

Parker County, Texas

Annual Financial Report
September 30, 2022



This Page Intentionally Left Blank

Parker County, Texas
 Annual Financial Report
 Year Ended September 30, 2022
 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	17
Statement of Activities	A-2	18
Fund Financial Statements		
Balance Sheet - Governmental Funds	A-3	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-4	20
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	A-5	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-6	22
Statement of Net Position - Proprietary Fund	A-7	23
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	A-8	24
Statement of Cash Flows - Proprietary Fund	A-9	25
Statement of Net Position - Fiduciary Funds	A-10	26
Statement of Changes in Net Position - Fiduciary Funds	A-11	27
Notes to Financial Statements		29

Parker County, Texas
Annual Financial Report
Year Ended September 30, 2022
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		56
Texas County District Retirement System Schedule of Employer Contributions		57
Texas County District Retirement System Schedule of Changes in Employer's Total OPEB Liability and Related Ratios for the Employees of Parker County		58
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	B-1	59
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Lateral Road Fund	B-2	61
Supplementary Information		
Combining Balance Sheet - Nonmajor Governmental Funds	C-2	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	C-3	74
Combining Statement of Net Position - Fiduciary Funds	C-4	84
Combining Statement of Changes in Net Position - Fiduciary Funds	C-5	88
Federal and State 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>		95
Independent Auditor's Report on Compliance for Each Major Federal and State Program, Report on Internal Control over Compliance in Accordance with the Uniform Guidance and the Texas Grant Management Standards		97
Schedule of Findings and Questioned Costs		100
Summary of Prior Audit Findings		102
Schedule of Expenditures of Federal Awards		103
Schedule of Expenditures of State Awards		104
Notes to Schedule of Expenditures of Federal and State Awards		105

Financial Section

This Page Intentionally Left Blank

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Parker County, Texas (the County) as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary 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 statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and *Texas Grant Management Standards*, and is also not a required part of the basic financial statements.

The combining statements and the schedule of expenditures of federal and state awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 statements and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 30, 2023

This Page Intentionally Left Blank

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, 2022. 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, 2022 by \$44,281,386 (net position). Of this amount, \$22,594,755 is restricted for specific purposes and \$(3,856,559) represents a deficit in unrestricted net position. Net position also reflects net investment in capital assets of \$25,543,190.
- In contrast to the government-wide statements, the fund statements report a combined fund balance at September 30, 2022 of \$89,916,713; of which \$36,032 represents nonspendable fund balance, \$54,711,526 represents fund balance restricted for funding of debt service, capital projects, the lateral road fund, and federal and state programs, \$1,624,010 represents fund balance committed to state and special programs, and \$33,545,145 or 37% represents unassigned fund balance.
- The general fund reports a fund balance of \$35,225,014; of which \$35,151 represents nonspendable fund balance, \$135,585 represents amounts restricted for federal and state programs and \$1,509,133 represents amounts committed to state and special programs, with the remaining reported as unassigned. Unassigned fund balance for the general fund equals 62% 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.

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 17 and 18 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-five individual funds (excluding fiduciary funds), forty 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 19 and 21 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 23 through 25 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 26 and 27 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 29 through 53 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 56 through 61 of this report. Combining statements and schedules are also included in the report as other supplementary information and can be found on pages 66 through 91.

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 \$44,281,386 as of September 30, 2022.

Parker County's Net Position

	Governmental Activities	
	2022	2021
Current and other assets	\$ 150,133,764	\$ 135,901,218
Capital assets, net of depreciation/amortization	104,673,950	86,539,859
Total assets	254,807,714	222,441,077
Deferred outflow of resources	12,631,553	14,568,652
Long-term liabilities, including due in one year	155,672,206	180,522,174
Unearned revenue	37,677,874	13,876,189
Other liabilities	12,120,629	11,880,943
Total liabilities	205,470,709	206,279,306
Deferred inflow of resources	17,687,172	3,992,621
Net position		
Net investment in capital assets	25,543,190	18,167,870
Restricted	22,594,755	19,369,984
Unrestricted	(3,856,559)	(10,800,052)
Total net position	\$ 44,281,386	\$ 26,737,802

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 \$25,543,190. 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 \$22,594,755 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 \$3,856,559, which is the result of prior year conveyance of assets to other governmental entities.

The County's governmental activities increased net position by \$17,543,584 during the current year. The total cost of all governmental activities this year was \$76,910,419. The amount that our taxpayers paid for these activities through property taxes was \$58,350,604 or 76%.

Parker County's Changes in Net Position

	Governmental Activities	
	2022	2021
Revenues		
Program revenues		
Charges for services	\$ 13,929,433	\$ 13,381,155
Operating grants and contributions	4,464,663	8,662,685
Capital grants and contributions	1,246,004	328,645
General revenues		
Property taxes	58,350,604	55,014,324
Sales and other taxes	15,504,266	13,327,626
Investment earnings	754,446	108,747
Other	204,587	121,446
Total revenues	<u>94,454,003</u>	<u>90,944,628</u>
Expenses		
General government	12,645,054	11,763,859
Roads and bridges	13,242,699	12,434,906
Public safety	938,100	4,175,122
Law enforcement	26,067,720	23,159,217
Judicial	12,859,891	12,325,031
Health and welfare	1,047,462	892,917
Recording	3,533,458	4,300,282
Tax assessing-collecting	1,374,635	1,262,320
Interest and other costs	5,201,400	4,013,963
Total expenses	<u>76,910,419</u>	<u>74,327,617</u>
Change in net position	17,543,584	16,617,011
Net position-beginning	<u>26,737,802</u>	<u>10,120,791</u>
Net position-ending	<u><u>\$ 44,281,386</u></u>	<u><u>\$ 26,737,802</u></u>

Revenues by Source

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

- Program revenues of \$19,640,100 equaled 26% of governmental expenses of \$76,910,419. As expected, general revenues in the amount of \$74,813,903 provided the remaining support and coverage for expenses.
- 34% or \$26,067,720 of the expenses are law enforcement while this category provided 4% of total revenues.
- Roads and bridges and judicial account for \$26,102,590 or 34% of expenses while providing about 8% of total revenues.
- Operating grant revenues and contributions comprised about 5% 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 \$89,916,713 a decrease of \$12,607,890 in comparison with the prior year. Approximately \$33,545,145 or 37% 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 \$36,032, committed fund balance of \$1,624,010, and restricted fund balance of \$54,711,526. 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 \$4,160,777, and fund capital projects in the amount of \$31,523,021, lateral roads in the amount of \$11,246,197, and federal and state programs in the amount of \$7,781,531.

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 \$35,225,014, of which \$35,151 was nonspendable fund balance, \$135,585 was restricted, \$1,509,133 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 95% of total fund balance for the general fund.

The fund balance of the County's general fund increased by \$2,430,072, which is primarily due to less expenditures than revenue to operate the County.

The debt service fund has a total fund balance of \$4,160,777, all of which is restricted for debt service. The increase in the debt service fund was \$562,619.

The capital projects funds had a total fund balance of \$31,523,021 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 \$18,011,607 after capital outlay expenditures.

The lateral road fund had a total fund balance of \$11,247,078, 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 \$1,232,350 due to continued healthy property tax collections.

General Fund Budgetary Highlights

The original fiscal year 2022 budget was adopted in September 2021, with total general fund expenditures in the amount of \$62,745,136.

In total, the original general fund budget for expenditures were \$41,461 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 \$4,568,504 primarily due to the increase in sales tax collections and additional fees of office and property taxes over what was expected; and
- Actual expenditures were \$4,075,626 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, 2022, capital assets, net of accumulated depreciation, in the governmental activities totaled \$104,673,950. Depreciation and amortization on capital assets is recognized in the government-wide financial statements. Annual depreciation/amortization for buildings, improvements, infrastructure and machinery and equipment totaled \$5,905,144.

Parker County's Capital Assets (net of depreciation/amortization)

	Governmental Activities	
	2022	2021
Land	\$ 19,529,994	\$ 19,246,010
Work in progress	25,125,661	9,214,781
Buildings and improvements	17,055,069	17,035,429
Infrastructure	31,388,578	30,813,364
Office furniture and equipment	2,750,027	4,174,602
Transportation equipment	2,453,486	1,288,935
Road maintenance equipment	4,660,310	4,554,604
Emergency management equipment	414,663	165,275
Right-to-use assets	1,220,093	
Other	76,069	46,859
Total	\$ 104,673,950	\$ 86,539,859

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

Long-term debt and leases. As of September 30, 2022, the County had unlimited tax road bonds, tax notes, and general obligation refunding bonds of \$139,259,412. Total leases payable were \$1,187,633. Financed purchases payable were \$1,594,435.

The County's total property tax rate for fiscal year 2022 was \$0.329362 per \$100 assessed valuation, of which \$0.071205 was for annual debt service, \$0.066719 was for maintenance of County roads accounted for in the lateral road fund with the remaining \$0.191438 levied on general maintenance and operations in the general fund. Revenue in each of the taxing funds represented approximately 55%, 80% 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.

	<u>General Fund</u>	<u>Lateral Road Fund</u>	<u>Debt Service Fund</u>
Property Taxes	\$ 33,549,613	\$ 12,134,515	\$ 12,459,825
Other Revenue	27,516,191	2,956,996	26,882
Total Revenue	<u>61,065,804</u>	<u>15,091,511</u>	<u>12,486,707</u>
Expenditures	54,445,971	17,900,552	11,924,088
Other Financing Sources (Uses)	(4,189,761)	4,041,391	-
Change in Fund Balance	<u>\$ 2,430,072</u>	<u>\$ 1,232,350</u>	<u>\$ 562,619</u>

Parker County's Outstanding Debt

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Unlimited tax road bonds	\$ 129,014,412	\$ 132,694,412
Tax notes	5,675,000	6,960,000
General obligation refunding bonds	4,570,000	6,005,000
Financed purchases	1,594,435	-
Leases payable	1,187,633	3,333,339
Total	<u>\$ 142,041,480</u>	<u>\$ 148,992,751</u>

Additional information on the County's long-term debt can be found in Note 9 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 2023, 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 22%.

