fund - To account for the security protection for all justice of the peace courts.

County/District Technology Fund - To account for revenues and expenses associated with the district and county technology.

County Clerk Records Management Fund - To account for proceeds and expenses associated with record management and preservation by the County Clerk office as required by State Law.

County Clerk Vital Records Fund - To account for fees received and expenses associated with County Clerk employees to attend vital statistic training seminars.

Records Management County Wide Fund - To account for the proceeds and expenses associated with records management and preservation county wide as required by State Law.

District Clerk Records Management Fund - To account for the proceeds and expenses associated with record management and preservation by the District Clerk office as required by State Law.

Court Reporters Service Fund - To account for proceeds and expenses associated with court reporting services.

District Clerk Fund - The County collects fees that can be used for Dispute Resolution court cases.

Court Record Preservation Fund - To account for fees and related expenditures to preserve court records.

Documentation Preservation Fund - To account for the County records archive revenues.

Child Abuse Prevention Fund - To account for the collection of fines by the County and District Clerks in certain criminal cases. The monies are to be used only to fund child abuse prevention programs in the County.

Specialty Court Fund - To account for specialty court programs established under Subtitle K, Title 2, Government Code.

DA Pretrial Intervention – To account for revenues and expenses associated with pre-trial intervention for the District Attorney.

Election Grants – To account for election specific grants.

Other Grant Funds - To account for grants not accounted for in other funds.

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Parker County, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue Funds				
	Historical Commission	Estray	Abandoned Vehicle	Courthouse Security	Voter Registration
ASSETS					
Cash	\$ 2,899	\$ 6,635	\$ 8,130	\$ 61,325	\$ 6,659
Investments	106,779	15,512	19,007	143,375	15,568
Receivables:					
Intergovernmental	-	-	-	-	-
Other	-	80	-	1,069	-
Prepaid expenses and other assets	-	-	-	-	-
Total assets	\$ 109,678	\$ 22,227	\$ 27,137	\$ 205,769	\$ 22,227
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	-	-	-	3,485	-
Due to other funds	-	-	-	-	-
Due to other governmental entities	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total liabilities	-	-	-	3,485	-
Fund balances:					
Nonspendable - prepaid	-	-	-	-	-
Restricted for state and federal programs	-	22,227	27,137	202,284	22,227
Committed for state and special programs	109,678	-	-	-	-
Total fund balances	109,678	22,227	27,137	202,284	22,227
Total liabilities and fund balances	\$ 109,678	\$ 22,227	\$ 27,137	\$ 205,769	\$ 22,227

Special Revenue Funds

Sheriff's Forfeiture Federal Share	Contract Elections	Pre-Trial Intervention	Sheriff's Evidence	Sheriff's Forfeiture	LEOSE	District Attorney State Supplement	Special District Attorney	Special County Attorney	District Attorney Awarded
\$ 39,169	\$ 66,947	\$ 20,251	\$ 3,105	\$ 17,922	\$ 4,322	\$ 2,378	\$ 6,920	\$ 2,898	\$ 82,400
91,575	156,518	47,346	7,260	26,993	10,106	5,559	16,178	6,774	175,341
-	-	-	-	-	-	-	-	-	-
-	-	-	-	195	-	-	-	120	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 130,744</u>	<u>\$ 223,465</u>	<u>\$ 67,597</u>	<u>\$ 10,365</u>	<u>\$ 45,110</u>	<u>\$ 14,428</u>	<u>\$ 7,937</u>	<u>\$ 23,098</u>	<u>\$ 9,792</u>	<u>\$ 257,741</u>
\$ 632	\$ 231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,672	\$ -
-	-	-	-	-	-	1,363	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
632	231	-	-	-	-	1,363	-	1,672	-
-	-	-	-	-	-	-	-	-	-
130,112	223,234	67,597	10,365	45,110	14,428	6,574	23,098	8,120	257,741
-	-	-	-	-	-	-	-	-	-
130,112	223,234	67,597	10,365	45,110	14,428	6,574	23,098	8,120	257,741
<u>\$ 130,744</u>	<u>\$ 223,465</u>	<u>\$ 67,597</u>	<u>\$ 10,365</u>	<u>\$ 45,110</u>	<u>\$ 14,428</u>	<u>\$ 7,937</u>	<u>\$ 23,098</u>	<u>\$ 9,792</u>	<u>\$ 257,741</u>

Parker County, Texas
Combining Balance Sheet
Nonmajor Governmental Funds – Continued
September 30, 2021

	Special Revenue Funds						
	Justice Technology Fund	Law Library	Road and Bridge Escrow	Juvenile Probation Fees and Grant	Adult Probation Bond Fund	District Court Records Technology	Justice Court Security
ASSETS							
Cash	\$ 168,547	\$ 107,110	\$ 452,838	\$ 149,244	\$ 41,058	\$ 40,579	\$ 45,674
Investments	394,050	250,416	1,058,706	348,923	95,990	94,870	106,783
Receivables:							
Intergovernmental	-	-	-	14,204	-	-	-
Other	136	1,600	-	-	-	750	42
Prepaid expenses and other assets	-	-	-	-	-	-	-
Total assets	\$ 562,733	\$ 359,126	\$ 1,511,544	\$ 512,371	\$ 137,048	\$ 136,199	\$ 152,499
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 579	\$ 370	\$ -	\$ 120,268	\$ 952	\$ -	\$ -
Accrued salaries and benefits payable	-	-	-	38,217	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governmental entities	-	-	1,511,544	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total liabilities	579	370	1,511,544	158,485	952	-	-
Fund balances:							
Nonspendable - Prepaid	-	-	-	-	-	-	-
Restricted for state and federal programs	562,154	358,756	-	353,886	136,096	136,199	152,499
Committed for state and special programs	-	-	-	-	-	-	-
Total fund balances	562,154	358,756	-	353,886	136,096	136,199	152,499
Total liabilities and fund balances	\$ 562,733	\$ 359,126	\$ 1,511,544	\$ 512,371	\$ 137,048	\$ 136,199	\$ 152,499

Special Revenue Funds															Total
County/ District Technology	County Clerk Records Management	County Clerk Vital Records	Records Management County Wide	District Clerk Records Management	Court Reporters Service	District Clerk	Court Record Preservation	Document Preservation	Child Abuse Prevention	Specialty Court	DA Pretrial Intervention	Election Grants	Other Grant Funds	Non-major Governmental Funds	
\$ 10,594 24,768	\$ 400,160 935,548	\$ 8,997 21,035	\$ 108,818 254,408	\$ 34,784 81,324	\$ 114,184 266,952	\$ 100,328 234,560	\$ 79,288 185,370	\$ 223,600 522,763	\$ 463 1,082	\$ 6,154 14,389	\$ 4,400 -	\$ - -	\$ 79,463 185,778	\$ 2,508,243 5,921,606	
-	-	-	-	-	-	-	-	-	-	-	-	-	29,889	44,093	
137	2,380	27	1,423	395	1,113	800	800	2,460	35	634	-	-	3,408	17,604	
-	-	-	-	-	-	-	-	772	-	-	-	-	-	772	
\$ 35,499	\$ 1,338,088	\$ 30,059	\$ 364,649	\$ 116,503	\$ 382,249	\$ 335,688	\$ 265,458	\$ 749,595	\$ 1,580	\$ 21,177	\$ 4,400	\$ -	\$ 298,538	\$ 8,492,318	
\$ -	\$ 24 3,734	\$ -	\$ -	\$ -	\$ 512	\$ -	\$ -	\$ 24 3,526	\$ -	\$ -	\$ -	\$ -	\$ 223,038	\$ 348,302 50,325	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,511,544	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	3,758	-	-	-	512	-	-	3,550	-	-	-	-	223,038	1,910,171	
35,499	1,334,330	30,059	364,649	116,503	381,737	335,688	265,458	746,045	1,580	21,177	4,400	-	75,500	6,472,469 109,678	
35,499	1,334,330	30,059	364,649	116,503	381,737	335,688	265,458	746,045	1,580	21,177	4,400	-	75,500	6,582,147	
\$ 35,499	\$ 1,338,088	\$ 30,059	\$ 364,649	\$ 116,503	\$ 382,249	\$ 335,688	\$ 265,458	\$ 749,595	\$ 1,580	\$ 21,177	\$ 4,400	\$ -	\$ 298,538	\$ 8,492,318	