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.

Basic Financial Statements

This Page Intentionally Left Blank

Parker County, Texas
Statement of Net Position
September 30, 2022

Exhibit A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash	\$ 41,513,515
Investments	102,087,632
Receivables, net of allowance	6,396,585
Prepaid expenses and other assets	136,032
Land and work in progress	44,655,655
Other capital assets, net of depreciation/amortization	60,018,295
Total assets	254,807,714
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding	4,817,247
Deferred outflows related to pension	7,527,772
Deferred outflows related to OPEB	286,534
Total deferred outflows of resources	12,631,553
LIABILITIES	
Accounts payable and accrued liabilities	9,164,349
Accrued salaries and benefits payable	836,313
Accrued interest payable	802,097
Due to other governmental entities	1,317,870
Unearned revenue	37,677,874
Noncurrent liabilities	
Due within one year	9,062,870
Due in more than one year	146,609,336
Total liabilities	205,470,709
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to leases	874,418
Deferred inflows related to pension	16,780,141
Deferred inflows related to OPEB	32,613
Total deferred inflows of resources	17,687,172
NET POSITION	
Net investment in capital assets	25,543,190
Restricted for	
Debt service	3,442,067
Lateral road	11,371,157
State and federal programs	7,781,531
Unrestricted	(3,856,559)
TOTAL NET POSITION	\$ 44,281,386

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

Parker County, Texas
Statement of Activities
Year Ended September 30, 2022

Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental activities					
General government	\$ 12,645,054	\$ 528,065	\$ 804,535	\$ -	\$ (11,312,454)
Roads and bridges	13,242,699	2,990,375	258,636	1,246,004	(8,747,684)
Public safety	938,100	110,972	307,281	-	(519,847)
Law enforcement	26,067,720	1,432,395	1,988,771	-	(22,646,554)
Judicial	12,859,891	3,079,168	1,074,670	-	(8,706,053)
Health and welfare	1,047,462	801,089	30,770	-	(215,603)
Recording	3,533,458	1,968,565	-	-	(1,564,893)
Tax assessing-collecting	1,374,635	3,018,804	-	-	1,644,169
Interest and other costs	5,201,400	-	-	-	(5,201,400)
TOTAL PRIMARY GOVERNMENT	\$ 76,910,419	\$ 13,929,433	\$ 4,464,663	\$ 1,246,004	(57,270,319)

General revenue	
Property taxes	58,350,604
Sales and other taxes	15,504,266
Investment earnings	754,446
Other general revenue	204,587
Total general revenues	<u>74,813,903</u>
Change in net position	17,543,584
Net position, beginning of year	<u>26,737,802</u>
NET POSITION, END OF YEAR	<u>\$ 44,281,386</u>

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

Parker County, Texas
 Balance Sheet – Governmental Funds
 September 30, 2022

Exhibit A-3

	General	Lateral Road	Capital Projects Tax Road Bonds	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash	\$ 9,942,662	\$ 3,380,579	\$ 12,670,701	\$ 1,150,555	\$ 7,551,731	\$ 2,664,349	\$ 37,360,577
Investments	25,135,754	8,702,702	32,749,044	2,962,160	19,766,463	6,488,245	95,804,368
Receivables, net of allowance							
Property taxes	333,087	165,526	-	123,891	-	-	622,504
Intergovernmental	3,496,462	-	910,468	-	-	32,899	4,439,829
Leases	883,701	-	-	-	-	-	883,701
Other	60,697	176,996	-	7,558	-	70,931	316,182
Prepaid items and other assets	35,151	881	-	-	-	-	36,032
Total assets	39,887,514	12,426,684	46,330,213	4,244,164	27,318,194	9,256,424	139,463,193
TOTAL ASSETS	\$ 39,887,514	\$ 12,426,684	\$ 46,330,213	\$ 4,244,164	\$ 27,318,194	\$ 9,256,424	\$ 139,463,193
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 2,890,081	\$ 925,501	\$ 4,432,300	\$ -	\$ 15,212	\$ 274,904	\$ 8,537,998
Accrued salaries and benefits payable	562,743	129,145	-	-	-	15,108	706,996
Due to other governmental entities	112,281	-	-	-	-	1,205,589	1,317,870
Unearned revenue	-	-	10,374,892	-	27,302,982	-	37,677,874
Total liabilities	3,565,105	1,054,646	14,807,192	-	27,318,194	1,495,601	48,240,738
Deferred inflows of resources							
Leases	874,418	-	-	-	-	-	874,418
Property taxes	222,977	124,960	-	83,387	-	-	431,324
Total deferred inflows of resources	1,097,395	124,960	-	83,387	-	-	1,305,742
Fund balances							
Nonspendable							
Inventory	32,549	-	-	-	-	-	32,549
Prepaid	2,602	881	-	-	-	-	3,483
Restricted for							
Debt service	-	-	-	4,160,777	-	-	4,160,777
Capital projects	-	-	31,523,021	-	-	-	31,523,021
Lateral road	-	11,246,197	-	-	-	-	11,246,197
Federal and state programs	135,585	-	-	-	-	7,645,946	7,781,531
Committed for state and special programs	1,509,133	-	-	-	-	114,877	1,624,010
Unassigned	33,545,145	-	-	-	-	-	33,545,145
Total fund balances	35,225,014	11,247,078	31,523,021	4,160,777	-	7,760,823	89,916,713
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 39,887,514	\$ 12,426,684	\$ 46,330,213	\$ 4,244,164	\$ 27,318,194	\$ 9,256,424	\$ 139,463,193

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, 2022

TOTAL FUND BALANCES - GOVERNEMENTAL FUNDS	\$ 89,916,713
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.	104,673,950
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	\$ 7,527,772
Deferred inflows related to pension	(16,780,141)
Net deferred outflows and inflows	(9,252,369)
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	\$ 286,534
Deferred inflows related to OPEB	(32,613)
Net deferred outflows and inflows	253,921
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.	(802,097)
Revenues earned but not available within sixty days of year-end are not recognized as revenue on the fund financial statements.	431,324
Noncurrent liabilities, including bonds payable, leases, financed purchases, 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	\$ (139,259,412)
Financed purchases	(1,594,435)
Leases payable	(1,187,633)
Deferred premiums on issuance	(13,134,414)
Net Pension liability	2,291,882
Total OPEB liability	(1,653,987)
Compensated absences	(1,134,207)
Total long-term liabilities	(155,672,206)
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.	4,817,247
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.	9,914,903
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 44,281,386

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

Parker County, Texas

Exhibit A-5

Statement of Revenues, Expenditures,
and Changes in Fund Balance – Governmental Funds
Year Ended September 30, 2022

	General	Lateral Road	Capital Projects Tax Road Bonds	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 33,549,613	\$ 12,134,515	\$ -	\$ 12,459,825	\$ -	\$ -	\$ 58,143,953
Sales taxes	15,195,183	-	-	-	-	-	15,195,183
Intergovernmental	2,992,286	438,355	1,569,832	-	449,395	1,097,261	6,547,129
Fees of office	7,701,389	2,293,025	-	-	-	1,918,826	11,913,240
Fines and forfeitures	-	65,465	-	-	-	-	65,465
Interest	412,098	58,206	193,837	26,882	-	16,203	707,226
Royalties	113,688	-	-	-	-	-	113,688
Miscellaneous	1,101,547	101,945	-	-	-	248,944	1,452,436
Total revenues	61,065,804	15,091,511	1,763,669	12,486,707	449,395	3,281,234	94,138,320
EXPENDITURES							
Current							
General government	9,763,686	-	28,411	-	-	189,809	9,981,906
Roads and bridges	-	9,596,620	-	-	-	-	9,596,620
Public safety	529,434	-	-	-	39,612	119,261	688,307
Law enforcement	24,275,959	-	-	-	-	78,642	24,354,601
Judicial	11,402,363	-	-	-	-	1,327,473	12,729,836
Health and welfare	977,001	-	-	-	-	4,138	981,139
Recording	2,944,397	-	-	-	-	547,445	3,491,842
Tax assessing-collecting	1,380,656	-	-	-	-	-	1,380,656
Capital outlay	2,338,219	8,134,093	19,746,865	-	409,783	110,390	30,739,350
Debt service							
Principal	724,573	155,304	-	6,400,000	-	-	7,279,877
Interest and other charges	109,683	14,535	-	5,524,088	-	-	5,648,306
Total expenditures	54,445,971	17,900,552	19,775,276	11,924,088	449,395	2,377,158	106,872,440
Excess (deficiency) of revenues over (under) expenditures	6,619,833	(2,809,041)	(18,011,607)	562,619	-	904,076	(12,734,120)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	11,000	4,000,000	-	-	-	265,000	4,276,000
Operating transfers out	(4,265,000)	-	-	-	-	(11,000)	(4,276,000)
Proceeds on sale of assets	64,239	41,391	-	-	-	20,600	126,230
Total other financing sources (uses)	(4,189,761)	4,041,391	-	-	-	274,600	126,230
NET CHANGES IN FUND BALANCES	2,430,072	1,232,350	(18,011,607)	562,619	-	1,178,676	(12,607,890)
FUND BALANCES, beginning of year	32,794,942	10,014,728	49,534,628	3,598,158	-	6,582,147	102,524,603
FUND BALANCES, end of year	\$ 35,225,014	\$ 11,247,078	\$ 31,523,021	\$ 4,160,777	\$ -	\$ 7,760,823	\$ 89,916,713