Parker County, Texas
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2021

	Special Revenue Funds					Sheriff's Forfeiture Federal Share
	Historical Commission	Estray	Abandoned Vehicle	Courthouse Security	Voter Registration	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 21,665	\$ 52,172
Fees of office	-	-	-	111,650	-	-
Interest	3	-	-	-	-	72
Miscellaneous	25	14,929	-	-	-	-
Total revenues	28	14,929	-	111,650	21,665	52,244
EXPENDITURES						
Current						
General government	5,222	-	-	-	21,665	-
Health and Welfare	-	-	-	-	-	-
Public safety	-	-	-	69,310	-	-
Law enforcement	-	3,861	-	-	-	9,915
Judicial	-	-	-	-	-	-
Recording	-	-	-	-	-	-
Capital outlays	-	-	-	8,100	-	20,700
Debt service	-	-	-	-	-	-
Total expenditures	5,222	3,861	-	77,410	21,665	30,615
Excess (deficiency) of revenues						
Net changes in fund balances	(5,194)	11,068	-	34,240	-	21,629
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	-	-	-	-
Operating transfers in	9,700	-	-	-	-	-
Operating transfers out	-	(27,774)	-	-	-	-
Total financing other sources (uses)	9,700	(27,774)	-	-	-	-
NET CHANGES IN FUND BALANCES	4,506	(16,706)	-	34,240	-	21,629
Fund balances - beginning of year	105,172	38,933	27,137	168,044	22,227	108,483
Prior period adjustment	-	-	-	-	-	-
Fund balances (deficit) - October 1, as restated	105,172	38,933	27,137	168,044	22,227	108,483
Fund balances - end of year	\$ 109,678	\$ 22,227	\$ 27,137	\$ 202,284	\$ 22,227	\$ 130,112

Special Revenue Funds									
Contract Elections	Pre-Trial Intervention	Sheriff's Evidence	Sheriff's Forfeiture	LEOSE	District Attorney State Supplement	Special District Attorney	Special County Attorney	District Attorney Awarded	Justice Technology Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,500	\$ -	\$ -	\$ -	\$ -
156,693	2,441	-	-	3,607	-	74	1,644	-	41,127
-	-	-	-	-	-	21	9	222	-
-	-	-	16,654	-	-	-	-	9,974	-
156,693	2,441	-	16,654	3,607	22,500	95	1,653	10,196	41,127
73,542	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	22,840	970	-	-	-	-	-
-	-	-	-	1,159	21,945	-	3,047	193	12,128
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
73,542	-	-	22,840	2,129	21,945	-	3,047	193	12,128
83,151	2,441	-	(6,186)	1,478	555	95	(1,394)	10,003	28,999
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
83,151	2,441	-	(6,186)	1,478	555	95	(1,394)	10,003	28,999
140,083	65,156	10,365	51,296	12,950	6,019	23,003	9,514	247,738	533,155
-	-	-	-	-	-	-	-	-	-
140,083	65,156	10,365	51,296	12,950	6,019	23,003	9,514	247,738	533,155
\$ 223,234	\$ 67,597	\$ 10,365	\$ 45,110	\$ 14,428	\$ 6,574	\$ 23,098	\$ 8,120	\$ 257,741	\$ 562,154

Parker County, Texas
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds – Continued
Year Ended September 30, 2021

	Special Revenue Funds						
	Law Library	Road and Bridge Escrow	Juvenile Probation Fees and Grant	Adult Probation Bond Fund	District Court Records Technology	Justice Court Security	County/ District Technology
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 748,333	\$ -	\$ -	\$ -	\$ -
Fees of office	47,236	-	14,486	200,712	17,577	12,561	3,940
Interest	-	-	-	88	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	47,236	-	762,819	200,800	17,577	12,561	3,940
EXPENDITURES							
Current							
General government	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-
Judicial	34,723	-	1,010,347	130,709	-	720	-
Recording	-	-	-	-	22,492	-	6,000
Capital outlays	-	-	-	768	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	34,723	-	1,010,347	131,477	22,492	720	6,000
Excess (deficiency) of revenues							
Net changes in fund balances	12,513	-	(247,528)	69,323	(4,915)	11,841	(2,060)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Total financing other sources (uses)	-	-	-	-	-	-	-
NET CHANGES IN FUND BALANCES	12,513	-	(247,528)	69,323	(4,915)	11,841	(2,060)
Fund balances - beginning of year	346,243	-	601,414	66,773	141,114	140,658	37,559
Prior period adjustment	-	-	-	-	-	-	-
Fund balances (deficit) - October 1, restated	346,243	-	601,414	66,773	141,114	140,658	37,559
Fund balances - end of year	\$ 358,756	\$ -	\$ 353,886	\$ 136,096	\$ 136,199	\$ 152,499	\$ 35,499

Special Revenue Funds													Total
County Clerk Records Management	County Clerk Vital Records	Records Management County Wide	District Clerk Records Management	Court Reporters Service	District Clerk	Court Record Preservation	Document Preservation	Child Abuse Prevention	Specialty Court Fund	DA Pretrial Intervention	Election Grants	Other Grant Funds	Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,529	\$ 4,476,976	\$ 5,374,175
515,695	6,941	46,532	9,389	28,740	23,589	27,218	519,047	970	15,886	4,400	-	-	1,812,155
1,472	-	-	-	-	-	-	742	-	-	-	-	15	2,644
-	-	-	-	-	-	-	-	-	-	-	-	3,408	44,990
517,167	6,941	46,532	9,389	28,740	23,589	27,218	519,789	970	15,886	4,400	52,529	4,480,399	7,233,964
-	-	-	-	22,063	-	-	-	-	-	-	-	20,430	142,922
-	-	-	-	-	-	-	-	-	-	-	-	48,366	48,366
-	-	-	-	-	-	-	-	-	-	-	52,529	3,389,822	3,511,661
-	-	-	-	-	-	-	-	-	-	-	-	-	37,586
-	-	-	-	-	-	-	-	-	-	-	-	36,762	1,251,733
687,931	-	107,854	21,760	-	-	24,136	447,116	-	-	-	-	-	1,317,289
-	-	13,735	-	-	-	-	-	-	-	-	-	2,251,994	2,295,297
687,931	-	121,589	21,760	22,063	-	24,136	447,116	-	-	-	52,529	5,747,374	8,604,854
(170,764)	6,941	(75,057)	(12,371)	6,677	23,589	3,082	72,673	970	15,886	4,400	-	(1,266,975)	(1,370,890)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	1,272,907	1,282,607
-	-	-	-	-	-	-	-	-	-	-	-	-	(27,774)
-	-	-	-	-	-	-	-	-	-	-	-	1,272,907	1,254,833
(170,764)	6,941	(75,057)	(12,371)	6,677	23,589	3,082	72,673	970	15,886	4,400	-	5,932	(116,057)
1,505,094	23,118	439,706	128,874	375,060	312,099	262,376	673,372	610	5,291	-	-	69,568	6,698,204
-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,505,094	23,118	439,706	128,874	375,060	312,099	262,376	673,372	610	5,291	-	-	69,568	6,698,204
\$ 1,334,330	\$ 30,059	\$ 364,649	\$ 116,503	\$ 381,737	\$ 335,688	\$ 265,458	\$ 746,045	\$ 1,580	\$ 21,177	\$ 4,400	\$ -	\$ 75,500	\$ 6,582,147

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Fiduciary Funds

Fiduciary Funds - To account for assets held by the County as an agent for individuals, private organizations, other governmental units or other funds.

Sheriff's Jail Trust Account - This account is used to temporarily hold cash bonds, fines, and sheriff's sale proceeds.

Auto Registration Account - To account for monies received for registering automobiles in Parker County.

Vehicle Inventory Tax Escrow - To account for monies collected and held in escrow for vehicle inventory tax account.

County Clerk's Court Fund Account - To account for monies received from individuals or the adult probation department to pay for court fees.

County Attorney's Escrow Account - To account for monies received by the County Attorney's office for NSF checks.

County Clerk's Deposit Account - To account for monies received from court issued bonds.

County Clerk's Bond Account - To account for monies received from court issued bonds.

County Clerk's Registry Account - To account for monies used for condemnation suits and for defendants to reimburse the County Treasurer for court appointed attorneys.

County Clerk's Individual Trust Account - To account for monies in trust for several individuals.