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

Parker County, Texas

Exhibit A-6

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended September 30, 2022

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

Net changes in fund balances - total governmental funds	\$ (12,607,890)
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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.	
Capital outlay	\$ 23,727,454
Depreciation/amortization	<u>(5,905,144)</u>
	17,822,310
The net effect of capital asset disposals decreases net position.	(17,199)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	206,651
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.	3,152,627
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.	(136,459)
Repayment of financed purchases, leases, 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.	7,280,251
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.	840,650
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.	(539,085)
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	\$ 144,969
Changes in compensated absences	<u>(176,268)</u>
	(31,299)
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>1,573,027</u>
CHANGE IN NET POSITON OF GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES	<u><u>\$ 17,543,584</u></u>

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

Parker County, Texas
Statement of Net Position – Proprietary Fund
September 30, 2022

Exhibit A-7

	Insurance Escrow
	<hr/>
ASSETS	
Cash	\$ 4,252,938
Investments	6,183,264
Receivables, net of allowance	134,369
Prepaid items and other assets	<hr/> 100,000
Total assets	10,670,571
LIABILITIES	
Accounts payable and accrued liabilities	626,351
Accrued salaries and benefits payable	<hr/> 129,317
Total liabilities	755,668
NET POSITION	
Unrestricted	<hr/> 9,914,903
TOTAL NET POSITION	<hr/> <hr/> \$ 9,914,903

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, 2022

Exhibit A-8

	Insurance Escrow
OPERATING REVENUES	
Contributions	\$ 7,555,920
Total operating revenues	7,555,920
OPERATING EXPENSES	
Contractual	6,824,110
Total operating expenses	6,824,110
Operating income	731,810
NONOPERATING REVENUES	
Miscellaneous	793,997
Interest	47,220
Total nonoperating revenues	841,217
Change in net position	1,573,027
NET POSITION, beginning of year	8,341,876
NET POSITION, end of year	\$ 9,914,903

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

Parker County, Texas
Statement of Cash Flows – Proprietary Fund
Year Ended September 30, 2022

Exhibit A-9

	Insurance Escrow
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$ 7,564,442
Payments to providers	(6,723,805)
	<hr/>
Net cash provided by operating activities	840,637
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of investments	(383,648)
Interest and related income	841,217
	<hr/>
Net cash provided by investing activities	457,569
NET INCREASE IN CASH	1,298,206
CASH, beginning of year	<hr/> 2,954,732
CASH, end of year	<hr/> <hr/> \$ 4,252,938
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 731,810
Adjustments to reconcile operating income to net cash provided by operating activities	
Decrease in accounts receivable	8,522
Increase in accounts payable	100,305
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<hr/> <hr/> \$ 840,637

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

Parker County, Texas

Statement of Net Position – Fiduciary Funds

September 30, 2022

Exhibit A-10

ASSETS

Cash	\$ 6,646,886
Investments	<u>464,058</u>
Total assets	<u><u>7,110,944</u></u>

LIABILITIES

Deposits held and due to others	<u>14,499</u>
Total liabilities	<u><u>14,499</u></u>

NET POSITION

Restricted - Individuals, organizations, and other governments	<u>7,096,445</u>
---	------------------

TOTAL NET POSITION

	<u><u>\$ 7,096,445</u></u>
--	----------------------------

Parker County, Texas

Statement of Changes in Net Position – Fiduciary Funds
September 30, 2022

Exhibit A-11

ADDITIONS

Vehicle registration fees collected for state	\$ 64,445,375
Judicial/statutory ordered collections due to others	6,607,477
Held for others	7,275,658
Interest earnings	6,309
	<hr/>
Total additions	78,334,819
	<hr/> <hr/>

DEDUCTIONS

Vehicle registration due to state	64,434,664
Payments due under judicial order/statute	6,556,224
Payments to other governments and organizations	293,569
Payments to individuals	6,598,872
	<hr/>
Total deductions	77,883,329
	<hr/> <hr/>

NET INCREASE IN FIDUCIARY NET POSITION 451,490

NET POSITION - BEGINNING OF YEAR 6,644,955

NET POSITION - END OF YEAR \$ 7,096,445

This Page Intentionally Left Blank

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, 2022.

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.

Leases

Lessee

The County is a lessee for non-cancelable leases of equipment and buildings. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. At the commencement of a lease, the County initially measures the lease liability at the present value of the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amounts of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Parker County, Texas

Notes to Financial Statements

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

- The county uses the interest rate charged by the lessor as the discount rate. When the interest rate is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price the County is reasonably certain to exercise.

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

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

Lessor

The County is a lessor for non-cancelable leases of facilities. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Lease receivables are reported with other assets and deferred inflows related to leases are reported with deferred inflows on the statement of net position and balance sheet.

Parker County, Texas

Notes to Financial Statements

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.
- 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.
- Deferred inflows related to leases – Initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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.

Parker County, Texas

Notes to Financial Statements

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, 2022.

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 2022, the unassigned General Fund balance was 53% of final budgeted expenditures and the Debt Service Fund balance was at 67% 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.

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/amortization 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, 2022, 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.

Parker County, Texas

Notes to Financial Statements

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".

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 TCERS through a report prepared for the County by TCERS 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. 87, *Leases* (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 was implemented in the County's Fiscal Year 2022 financial statements with no impact to amounts reported under previous standards.

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.

Parker County, Texas

Notes to Financial Statements

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;
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.

Parker County, Texas
Notes to Financial Statements

As of September 30, 2022, the County has the following pooled investments:

Investment Type	September 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)	Weighted Average Maturity
Investments not subject to fair value (amortized cost)					
Baird - Federated Government					
Obligation Fund Institutional Class	\$ 49,323,025	\$ -	\$ -	\$ -	37 days
Texas CLASS	46,203,652	-	-	-	82 days
Investments by fair value level					
CD Investments	-	494,000	-	-	138 days
U.S. Agency Securities	-	2,912,690	-	-	538 days
U.S. Treasury Bonds	-	3,518,323	-	-	356 days
Total	\$ 95,526,677	\$ 6,925,013	\$ -	\$ -	

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.

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 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.

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, 2022, 100% of the County's portfolio had maturity dates less than two years.

Parker County, Texas
Notes to Financial Statements

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, 2022, the County's investments are rated by Standard and Poor's (see credit ratings below). Certificate of deposits are not rated.

Investment Type	Credit Rating	Rating Agency
Baird - Federated Government Obligation Fund Institutional Class	AAAm	Standard & Poor's
Texas CLASS	AAAm	Standard & Poor's
U.S. Agency Securities	AA+	Standard & Poor's

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, 2022, 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, 2022, excluding that portion budgeted for the retirement of long-term debt principal and interest was 0.258157 per \$100 valuation. The total tax rate for all purposes was 0.329362 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.

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, 2022:

Fund	Delinquent Taxes	Allowance	Net Receivable
General	\$ 997,561	\$ (664,474)	\$ 333,087
Debt Service	371,041	(247,150)	123,891
Lateral Road	405,795	(240,269)	165,526
Total	\$ 1,774,397	\$ (1,151,893)	\$ 622,504

Parker County, Texas
Notes to Financial Statements

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, 2022 the value of accumulated vacation and compensatory benefits amounted to \$1,134,207. The General Fund has been used to liquidate the liability.

Note 6. Changes in Capital Assets

During the year ended September 30, 2022, 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, 2022 was as follows:

	Beginning 10/1/2021	Additions	Deletions	Transfers	Reclassifications	Balance 9/30/2022
Governmental activities						
Capital assets, not being depreciated / amortized						
Land	\$ 19,246,010	\$ 283,984	\$ -	\$ -	\$ -	\$ 19,529,994
Work in progress	9,214,781	17,833,494	-	(1,922,614)	-	25,125,661
Total capital assets not being depreciated / amortized	28,460,791	18,117,478	-	(1,922,614)	-	44,655,655
Capital assets being depreciated / amortized						
Buildings and improvements	37,710,259	206,553	24,965	982,964	-	38,874,811
Infrastructure	152,642,092	1,583,507	-	939,650	-	155,165,249
Office furniture and equipment	10,862,175	58,086	70,924	-	(937,921)	9,911,416
Transportation equipment	6,612,652	1,852,023	395,449	-	-	8,069,226
Road maintenance equipment	19,342,768	1,563,620	247,878	-	(760,851)	19,897,659
Emergency management equipment	792,141	297,910	11,498	-	-	1,078,553
Right to use assets	-	328,980	-	-	1,698,772	2,027,752
Other	228,998	48,277	667	-	-	276,608
Total capital assets being depreciated / amortized	228,191,085	5,938,956	751,381	1,922,614	-	235,301,274
Less accumulated depreciation / amortization for						
Buildings and improvements	20,674,830	1,168,654	23,742	-	-	21,819,742
Infrastructure	121,828,728	1,947,943	-	-	-	123,776,671
Office furniture and equipment	6,687,573	702,996	66,385	-	(162,795)	7,161,389
Transportation equipment	5,323,717	679,382	387,359	-	-	5,615,740
Road maintenance equipment	14,788,164	975,345	245,071	-	(281,089)	15,237,349
Emergency management equipment	626,866	48,521	11,497	-	-	663,890
Right to use assets	-	363,775	-	-	443,884	807,659
Other	182,139	18,528	128	-	-	200,539
Total accumulated depreciation / amortization	170,112,017	5,905,144	734,182	-	-	175,282,979
Total capital assets being depreciated / amortized, net	58,079,068	33,812	17,199	1,922,614	-	60,018,295
Governmental activities capital assets, net	\$ 86,539,859	\$ 18,151,290	\$ 17,199	\$ -	\$ -	\$ 104,673,950

Parker County, Texas
Notes to Financial Statements

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

Governmental activities		
General government	\$	1,901,718
Roads and bridges		3,130,375
Public safety		224,084
Law enforcement		545,623
Judicial		58,705
Health and Welfare		34,416
Recording		10,223
		<hr/>
Total depreciation / amortization for governmental activities	\$	5,905,144
		<hr/> <hr/>

Note 7. Lease Receivable

The County leases various facilities to lessees. These leases are being presented in aggregate. The County recognized \$88,463 in lease revenue and \$1,981 in interest revenue during the current fiscal year related to these leases. As of September 30, 2022, the County has \$883,701 remaining in lease receivables and \$874,418 remaining in deferred inflows recorded in the General Fund.