District Court Deposit Account - To account for monies received by the District Clerk for court fees.

District Clerk's Registry Account - To account for monies received by court order in care of an individual. Also cash bonds are accounted for in this account.

District Clerk's Individual Trust Accounts - To account for monies in trust for several individuals.

Sheriff's Office Inmate Trust Account - To account for inmates' monies which were confiscated during arrests and to hold deposits from family members of the inmates.

County Jail Commissary Fund - To account for funds held in the inmates' names for personal purchases.

Adult Probation Funds - To account for funds relating to the adult probation supervision grant and the adult probation CCP grant.

V.I.T. Interest Account - To account for interest earned on the Vehicle Inventory Tax for the T.A.C. to defray the cost of administration of the prepayment procedure.

District Attorney Trust Account - To account for monies in trust for several individuals.

County Clerk's Probate Fund - To account for monies received by court order in care of an individual.

TPWD Funds Account - To account for monies received for the taxation of water vehicles for Texas Parks and Wildlife Department.

Juvenile Probation Restitution Account - To account for monies received by Juvenile Probation for probation fees received prior to distribution to the County.

CSCD Restitution Account - To account for monies received by Adult Probation for probation fees received prior to distribution by the County and other entities.

Parker County, Texas
Combining Statement of Net Position –
Fiduciary Funds
September 30, 2021

Exhibit C-4
Page 1 of 3

	Sheriff's Jail Trust Account	Auto Registration Account	Vehicle Inventory Tax Escrow	County Clerk's Court Fund Account	County Attorney's Escrow Account	County Clerk's Deposit Account	County Clerk's Bond Account
ASSETS							
Cash	\$ 15,881	\$ 389,353	\$ 1,199,268	\$ 49,087	\$ 517	\$ 397,662	\$ 118,383
Investments	-	-	-	-	-	-	-
Total assets	<u>\$ 15,881</u>	<u>\$ 389,353</u>	<u>\$ 1,199,268</u>	<u>\$ 49,087</u>	<u>\$ 517</u>	<u>\$ 397,662</u>	<u>\$ 118,383</u>
LIABILITIES							
Deposits held and due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION							
Restricted - Individuals, organizations, and other governments	\$ 15,881	\$ 389,353	\$ 1,199,268	\$ 49,087	\$ 517	\$ 397,662	\$ 118,383
Total net position	<u>\$ 15,881</u>	<u>\$ 389,353</u>	<u>\$ 1,199,268</u>	<u>\$ 49,087</u>	<u>\$ 517</u>	<u>\$ 397,662</u>	<u>\$ 118,383</u>

Parker County, Texas
Combining Statement of Net Position-
Fiduciary Funds – Continued
September 30, 2021

Exhibit C-4
Page 2 of 3

	County Clerk's Registry Account	County Clerk's Individual Trust Account	District Court Deposit Account	District Clerk's Registry Account	District Clerk's Individual Trust Account	Sherriff's Office Inmate Trust Account	County Jail Commissary Fund
ASSETS							
Cash	\$ 369,722	\$ 1,504,099	\$ 122,252	\$ 1,074,651	\$ 227,135	\$ 114,420	\$ 58,249
Investments	-	-	-	-	-	-	-
Total assets	<u>\$ 369,722</u>	<u>\$ 1,504,099</u>	<u>\$ 122,252</u>	<u>\$ 1,074,651</u>	<u>\$ 227,135</u>	<u>\$ 114,420</u>	<u>\$ 58,249</u>
LIABILITIES							
Deposits held and due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION							
Restricted - Individuals, organizations, and other governments	\$ 369,722	\$ 1,504,099	\$ 122,252	\$ 1,074,651	\$ 227,135	\$ 114,420	\$ 58,249
Total net position	<u>\$ 369,722</u>	<u>\$ 1,504,099</u>	<u>\$ 122,252</u>	<u>\$ 1,074,651</u>	<u>\$ 227,135</u>	<u>\$ 114,420</u>	<u>\$ 58,249</u>

Parker County, Texas
Combining Statement of Net Position –
Fiduciary Funds – Continued
September 30, 2021

	Adult Probation Fund	V.I.T Interest Account	District Attorney Trust Account	County Clerk's Probate Fund	TPWD Funds Account	Juvenile Probation Restitution Account	CSCD Restitution Account	Total Agency Funds
ASSETS								
Cash	\$ 227,775	\$ 38,976	\$ 247,986	\$ 35,354	\$ 85	\$ 4,344	\$ 26,448	\$ 6,221,647
Investments	532,521	-	-	-	-	-	-	532,521
Total assets	<u>\$ 760,296</u>	<u>\$ 38,976</u>	<u>\$ 247,986</u>	<u>\$ 35,354</u>	<u>\$ 85</u>	<u>\$ 4,344</u>	<u>\$ 26,448</u>	<u>\$ 6,754,168</u>
LIABILITIES								
Deposits held and due to others	\$ 109,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,213
Total liabilities	<u>\$ 109,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,213</u>
NET POSITION								
Restricted - Individuals, organizations, and other governments	\$ 651,083	\$ 38,976	\$ 247,986	\$ 35,354	\$ 85	\$ 4,344	\$ 26,448	\$ 6,644,955
Total net position	<u>\$ 651,083</u>	<u>\$ 38,976</u>	<u>\$ 247,986</u>	<u>\$ 35,354</u>	<u>\$ 85</u>	<u>\$ 4,344</u>	<u>\$ 26,448</u>	<u>\$ 6,644,955</u>

Parker County, Texas

Combining Statement of Changes in Net Position –
Fiduciary Funds
September 30, 2021

Exhibit C-5

Page 1 of 3

	Sheriff's Jail Trust Account	Auto Registration Account	Vehicle Inventory Tax Escrow	County Clerk's Court Fund Account	County Attorney's Escrow Account	County Clerk's Deposit Account	County Clerk's Bond Account
ADDITIONS							
Vehicle registration fees collected for state	\$ -	\$ 48,881,730	\$ 1,731,706	\$ -	\$ -	\$ -	\$ -
Judicial/statutory ordered collections due to other	-	-	-	824,056	-	-	-
Held for others	939,739	-	-	-	11,649	-	120,602
Interest earnings	-	-	344	-	-	-	-
Total additions	<u>939,739</u>	<u>48,881,730</u>	<u>1,732,050</u>	<u>824,056</u>	<u>11,649</u>	<u>-</u>	<u>120,602</u>
DEDUCTIONS							
Vehicle registration due to state	-	48,938,329	1,496,675	-	-	-	-
Payments due under judicial order/statute	-	-	-	822,115	-	-	-
Payments to other governments and organizations	-	-	-	-	-	-	-
Payments to individuals	930,588	-	-	-	12,270	63,879	75,032
Total deductions	<u>930,588</u>	<u>48,938,329</u>	<u>1,496,675</u>	<u>822,115</u>	<u>12,270</u>	<u>63,879</u>	<u>75,032</u>
NET INCREASE (DECREASE)							
IN FIDUCIARY NET POSITION	9,151	(56,599)	235,375	1,941	(621)	(63,879)	45,570
NET POSITION - BEGINNING OF YEAR,							
AS ORIGINALLY STATED							
Cumulative effect of adoption of GASB 84	-	-	-	-	-	-	-
	6,730	445,952	963,893	47,146	1,138	461,541	72,813
NET POSITION - BEGINNING OF YEAR, AS RESTATED	<u>6,730</u>	<u>445,952</u>	<u>963,893</u>	<u>47,146</u>	<u>1,138</u>	<u>461,541</u>	<u>72,813</u>
NET POSITION - END OF YEAR	<u>\$ 15,881</u>	<u>\$ 389,353</u>	<u>\$ 1,199,268</u>	<u>\$ 49,087</u>	<u>\$ 517</u>	<u>\$ 397,662</u>	<u>\$ 118,383</u>

Parker County, Texas

Combining Statement of Changes in Net Position –
Fiduciary Funds – Continued
September 30, 2021