Principal and interest requirements to maturity for the lease receivable as of September 30, 2022 are as follows:

Year	Principal	Interest	Total
2023	\$ 80,256	\$ 1,823	\$ 82,079
2024	34,222	1,669	35,891
2025	18,873	1,622	20,495
2026	18,913	1,582	20,495
2027	20,433	1,541	21,974
2028-2032	109,831	7,019	116,850
2033-2037	125,913	5,763	131,676
2038-2042	144,403	4,324	148,727
2043-2047	165,662	2,674	168,336
2048-2052	165,195	794	165,989
	<hr/>	<hr/>	<hr/>
Total	\$ 883,701	\$ 28,811	\$ 912,512
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Parker County, Texas
Notes to Financial Statements

Note 8. Lease Payable

The County has entered into multiple lease agreements as lessee. The leases allow the right-to-use equipment over the term of the lease. The County is required to make payments at its incremental borrowing rate or interest rate stated or implied within the leases.

The lease rate, term, and ending lease liability are as follows:

	Interest Rate(s)	Liability at Commencement	Lease Term in Years	Ending Balance September 30, 2022
Equipment	0.48-3.76%	\$ 1,507,379	2022-2027	\$ 1,165,321
Buildings	0.25%	66,866	2022-2023	22,312
				<u>\$ 1,187,633</u>

Principal and interest requirements to maturity for lease payables as of September 30, 2022 are as follows:

Year	Principal	Interest	Total
2023	\$ 331,927	\$ 32,894	\$ 364,821
2024	280,763	24,311	305,074
2025	243,896	16,783	260,679
2026	183,703	10,824	194,527
2027	147,344	4,848	152,192
Total	<u>\$ 1,187,633</u>	<u>\$ 89,660</u>	<u>\$ 1,277,293</u>

The value of the right-to-use assets at the end of the current fiscal year was \$2,027,752 and had accumulated amortization of \$807,659.

Note 9. Long-Term Debt

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. The bonds matured in February of 2022. Principal payments were due in annual installments on February 15. Interest was payable February 15 and August 15, at an interest rate of 4.0%.

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, 2022 was \$35,050,000.

Parker County, Texas

Notes to Financial Statements

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, 2022 was \$30,790,000.

Unlimited Tax Refunding Bonds

The County issued \$53,350,000 in unlimited tax 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, 2022 was \$48,020,000.

The County issued \$15,729,412 in unlimited tax refunding bonds in November 2020, with interest rates ranging from 0.395% 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 outstanding balance at September 30, 2022 was \$15,154,412.

General Obligation Refunding Bonds

The County issued General Obligation Refunding 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, 2022 was \$3,800,000.

The County issued General Obligation Refunding Bonds, Series 2015 in the amount of \$2,435,000 with an interest rate of 2.09%. 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 at September 30, 2022 was \$770,000.

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, 2022 was \$485,000.

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, 2022 was \$5,190,000.

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
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	7,830,000	4,289,031	12,119,031
2028-2032	40,040,000	16,980,767	57,020,767
2033-2037	32,785,000	9,607,832	42,392,832
2038-2042	24,270,000	4,163,103	28,433,103
2043-2046	7,240,000	591,469	7,831,469
	<u>\$ 139,259,412</u>	<u>\$ 56,539,479</u>	<u>\$ 195,798,891</u>

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

	October 1, 2021	Additions	Retirements	September 30, 2022	Due Within One Year
General Obligation Refunding Bonds, Series 2014	\$ 4,990,000	\$ -	\$ 1,190,000	\$ 3,800,000	\$ 1,225,000
General Obligation Refunding Bonds, Series 2015	1,015,000	-	245,000	770,000	255,000
Unlimited Tax Road Bonds 2013	690,000	-	690,000	-	-
Tax Note, Series 2015	960,000	-	475,000	485,000	485,000
Unlimited Tax Refunding, Series 2016	49,810,000	-	1,790,000	48,020,000	1,880,000
Unlimited Tax Road Bonds 2017	35,330,000	-	280,000	35,050,000	395,000
Unlimited Tax Road Bonds 2020	31,505,000	-	715,000	30,790,000	755,000
Unlimited Tax Refunding, Series 2020	15,359,412	-	205,000	15,154,412	410,872
Tax Note, Series 2021	6,000,000	-	810,000	5,190,000	840,000
Deferred premiums on issuance	13,975,064	-	840,650	13,134,414	840,650
Financed purchases	2,088,073	-	493,638	1,594,435	510,214
Leases payable	1,245,266	328,980	386,613	1,187,633	331,927
Net pension liability (asset)	15,034,256	-	17,326,138	(2,291,882)	-
Total OPEB liability	1,562,164	91,823	-	1,653,987	-
Compensated absences	957,939	1,699,485	1,523,217	1,134,207	1,134,207
Totals	<u>\$ 180,522,174</u>	<u>\$ 2,120,288</u>	<u>\$ 26,970,256</u>	<u>\$ 155,672,206</u>	<u>\$ 9,062,870</u>

Financed Purchases

During a prior fiscal year, the County entered into agreements for the lease-purchase of equipment, with each agreement having a maximum allowable amount equal to the principal due as scheduled. Equipment purchased through the agreements are pledged as security for repayment of the lease liability. Events of default under the agreements include nonpayment events and covenant noncompliance. In the event of default, the Lessor may declare the entire amount of payments to the end of the term immediately past due and payable and request lessee to return the equipment to the lessor.

Parker County, Texas
Notes to Financial Statements

The future debt service principal and interest payment requirements for the agreements are as follows:

Year	Principal	Interest	Total
2023	\$ 510,214	\$ 65,161	\$ 575,375
2024	386,411	48,027	434,438
2025	126,827	33,397	160,224
2026	132,897	27,327	160,224
2027	139,257	20,967	160,224
2028-2029	298,829	21,620	320,449
Total	\$ 1,594,435	\$ 216,499	\$ 1,810,934

Note 10. 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 Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 830 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 years 2022 and 2021.

Parker County, Texas
Notes to Financial Statements

The deposit rate payable by the employee members for calendar years 2022 and 2021 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2021
Actuarial cost method	Entry Age (level percentage of pay)
Asset valuation method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary increase	Varies by age and service 4.70% 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, 2021 are summarized below:

Asset Class	Target Allocation ⁽¹⁾	Gemoetric Real ⁽²⁾
US Equities	11.50%	3.80%
Global Equities	2.50%	4.10%
International Equities - Developed	5.00%	3.80%
International Equities - Emerging	6.00%	4.30%
Investment - Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	1.77%
Direct Lending	16.00%	6.25%
Distressed Debt	4.00%	4.50%
REIT Equities	2.00%	3.10%
Master Limited Partnerships (MLPs)	2.00%	3.85%
Private Real Estate Partnerships	6.00%	5.10%
Private Equity	25.00%	6.80%
Hedge Funds	6.00%	1.55%
Cash Equivalents	2.00%	-1.05%
Total	100.00%	

(1) Target asset allocation adopted at the March 2022 TCDRS Board meeting.

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.6%, per Cliffwater's 2022 capital market assumptions.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability (asset) 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 (asset) at December 31, 2021:

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total pension liability	\$ 166,946,403	\$ 147,155,336	\$ 130,567,841
Fiduciary net pension	149,447,218	149,447,218	149,447,218
Net pension liability / (asset)	\$ 17,499,185	\$ (2,291,882)	\$ (18,879,377)

Parker County, Texas
Notes to Financial Statements

Net Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The below schedule presents the changes in the Net Pension Liability (Asset) as of December 31, 2021:

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability (Asset) (a) - (b)
Balance at December 31, 2020	\$ 137,325,693	\$ 122,291,437	\$ 15,034,256
Service cost	4,005,583	-	4,005,583
Interest on total pension liability	10,546,855	-	10,546,855
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	358,866	-	358,866
Effect of assumptions changes or inputs	127,463	-	127,463
Refund of contributions	(128,476)	(128,476)	-
Benefit payments	(5,080,647)	(5,080,647)	-
Administrative expenses	-	(80,852)	80,852
Member contributions	-	1,984,305	(1,984,305)
Net investment income	-	26,895,755	(26,895,755)
Employer contributions	-	3,523,555	(3,523,555)
Other	-	42,142	(42,142)
Balance at December 31, 2021	\$ 147,155,337	\$ 149,447,219	\$ (2,291,882)

At September 30, 2022, the County reported \$(2,291,882) for the net pension liability (asset) and pension expense of \$943,763 related to the December 31, 2021 valuation. The breakdown of the components of pension expense follows:

	Pension Expense
Service cost	\$ 4,005,583
Interest on total pension liability ⁽¹⁾	10,546,855
Administrative expenses	80,852
Member contributions	(1,984,305)
Expected investment return net of investment expenses	(9,303,849)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	362,888
Recognition of assumption changes or inputs	2,023,811
Recognition of investment gains or losses	(4,745,930)
Other ⁽²⁾	(42,142)
Pension expense	\$ 943,763

(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.

Parker County, Texas
Notes to Financial Statements

At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 397,749	\$ -
Change in assumption	4,047,620	-
Net difference between projected and actual investment earnings	-	16,780,141
Contributions subsequent to the measurement date	3,082,403	-
Total	\$ 7,527,772	\$ 16,780,141

The \$3,082,403 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, 2022 (i.e. recognized in the County's financial statements for the year ended September 30, 2023). Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Pension Expense Amount
2022	\$ (1,433,385)
2023	(3,374,928)
2024	(4,008,077)
2025	(3,518,382)
Total	\$ (12,334,772)

Note 11. 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.