Exhibit C-5
Page 2 of 3

	County Clerk's Registry Account	County Clerk's Individual Trust Account	District Court Deposit Account	District Clerk's Registry Account	District Clerk's Individual Trust Account	Sherriff's Office Inmate Trust Account	County Jail Commissary Fund
ADDITIONS							
Vehicle registration fees collected for state	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial/statutory ordered collections due to other	-	-	1,413,479	-	-	-	-
Held for others	840,453	524,027	-	1,217,618	69,466	1,172,387	151,468
Interest earnings	-	805	-	-	151	-	24
Total additions	840,453	524,832	1,413,479	1,217,618	69,617	1,172,387	151,492
DEDUCTIONS							
Vehicle registration due to state	-	-	-	-	-	-	-
Payments due under judicial order/statute	-	-	1,450,534	-	-	-	-
Payments to other governments and organizations	-	-	-	-	-	-	202,456
Payments to individuals	942,994	195,848	-	1,253,644	26,739	1,117,138	-
Total deductions	942,994	195,848	1,450,534	1,253,644	26,739	1,117,138	202,456
NET INCREASE (DECREASE)							
IN FIDUCIARY NET POSITION	(102,541)	328,984	(37,055)	(36,026)	42,878	55,249	(50,964)
NET POSITION - BEGINNING OF YEAR, AS ORIGINALLY STATED							
Cumulative effect of adoption of GASB 84	472,263	1,175,115	159,307	1,110,677	184,257	59,171	109,213
NET POSITION - BEGINNING OF YEAR, AS RESTATED	472,263	1,175,115	159,307	1,110,677	184,257	59,171	109,213
NET POSITION - END OF YEAR	\$ 369,722	\$ 1,504,099	\$ 122,252	\$ 1,074,651	\$ 227,135	\$ 114,420	\$ 58,249

Parker County, Texas
Combining Statement of Changes in Net Position –
Fiduciary Funds – Continued
September 30, 2021

Exhibit C-5
Page 3 of 3

	Adult Probation Fund	V.I.T Interest Account	District Attorney Trust Account	County Clerk's Probate Fund	TPWD Funds Account	Juvenile Probation Restitution Account	CSCD Restitution Account	Total Fiduciary Funds
ADDITIONS								
Vehicle registration fees collected for state	\$ -	\$ -	\$ -	\$ -	\$ 208,075	\$ -	\$ -	\$ 50,821,511
Judicial/statutory ordered collections due to others	1,863,598	-	-	-	-	6,956	2,482,599	6,590,688
Held for others	-	-	160,599	600	-	-	-	5,208,608
Interest earnings	721	362	49	-	-	-	-	2,456
Total additions	1,864,319	362	160,648	600	208,075	6,956	2,482,599	62,623,263
DEDUCTIONS								
Vehicle registration due to state	-	-	-	-	226,509	-	-	50,661,513
Payments due under judicial order/statute	1,895,591	-	-	-	-	7,283	2,472,440	6,647,963
Payments to other governments and organizations	-	4,318	31,261	-	-	-	-	238,035
Payments to individuals	-	-	-	10,315	-	-	-	4,628,447
Total deductions	1,895,591	4,318	31,261	10,315	226,509	7,283	2,472,440	62,175,958
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(31,272)	(3,956)	129,387	(9,715)	(18,434)	(327)	10,159	447,305
NET POSITION - BEGINNING OF YEAR, AS ORIGINALLY STATED	-	-	-	-	-	-	-	-
Cumulative effect of adoption of GASB 84	682,355	42,932	118,599	45,069	18,519	4,671	16,289	6,197,650
NET POSITION - BEGINNING OF YEAR, AS RESTATED	682,355	42,932	118,599	45,069	18,519	4,671	16,289	6,197,650
NET POSITION - END OF YEAR	\$ 651,083	\$ 38,976	\$ 247,986	\$ 35,354	\$ 85	\$ 4,344	\$ 26,448	\$ 6,644,955

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Federal Award Programs

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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***

To the Honorable County Judge
and County Commissioners' Court
Parker County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Parker County, Texas (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 29, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Report on Compliance and Other Matters

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

The Honorable County Judge
and County Commissioners' Court
Parker County, Texas

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
June 29, 2022

**Independent Auditor's Report on Compliance for
Each Major Federal Program, Report on Internal Control
over Compliance in Accordance with Uniform Guidance**

To the Honorable County Judge
and County Commissioners' Court
Parker County, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Parker County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Parker County's major federal programs for the year ended September 30, 2021. Parker County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Parker County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS): the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

The Honorable County Judge
and County Commissioners' Court
Parker County, Texas

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Parker County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Parker County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Parker County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

The Honorable County Judge
and County Commissioners' Court
Parker County, Texas

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
June 29, 2022

Parker County, Texas
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2021

I. Summary of the Auditor's Results:

Financial Statements

a. An unmodified opinion was issued on the financial statements.

b. Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered a material weakness? Reported Yes None

c. Noncompliance material to financial statements noted? Yes No

Major Programs

d. Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency (ies) identified that are not Considered a material weakness? Yes None Reported

e. An unmodified opinion was issued on compliance for major Federal programs.

f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)? Yes No

g. Identification of major program:

<u>Program/Cluster Name</u>	<u>CFDA #</u>	<u>Amount</u>
Coronavirus Relief Fund (CRF)	21.019	\$ 4,317,508

h. The dollar threshold used to distinguish between type A and type B programs. \$750,000

i. Auditee qualified as a low-risk auditee? Yes No

Parker County, Texas
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.

There were no matters reported

III. Findings and Questioned Costs for Federal Awards

There were no matters reported

Parker County, Texas
Summary of Prior Audit Findings
For the Year Ended September 30, 2021

I. Summary of Prior Year Findings

There were no matters reported

Parker County, Texas

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-through Identifying Number	Federal Expenditures	Federal Amounts Passed Through to Subrecipients
U.S. DEPARTMENT OF JUSTICE				
Direct Programs				
Equitable Sharing Program	16.922	NCIC# 1840000	\$ 30,615	\$ -
Total Direct Programs			<u>30,615</u>	<u>-</u>
Total U.S. Department of Justice			\$ 30,615	\$ -
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through Texas Department of Transportation				
Highway Planning and Construction Cluster US 180 and FM 730 Widening	20.205	CSJ 0008-03-119 & 1601-01-032	\$ 262,916	\$ -
Total Passed Through Texas Department of Transportation			<u>262,916</u>	<u>-</u>
Total U.S. Department of Transportation			\$ 262,916	\$ -
U.S. DEPARTMENT OF TREASURY				
Passed Through Texas Division of Emergency Management				
Coronavirus Relief Fund	21.019	N/A	\$ 4,317,508	\$ 2,842,711
Total Passed Through Texas Division of Emergency Management			<u>4,317,508</u>	<u>2,842,711</u>
Total U.S. Department of Treasury			\$ 4,317,508	\$ 2,842,711
U.S. ELECTION ASSISTANCE COMMISSION				
Passed Through Texas Secretary of State				
COVID-19 HAVA Election Security Grants	90.404	TX18101001	\$ 12,504	\$ -
HAVA Election Security Grants	90.404	TX18101001	35,862	-
Total Passed Through Texas Secretary of State			<u>48,366</u>	<u>-</u>
Total U.S. Election Assistance Commission			\$ 48,366	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Texas Department of State Health Services				
Public Health Emergency Preparedness - Cities Readiness Grant FY 2021	93.069	537-18-0156-00001 Amendment 4	\$ 36,281	\$ -
Public Health Emergency Preparedness - Cities Readiness Grant FY 2022	93.069	537-18-0156-00001 Amendment 5	17,447	-
Total Passed Through Texas Department of State Health Services			<u>53,728</u>	<u>-</u>
Total U.S. Department of Health and Human Services			\$ 53,728	\$ -
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through Texas Division of Emergency Management				
Disaster Grants - Public Assistance - Parker County 2021 Winter Storm	97.036	PA-06-TX-4586-PW-00169(66)	\$ 14,812	\$ -
Total Passed Through Texas Division of Emergency Management			<u>14,812</u>	<u>-</u>
Total U.S. Department of Homeland Security			\$ 14,812	\$ -
Total Expenditures of Federal Awards			\$ 4,727,945	\$ 2,842,711

Parker County, Texas
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County, and is presented on the modified accrual basis of accounting as described in Note 1 to the basic financial statements for the year ended September 30, 2021. The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

The County elected not to use the de minimis indirect cost rate as allowed in the Uniform Guidance, section 414.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the County provided \$2,842,711 in federal awards to subrecipients as part of the Coronavirus Relief Fund program, Assistance Listing number 21.019.

Note 3. Loans

At year-end, the County had no loans or loan guarantees outstanding with federal awarding agencies.