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

Parker County, Texas
Notes to Financial Statements

Membership in the plan at December 31, 2021, the date of the latest actuarial valuation, consists of the following:

Inactive employees currently receiving benefits	251
Inactive employees entitled to but not yet receiving benefits	118
Active employees	<u>499</u>
Total	<u><u>868</u></u>

Actuarial Assumptions

The OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions. All actuarial assumptions that determined the total OPEB liability as of December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2017 - December 31, 2020, except where required to be different by GASB 75.

Annual rates of disability and annual rates of retirement were based on a service-related table. Mortality rates for depositing members were based on 135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. Mortality rates for Service retirees, beneficiaries and non-depositing members were based on 135% of Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. Mortality rates for disabled retirees were based on 160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

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, 2021, a discount rate of 2.06% is used.

	OPEB Liability
	<u> </u>
Beginning Liability	\$ 1,562,164
Changes for the year:	
Service cost	58,188
Interest (on total OPEB liability)	34,023
Change of benefit terms	-
Difference between expected and actual experience	(2,888)
Changes of assumptions	33,682
Benefit payments, including refunds of employee contributions	<u>(31,182)</u>
Net changes	<u>91,823</u>
Ending Liability	<u><u>\$ 1,653,987</u></u>

Parker County, Texas
Notes to Financial Statements

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 (2.06%) in measuring the total OPEB liability at December 31, 2021:

	1% Decrease in Discount Rate (1.06%)	Discount Rate (2.06%)	1% Increase in Discount Rate (3.06%)
Total OPEB liability	\$ 2,020,142	\$ 1,653,987	\$ 1,373,554

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

For the year ended September 30, 2022, the County recognized OPEB expense of \$173,221.

At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,923	\$ 8,185
Changes of assumptions	253,821	24,428
Contributions made subsequent to measurement date	27,790	-
Total	\$ 286,534	\$ 32,613

The \$27,790 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, 2022 (i.e. recognized in the County's financial statements for the year ended September 30, 2023). 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
2022	\$ 81,011
2023	99,404
2024	39,554
2025	6,162
Total	\$ 226,131

Parker County, Texas

Notes to Financial Statements

Note 12. 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.

Note 13. 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 14. 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, 2022 amounted to \$31,920.

Parker County, Texas

Notes to Financial Statements

Note 15. Healthcare Coverage

During the year ended September 30, 2022, 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, 2022, 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, 2022, the County had \$356,969 in claims incurred but not reported, which has been included on the Proprietary Fund Statement of Net Position within accounts payable and accrued liabilities.

Note 16. Deficit in Unrestricted Net Position

The statement of net position reported a deficit in unrestricted net position of \$3,856,559 mainly due to unfunded other post-employment benefit liabilities and conveyance of assets to other governmental entities.

Note 17. Subsequent Events

The County has evaluated subsequent events that occurred after September 30, 2022, through June 30, 2023, the date which the financial statements were available to be issued.

This Page Intentionally Left Blank

Required Supplementary Information

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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	\$ 4,005,583	\$ 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)	10,546,855	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	127,463	7,925,291	-	-	278,709	-	845,089	-
Effect of economic/demographic (gains) or losses	358,866	259,760	114,506	598,793	206,343	(395,797)	(487,692)	174,522
Benefit payments/refunds of contributions	(5,209,123)	(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	9,829,644	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	137,325,692	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)	\$ 147,155,336	\$ 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	\$ 3,523,555	\$ 3,446,240	\$ 3,098,369	\$ 2,905,299	\$ 2,672,957	\$ 2,576,021	\$ 2,557,388	\$ 2,317,316
Contributions - Employee	1,984,305	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	26,895,755	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	(5,209,123)	(4,960,312)	(4,754,858)	(3,939,643)	(3,662,750)	(3,135,686)	(2,701,616)	(2,798,116)
Administrative expense	(80,852)	(89,483)	(84,176)	(76,087)	(63,714)	(61,520)	(54,895)	(56,458)
Other	42,142	24,084	23,517	31,476	9,097	(53,623)	34,155	(100,779)
Net Change in Plan Fiduciary Net Position	27,155,782	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	122,291,436	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)	\$ 149,447,218	\$ 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)	\$ (2,291,882)	\$ 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	101.56%	89.05%	91.50%	83.99%	91.86%	86.32%	85.79%	92.29%
Covered Employee Payroll	\$ 28,347,219	\$ 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	-8.09%	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 eight 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, 2022

	Year Ended December 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 3,492,377	\$ 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
Contributions in relation to the actuarially determined contribution	3,523,555	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
Contribution deficiency (excess)	\$ (31,178)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 28,347,219	\$ 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
Contributions as a percentage of covered-employee payroll	12.4%	12.4%	11.6%	11.4%	10.9%	10.8%	11.0%	11.0%	10.5%	9.9%

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	19.0 years (based on contribution rate calculated in 12/31/21 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation.
Investment rate of return	7.50%, net of investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions

2015: New inflation, mortality and other assumptions were reflected.
2017: New mortality assumptions were reflected.
2019: New inflation, mortality, and other assumptions were reflected.

Changes in Plan Provisions Reflected in the Schedule of Employer Contributions

2015: No changes in plan provisions were reflected in the Schedule.
2016: No changes in plan provisions were reflected in the Schedule.
2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
2018: No changes in plan provisions were reflected in the Schedule.
2019: No changes in plan provisions were reflected in the Schedule.
2020: No changes in plan provisions were reflected in the Schedule.
2021: No changes in plan provisions were reflected in the Schedule.

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 58,188	\$ 45,026	\$ 28,288	\$ 33,924	\$ 33,002
Interest (on the total OPEB liability)	34,023	37,618	41,642	38,051	38,075
Effect of plan changes	-	-	-	-	-
Effect of assumption changes or inputs	33,682	172,347	286,937	(122,132)	52,130
Effect of economic/demographic (gains) or losses	(2,888)	(5,371)	12,306	(9,889)	(4,045)
Benefit payments/refunds of contributions	(31,182)	(30,498)	(26,756)	(22,876)	(19,582)
Net Change in Total OPEB Liability	<u>91,823</u>	<u>219,122</u>	<u>342,417</u>	<u>(82,922)</u>	<u>99,580</u>
Total OPEB Liability - Beginning	<u>1,562,164</u>	<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>\$ 1,653,987</u>	<u>\$ 1,562,164</u>	<u>\$ 1,343,042</u>	<u>\$ 1,000,625</u>	<u>\$ 1,083,547</u>
Covered Employee Payroll	\$ 28,347,219	\$ 27,725,175	\$ 26,756,214	\$ 25,418,178	\$ 24,477,626
Total OPEB Liability as a Percentage of Covered Employee Payroll	5.83%	5.63%	5.02%	3.94%	4.43%

Notes to Schedule:

As of December 31 - Measurement date

Only five 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 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, 2022

Exhibit B-1
 Page 1 of 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 33,160,429	\$ 33,160,429	\$ 33,549,613	\$ 389,184
Sales taxes	12,250,000	12,250,000	15,195,183	2,945,183
Intergovernmental	3,431,718	3,431,718	2,992,286	(439,432)
Fees of office	6,641,775	6,641,775	7,701,389	1,059,614
Interest	30,000	30,000	412,098	382,098
Royalties	30,000	30,000	113,688	83,688
Miscellaneous	911,917	953,378	1,101,547	148,169
Total revenues	56,455,839	56,497,300	61,065,804	4,568,504
EXPENDITURES				
General government				
Commissioners' court	95,600	95,600	86,597	9,003
County judge	414,896	414,896	411,712	3,184
Veterans' service officer	79,747	79,747	74,234	5,513
Non-departmental	4,022,488	3,507,897	2,548,438	959,459
Employee benefits	218,137	218,137	220,669	(2,532)
Election expenses	1,075,945	1,075,945	833,548	242,397
County auditor	702,480	702,480	705,823	(3,343)
County treasurer	380,929	380,929	379,179	1,750
Building and grounds	2,252,397	2,261,897	2,120,403	141,494
Purchasing administration	362,186	362,186	362,140	46
Information technology	1,556,283	1,580,274	1,478,323	101,951
Social services	243,029	243,029	158,949	84,080
County extension services	384,029	384,029	383,671	358
Total general government	11,788,146	11,307,046	9,763,686	1,543,360
Public safety				
Emergency management	278,160	278,160	218,985	59,175
Fire protection	399,053	516,053	310,449	205,604
Total public safety	677,213	794,213	529,434	264,779
Law enforcement				
Jail	9,400,260	9,373,260	9,156,812	216,448
Constable #1	399,015	399,015	390,458	8,557
Constable #2	500,943	500,943	477,350	23,593
Constable #3	410,687	410,687	398,683	12,004
Constable #4	298,776	298,776	284,012	14,764
Sheriff administration	12,410,951	12,400,437	11,919,659	480,778
Sheriff investigation	122,862	126,862	116,494	10,368
Sheriff dispatching	7,383	7,383	7,211	172
Sheriff patrol	483,560	533,176	524,877	8,299
Training division	53,918	54,411	50,271	4,140
Jail transfer	111,940	111,940	64,150	47,790
Narcotics task force	109,415	109,888	102,557	7,331
Game warden	1,750	1,750	450	1,300
Animal control	658,389	654,689	648,110	6,579
Highway patrol (North)	63,061	63,061	60,265	2,796
Highway patrol (South)	78,386	78,386	74,600	3,786
Total law enforcement	25,111,296	25,124,664	24,275,959	848,705

Parker County, Texas
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund – Continued
Year Ended September 30, 2022

Exhibit B-1
Page 2 of 2

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Judicial				
District court 43rd	1,152,770	1,152,770	925,783	226,987
District court 415th	1,079,675	1,079,675	885,380	194,295
County court-at-law #1	1,083,698	1,083,698	960,492	123,206
County court-at-law #2	1,023,889	1,023,889	942,387	81,502
Justice of the peace #1	460,179	460,179	461,629	(1,450)
Justice of the peace #2	559,676	559,676	550,331	9,345
Justice of the peace #3	598,661	598,661	597,116	1,545
Justice of the peace #4	539,267	539,267	525,424	13,843
County attorney	2,918,325	2,924,131	2,869,247	54,884
District attorney	1,836,447	1,836,941	1,740,102	96,839
Adult probation	10,000	10,000	2,888	7,112
Probate	151,867	151,867	114,463	37,404
Juvenile probation	1,065,144	1,065,144	827,121	238,023
Total judicial	12,479,598	12,485,898	11,402,363	1,083,535
Health and welfare				
Medical examiner-investigator	421,989	437,181	379,738	57,443
911 addressing	140,794	140,794	140,953	(159)
Sanitations	489,840	489,840	456,310	33,530
Total health and welfare	1,052,623	1,067,815	977,001	90,814
Recording				
County clerk	602,728	602,728	616,119	(13,391)
County clerk court division	1,072,925	1,072,925	1,025,257	47,668
District clerk	1,379,619	1,379,619	1,303,021	76,598
Total recording	3,055,272	3,055,272	2,944,397	110,875
Tax assessing-collecting	1,527,585	1,527,585	1,380,656	146,929
Total tax assessing-collecting	1,527,585	1,527,585	1,380,656	146,929
Capital outlay	2,060,835	2,431,536	2,338,219	93,317
Total capital outlay	2,060,835	2,431,536	2,338,219	93,317
Debt service				
Principal	618,966	618,966	724,573	(105,607)
Interest	108,602	108,602	109,683	(1,081)
Total debt service	727,568	727,568	834,256	(106,688)
Total expenditures	58,480,136	58,521,597	54,445,971	4,075,626
Excess (deficiency) of revenues over (under) expenditures	(2,024,297)	(2,024,297)	6,619,833	8,644,130
OTHER FINANCING SOURCES				
Operating transfers in	11,000	11,000	11,000	-
Operating transfers out	(4,265,000)	(4,265,000)	(4,265,000)	-
Proceeds on sale of assets	15,000	15,000	64,239	49,239
Total other financing sources	(4,239,000)	(4,239,000)	(4,189,761)	49,239
Net changes in fund balances	(6,263,297)	(6,263,297)	2,430,072	8,693,369
FUND BALANCES, October 1	32,794,942	32,794,942	32,794,942	-
FUND BALANCES, September 30	\$ 26,531,645	\$ 26,531,645	\$ 35,225,014	\$ 8,693,369

Parker County, Texas

Exhibit B-2

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Lateral Road Fund
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 11,983,252	\$ 11,983,252	\$ 12,134,515	\$ 151,263
Intergovernmental	539,901	539,901	438,355	(101,546)
Fees of office	1,944,900	1,944,900	2,293,025	348,125
Fines and forfeitures	225,000	225,000	65,465	(159,535)
Interest	8,700	8,700	58,206	49,506
Miscellaneous	1,650	3,964	101,945	97,981
Total revenues	14,703,403	14,705,717	15,091,511	385,794
EXPENDITURES				
Roads and bridges				
General	100,290	100,290	50,290	50,000
Precinct 1	2,713,346	2,649,965	2,371,441	278,524
Precinct 2	2,558,385	2,535,860	2,373,493	162,367
Precinct 3	2,852,266	3,037,266	2,736,776	300,490
Precinct 4	2,594,781	2,389,767	2,064,620	325,147
Total roads and bridges	10,819,068	10,713,148	9,596,620	1,116,528
Capital outlay				
Precinct 1	1,856,398	1,919,779	1,826,780	92,999
Precinct 2	1,910,949	1,933,474	1,545,682	387,792
Precinct 3	3,734,668	3,549,668	2,401,914	1,147,754
Precinct 4	2,349,310	2,556,638	2,359,717	196,921
Total capital outlay	9,851,325	9,959,559	8,134,093	1,825,466
Debt service				
Precinct 1	124,150	124,150	124,848	(698)
Precinct 2	-	-	627	(627)
Precinct 3	-	-	1,180	(1,180)
Precinct 4	41,996	41,996	43,184	(1,188)
Total debt service	166,146	166,146	169,839	(3,693)
Total expenditures	20,836,539	20,838,853	17,900,552	2,938,301
Excess (deficiency) of revenues over (under) expenditures	(6,133,136)	(6,133,136)	(2,809,041)	3,324,095
OTHER FINANCING SOURCES				
Operating transfers in	4,000,000	4,000,000	4,000,000	-
Proceeds on sale of assets	-	-	41,391	41,391
Total other financing sources	4,000,000	4,000,000	4,041,391	41,391
NET CHANGE IN FUND BALANCES	(2,133,136)	(2,133,136)	1,232,350	3,365,486
FUND BALANCES, October 1	10,014,728	10,014,728	10,014,728	-
FUND BALANCES, September 30	\$ 7,881,592	\$ 7,881,592	\$ 11,247,078	\$ 3,365,486

This Page Intentionally Left Blank

Supplementary Information

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.

Parker County, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue Funds			
	Historical Commission	Estray	Abandoned Vehicle	Courthouse Security
ASSETS				
Cash	\$ 105,100	\$ 8,096	\$ 7,494	\$ 68,912
Investments	13,130	21,337	19,643	180,574
Receivables:				
Intergovernmental	-	-	-	-
Other	-	195	-	2,615
TOTAL ASSETS	\$ 118,230	\$ 29,628	\$ 27,137	\$ 252,101
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,353	\$ 260	\$ -	\$ 23
Accrued salaries and benefits payable	-	-	-	1,324
Due to other governmental entities	-	-	-	-
Total liabilities	3,353	260	-	1,347
Fund balances:				
Nonspendable - prepaid	-	-	-	-
Restricted for state and federal programs	-	29,368	27,137	250,754
Committed for state and special programs	114,877	-	-	-
Total fund balances	114,877	29,368	27,137	250,754
TOTAL LIABILITIES AND FUND BALANCES	\$ 118,230	\$ 29,628	\$ 27,137	\$ 252,101

Special Revenue Funds					
Voter Registration	Sheriff's Forfeiture Federal Share	Contract Elections	Pre-Trial Intervention	Sheriff's Evidence	Sheriff's Forfeiture
\$ 6,142	\$ 43,447	\$ 69,949	\$ 18,791	\$ 2,862	\$ 84,792
16,085	111,855	183,837	49,256	7,503	79,300
6,034	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 28,261</u>	<u>\$ 155,302</u>	<u>\$ 253,786</u>	<u>\$ 68,047</u>	<u>\$ 10,365</u>	<u>\$ 164,092</u>
\$ 6,034	\$ 8,132	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
6,034	8,132	-	-	-	-
-	-	-	-	-	-
22,227	147,170	253,786	68,047	10,365	164,092
-	-	-	-	-	-
<u>22,227</u>	<u>147,170</u>	<u>253,786</u>	<u>68,047</u>	<u>10,365</u>	<u>164,092</u>
<u>\$ 28,261</u>	<u>\$ 155,302</u>	<u>\$ 253,786</u>	<u>\$ 68,047</u>	<u>\$ 10,365</u>	<u>\$ 164,092</u>

Parker County, Texas
Combining Balance Sheet
Nonmajor Governmental Funds – Continued
September 30, 2022

	Special Revenue Funds			
	LEOSE	District Attorney State Supplement	Special District Attorney	Special County Attorney
ASSETS				
Cash	\$ 4,524	\$ 2,684	\$ 6,671	\$ 2,525
Investments	11,858	6,580	17,173	6,504
Receivables:				
Intergovernmental	-	-	-	-
Other	-	-	-	-
TOTAL ASSETS	\$ 16,382	\$ 9,264	\$ 23,844	\$ 9,029
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 131	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	-	275	-	-
Due to other governmental entities	-	-	-	-
Total liabilities	131	275	-	-
Fund balances:				
Nonspendable - Prepaid	-	-	-	-
Restricted for state and federal programs	16,251	8,989	23,844	9,029
Committed for state and special programs	-	-	-	-
Total fund balances	16,251	8,989	23,844	9,029
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,382	\$ 9,264	\$ 23,844	\$ 9,029

Special Revenue Funds

District Attorney Awarded	Justice Technology Fund	Law Library	Road and Bridge Escrow	Juvenile Probation Fees and Grant	Adult Probation Bond Fund
\$ 100,704	\$ 161,226	\$ 111,505	\$ 347,169	\$ 117,041	\$ 74,684
238,158	422,572	292,151	893,805	301,654	192,279
-	-	-	-	14,446	-
-	168	3,100	49,315	-	-
<u>\$ 338,862</u>	<u>\$ 583,966</u>	<u>\$ 406,756</u>	<u>\$ 1,290,289</u>	<u>\$ 433,141</u>	<u>\$ 266,963</u>
\$ -	\$ 192	\$ 729	\$ 84,700	\$ 76,707	\$ 2,459
-	-	-	-	10,082	-
-	-	-	1,205,589	-	-
-	192	729	1,290,289	86,789	2,459
-	-	-	-	-	-
338,862	583,774	406,027	-	346,352	264,504
-	-	-	-	-	-
<u>338,862</u>	<u>583,774</u>	<u>406,027</u>	<u>-</u>	<u>346,352</u>	<u>264,504</u>
<u>\$ 338,862</u>	<u>\$ 583,966</u>	<u>\$ 406,756</u>	<u>\$ 1,290,289</u>	<u>\$ 433,141</u>	<u>\$ 266,963</u>

Parker County, Texas

Combining Balance Sheet

Nonmajor Governmental Funds – Continued

September 30, 2022

	Special Revenue Funds			
	District Court Records Technology	Justice Court Security	County/ District Technology	County Clerk Records Management
ASSETS				
Cash	\$ 30,683	\$ 41,799	\$ 10,768	\$ 438,586
Investments	80,438	109,553	28,219	1,129,162
Receivables:				
Intergovernmental	-	-	-	-
Other	-	52	224	1,805
TOTAL ASSETS	\$ 111,121	\$ 151,404	\$ 39,211	\$ 1,569,553
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 9,269
Accrued salaries and benefits payable	-	-	-	1,386
Due to other governmental entities	-	-	-	-
Total liabilities	-	-	-	10,655
Fund balances:				
Nonspendable - Prepaid	-	-	-	-
Restricted for state and federal programs	111,121	151,404	39,211	1,558,898
Committed for state and special programs	-	-	-	-
Total fund balances	111,121	151,404	39,211	1,558,898
TOTAL LIABILITIES AND FUND BALANCES	\$ 111,121	\$ 151,404	\$ 39,211	\$ 1,569,553

Special Revenue Funds						
County Clerk Vital Records	Records Management County Wide	District Clerk Records Management	Court Reporters Service	District Clerk	Court Record Preservation	
\$ 10,378	\$ 114,508	\$ 25,134	\$ 106,749	\$ 104,347	\$ 67,100	
27,185	299,918	65,899	279,854	273,399	175,898	
-	-	-	-	-	-	-
37	4,410	-	2,229	1,355	-	-
<u>\$ 37,600</u>	<u>\$ 418,836</u>	<u>\$ 91,033</u>	<u>\$ 388,832</u>	<u>\$ 379,101</u>	<u>\$ 242,998</u>	
\$ -	\$ 37	\$ -	\$ 4,358	\$ 15	\$ -	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	37	-	4,358	15	-	-
-	-	-	-	-	-	-
37,600	418,799	91,033	384,474	379,086	242,998	
-	-	-	-	-	-	-
<u>37,600</u>	<u>418,799</u>	<u>91,033</u>	<u>384,474</u>	<u>379,086</u>	<u>242,998</u>	
<u>\$ 37,600</u>	<u>\$ 418,836</u>	<u>\$ 91,033</u>	<u>\$ 388,832</u>	<u>\$ 379,101</u>	<u>\$ 242,998</u>	

Parker County, Texas
 Combining Balance Sheet
 Nonmajor Governmental Funds – Continued
 September 30, 2022

	Special Revenue Funds			
	Document Preservation	Child Abuse Prevention	Specialty Court	DA Pretrial Intervention
ASSETS				
Cash	\$ 321,773	\$ 578	\$ 10,710	\$ 2,820
Investments	828,420	1,513	28,031	7,380
Receivables:				
Intergovernmental	-	-	-	-
Other	1,790	35	1,177	-
TOTAL ASSETS	\$ 1,151,983	\$ 2,126	\$ 39,918	\$ 10,200
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 78,477	\$ -	\$ 5	\$ -
Accrued salaries and benefits payable	2,041	-	-	-
Due to other governmental entities	-	-	-	-
Total liabilities	80,518	-	5	-
Fund balances:				
Nonspendable - Prepaid	-	-	-	-
Restricted for state and federal programs	1,071,465	2,126	39,913	10,200
Committed for state and special programs	-	-	-	-
Total fund balances	1,071,465	2,126	39,913	10,200
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,151,983	\$ 2,126	\$ 39,918	\$ 10,200

Special Revenue Funds						Total
Court Facility	Language Access	Court-Initiated Guardianship	Judicial Education & Support	Other Grant Funds		Non-major Governmental Funds
\$ 9,618	\$ 2,984	\$ 3,781	\$ 613	\$ 17,102	\$	2,664,349
25,091	7,784	9,865	1,601	43,781	\$	6,488,245
-	-	-	-	12,419		32,899
1,760	279	330	55	-		70,931
<u>\$ 36,469</u>	<u>\$ 11,047</u>	<u>\$ 13,976</u>	<u>\$ 2,269</u>	<u>\$ 73,302</u>	<u>\$</u>	<u>9,256,424</u>
\$ 20	\$ 3	\$ -	\$ -	\$ -	\$	274,904
-	-	-	-	-		15,108
-	-	-	-	-		1,205,589
20	3	-	-	-		1,495,601
-	-	-	-	-		-
36,449	11,044	13,976	2,269	73,302		7,645,946
-	-	-	-	-		114,877
<u>36,449</u>	<u>11,044</u>	<u>13,976</u>	<u>2,269</u>	<u>73,302</u>		<u>7,760,823</u>
<u>\$ 36,469</u>	<u>\$ 11,047</u>	<u>\$ 13,976</u>	<u>\$ 2,269</u>	<u>\$ 73,302</u>	<u>\$</u>	<u>9,256,424</u>

Parker County, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Nonmajor Governmental Funds
 Year Ended September 30, 2022

	Special Revenue Funds			
	Historical Commission	Estray	Abandoned Vehicle	Courthouse Security
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	126,979
Interest	44	-	-	-
Miscellaneous	2,554	25,473	-	-
Total revenues	2,598	25,473	-	126,979
EXPENDITURES				
Current				
General government	12,399	-	-	-
Health and Welfare	-	-	-	-
Public safety	-	-	-	78,509
Law enforcement	-	7,332	-	-
Judicial	-	-	-	-
Recording	-	-	-	-
Capital outlays	-	-	-	-
Total expenditures	12,399	7,332	-	78,509
Excess (deficiency) of revenues				
Net changes in fund balances	(9,801)	18,141	-	48,470
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Operating transfers in	15,000	-	-	-
Operating transfers out	-	(11,000)	-	-
Total financing other sources (uses)	15,000	(11,000)	-	-
NET CHANGES IN FUND BALANCES	5,199	7,141	-	48,470
Fund balances - beginning of year	109,678	22,227	27,137	202,284
Fund balances - end of year	\$ 114,877	\$ 29,368	\$ 27,137	\$ 250,754

Special Revenue Funds						
Voter Registration	Sheriff's Forfeiture Federal Share	Contract Elections	Pre-Trial Intervention	Sheriff's Evidence	Sheriff's Forfeiture	
\$ 13,056	\$ 105,861	\$ -	\$ -	\$ -	\$ -	
-	-	143,322	450	-	-	
-	757	-	-	-	-	
-	-	-	-	-	134,865	
13,056	106,618	143,322	450	-	134,865	
13,056	-	112,770	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	34,827	-	-	-	36,483	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	54,733	-	-	-	-	
13,056	89,560	112,770	-	-	36,483	
-	17,058	30,552	450	-	98,382	
-	-	-	-	-	20,600	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	20,600	
-	17,058	30,552	450	-	118,982	
22,227	130,112	223,234	67,597	10,365	45,110	
\$ 22,227	\$ 147,170	\$ 253,786	\$ 68,047	\$ 10,365	\$ 164,092	

Parker County, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Nonmajor Governmental Funds – Continued
 Year Ended September 30, 2022

	Special Revenue Funds			
	LEOSE	District Attorney State Supplement	Special District Attorney	Special County Attorney
REVENUES				
Intergovernmental	\$ -	\$ 22,500	\$ -	\$ -
Fees of office	3,331	-	627	1,900
Interest	-	-	119	43
Miscellaneous	-	-	-	-
Total revenues	3,331	22,500	746	1,943
EXPENDITURES				
Current				
General government	-	-	-	-
Health and Welfare	-	-	-	-
Public safety	-	-	-	-
Law enforcement	-	-	-	-
Judicial	1,508	20,085	-	1,034
Recording	-	-	-	-
Capital outlays	-	-	-	-
Total expenditures	1,508	20,085	-	1,034
Excess (deficiency) of revenues				
Net changes in fund balances	1,823	2,415	746	909
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	1,823	2,415	746	909
Fund balances - beginning of year	14,428	6,574	23,098	8,120
Fund balances - end of year	\$ 16,251	\$ 8,989	\$ 23,844	\$ 9,029

Special Revenue Funds					
District Attorney Awarded	Justice Technology Fund	Law Library	Road and Bridge Escrow	Juvenile Probation Fees and Grant	Adult Probation Bond Fund
\$ -	\$ -	\$ -	\$ -	\$ 884,115	\$ -
-	31,761	77,319	-	13,256	211,133
1,600	-	-	-	-	541
86,052	-	-	-	-	-
87,652	31,761	77,319	-	897,371	211,674
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,531	10,141	30,048	-	895,485	333,266
-	-	-	-	-	-
-	-	-	-	9,420	-
6,531	10,141	30,048	-	904,905	333,266
81,121	21,620	47,271	-	(7,534)	(121,592)
-	-	-	-	-	-
-	-	-	-	-	250,000
-	-	-	-	-	-
-	-	-	-	-	250,000
81,121	21,620	47,271	-	(7,534)	128,408
257,741	562,154	358,756	-	353,886	136,096
\$ 338,862	\$ 583,774	\$ 406,027	\$ -	\$ 346,352	\$ 264,504

Parker County, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Nonmajor Governmental Funds – Continued
 Year Ended September 30, 2022

	Special Revenue Funds			
	District Court Records Technology	Justice Court Security	County/ District Technology	County Clerk Records Management
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fees of office	4,922	9,680	3,712	498,180
Interest	-	-	-	7,665
Miscellaneous	-	-	-	-
Total revenues	4,922	9,680	3,712	505,845
EXPENDITURES				
Current				
General government	-	-	-	-
Health and Welfare	-	-	-	-
Public safety	-	-	-	-
Law enforcement	-	-	-	-
Judicial	-	-	-	-
Recording	30,000	-	-	281,277
Capital outlays	-	10,775	-	-
Total expenditures	30,000	10,775	-	281,277
Excess (deficiency) of revenues				
Net changes in fund balances	(25,078)	(1,095)	3,712	224,568
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	(25,078)	(1,095)	3,712	224,568
Fund balances - beginning of year	136,199	152,499	35,499	1,334,330
Fund balances - end of year	\$ 111,121	\$ 151,404	\$ 39,211	\$ 1,558,898

Special Revenue Funds						
County Clerk Vital Records	Records Management County Wide	District Clerk Records Management	Court Reporters Service	District Clerk	Court Record Preservation	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,831	91,539	2,521	54,659	43,398	7,540	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,831	91,539	2,521	54,659	43,398	7,540	
-	-	-	51,584	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	338	-	-	-
290	1,927	27,991	-	-	30,000	
-	35,462	-	-	-	-	-
290	37,389	27,991	51,922	-	30,000	
7,541	54,150	(25,470)	2,737	43,398	(22,460)	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,541	54,150	(25,470)	2,737	43,398	(22,460)	
30,059	364,649	116,503	381,737	335,688	265,458	
\$ 37,600	\$ 418,799	\$ 91,033	\$ 384,474	\$ 379,086	\$ 242,998	

Parker County, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Nonmajor Governmental Funds – Continued
 Year Ended September 30, 2022

	Special Revenue Funds			
	Document Preservation	Child Abuse Prevention	Specialty Court Fund	DA Pretrial Intervention
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fees of office	495,946	546	18,736	5,800
Interest	5,434	-	-	-
Miscellaneous	-	-	-	-
Total revenues	501,380	546	18,736	5,800
EXPENDITURES				
Current				
General government	-	-	-	-
Health and Welfare	-	-	-	-
Public safety	-	-	-	-
Law enforcement	-	-	-	-
Judicial	-	-	-	-
Recording	175,960	-	-	-
Capital outlays	-	-	-	-
Total expenditures	175,960	-	-	-
Excess (deficiency) of revenues				
Net changes in fund balances	325,420	546	18,736	5,800
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	325,420	546	18,736	5,800
Fund balances - beginning of year	746,045	1,580	21,177	4,400
Fund balances - end of year	\$ 1,071,465	\$ 2,126	\$ 39,913	\$ 10,200

Special Revenue Funds						Total
Court Facility	Language Access	Court-Initiated Guardianship	Judicial Education & Support	Other Grant Funds		Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 71,729	\$	1,097,261
36,449	11,044	13,976	2,269	-		1,918,826
-	-	-	-	-		16,203
-	-	-	-	-		248,944
36,449	11,044	13,976	2,269	71,729		3,281,234
-	-	-	-	-		189,809
-	-	-	-	4,138		4,138
-	-	-	-	40,752		119,261
-	-	-	-	-		78,642
-	-	-	-	29,037		1,327,473
-	-	-	-	-		547,445
-	-	-	-	-		110,390
-	-	-	-	73,927		2,377,158
36,449	11,044	13,976	2,269	(2,198)		904,076
-	-	-	-	-		20,600
-	-	-	-	-		265,000
-	-	-	-	-		(11,000)
-	-	-	-	-		274,600
36,449	11,044	13,976	2,269	(2,198)		1,178,676
-	-	-	-	75,500		6,582,147
\$ 36,449	\$ 11,044	\$ 13,976	\$ 2,269	\$ 73,302	\$	7,760,823

This Page Intentionally Left Blank

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.

District Attorney Restitution Account - To account for monies received by the District Attorney's office for restitution ordered for victims.

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, 2022

	Sheriff's Jail Trust Account	Auto Registration Account	Vehicle Inventory Tax Escrow	County Clerk's Court Fund Account	County Attorney's Escrow Account
ASSETS					
Cash	\$ 4,139	\$ 484,013	\$ 1,110,988	\$ 52,940	\$ 1,558
Investments	-	-	-	-	-
Total assets	<u>\$ 4,139</u>	<u>\$ 484,013</u>	<u>\$ 1,110,988</u>	<u>\$ 52,940</u>	<u>\$ 1,558</u>
LIABILITIES					
Deposits held and due to others	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Restricted - Individuals, organizations, and other governments	<u>\$ 4,139</u>	<u>\$ 484,013</u>	<u>\$ 1,110,988</u>	<u>\$ 52,940</u>	<u>\$ 1,558</u>
Total net position	<u>\$ 4,139</u>	<u>\$ 484,013</u>	<u>\$ 1,110,988</u>	<u>\$ 52,940</u>	<u>\$ 1,558</u>

County Clerk's Deposit Account	County Clerk's Bond Account	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
\$ 388,902	\$ 209,103	\$ 587,473	\$ 781,312	\$ 150,313	\$ 2,043,244	\$ 209,109
-	-	-	-	-	-	-
\$ 388,902	\$ 209,103	\$ 587,473	\$ 781,312	\$ 150,313	\$ 2,043,244	\$ 209,109
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 388,902	\$ 209,103	\$ 587,473	\$ 781,312	\$ 150,313	\$ 2,043,244	\$ 209,109
\$ 388,902	\$ 209,103	\$ 587,473	\$ 781,312	\$ 150,313	\$ 2,043,244	\$ 209,109

Parker County, Texas

Combining Statement of Net Position –
 Fiduciary Funds – Continued
 September 30, 2022

	Sherriff's Office Inmate Trust Account	County Jail Commissary Fund	Adult Probation Fund	V.I.T Interest Account	District Attorney Trust Account
ASSETS					
Cash	\$ 67,447	\$ 97,358	\$ 180,247	\$ 37,771	\$ 124,810
Investments	-	-	464,058	-	-
Total assets	<u>\$ 67,447</u>	<u>\$ 97,358</u>	<u>\$ 644,305</u>	<u>\$ 37,771</u>	<u>\$ 124,810</u>
LIABILITIES					
Deposits held and due to others	\$ -	\$ -	\$ 14,499	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,499</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION					
Restricted - Individuals, organizations, and other governments	<u>\$ 67,447</u>	<u>\$ 97,358</u>	<u>\$ 629,806</u>	<u>\$ 37,771</u>	<u>\$ 124,810</u>
Total net position	<u>\$ 67,447</u>	<u>\$ 97,358</u>	<u>\$ 629,806</u>	<u>\$ 37,771</u>	<u>\$ 124,810</u>

District Attorney Restituion Account	County Clerk's Probate Fund	TPWD Funds Account	Juvenile Probation Restitution Account	CSCD Restitution Account	Total Agency Funds
\$ 70,711	\$ 36,554	\$ 4,865	\$ 4,029	\$ -	\$ 6,646,886
-	-	-	-	-	464,058
<u>\$ 70,711</u>	<u>\$ 36,554</u>	<u>\$ 4,865</u>	<u>\$ 4,029</u>	<u>\$ -</u>	<u>\$ 7,110,944</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,499
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,499</u>
\$ 70,711	\$ 36,554	\$ 4,865	\$ 4,029	\$ -	\$ 7,096,445
<u>\$ 70,711</u>	<u>\$ 36,554</u>	<u>\$ 4,865</u>	<u>\$ 4,029</u>	<u>\$ -</u>	<u>\$ 7,096,445</u>

Parker County, Texas

Combining Statement of Changes in Net Position –
Fiduciary Funds
September 30, 2022

	Sheriff's Jail Trust Account	Auto Registration Account	Vehicle Inventory Tax Escrow	County Clerk's Court Fund Account	County Attorney's Escrow Account
ADDITIONS					
Vehicle registration fees collected for state	\$ -	\$ 62,514,509	\$ 1,698,648	\$ -	\$ -
Judicial/statutory ordered collections due to others	-	-	-	830,839	-
Held for others	1,723,558	-	-	-	24,749
Interest earnings	-	-	449	-	10
Total additions	<u>1,723,558</u>	<u>62,514,509</u>	<u>1,699,097</u>	<u>830,839</u>	<u>24,759</u>
DEDUCTIONS					
Vehicle registration due to state	-	62,419,849	1,787,377	-	-
Payments due under judicial order/statute	-	-	-	826,986	-
Payments to other governments and organizations	-	-	-	-	-
Payments to individuals	1,735,300	-	-	-	23,718
Total deductions	<u>1,735,300</u>	<u>62,419,849</u>	<u>1,787,377</u>	<u>826,986</u>	<u>23,718</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(11,742)	94,660	(88,280)	3,853	1,041
NET POSITION - BEGINNING OF YEAR	<u>15,881</u>	<u>389,353</u>	<u>1,199,268</u>	<u>49,087</u>	<u>517</u>
NET POSITION - END OF YEAR	<u>\$ 4,139</u>	<u>\$ 484,013</u>	<u>\$ 1,110,988</u>	<u>\$ 52,940</u>	<u>\$ 1,558</u>

County Clerk's Deposit Account	County Clerk's Bond Account	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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,316,648	-	-
-	168,568	432,776	15,000	-	3,667,701	36,300
-	-	-	1,682	-	-	368
-	168,568	432,776	16,682	1,316,648	3,667,701	36,668
-	-	-	-	-	-	-
-	-	-	-	1,288,587	-	-
-	-	-	-	-	-	-
8,760	77,848	215,025	739,469	-	2,699,108	54,694
8,760	77,848	215,025	739,469	1,288,587	2,699,108	54,694
(8,760)	90,720	217,751	(722,787)	28,061	968,593	(18,026)
397,662	118,383	369,722	1,504,099	122,252	1,074,651	227,135
\$ 388,902	\$ 209,103	\$ 587,473	\$ 781,312	\$ 150,313	\$ 2,043,244	\$ 209,109

Parker County, Texas

Combining Statement of Changes in Net Position –
Fiduciary Funds – Continued
September 30, 2022

	Sherriff's Office Inmate Trust Account	County Jail Commissary Fund	Adult Probation Fund	V.I.T Interest Account
ADDITIONS				
Vehicle registration fees collected for state	\$ -	\$ -	\$ -	\$ -
Judicial/statutory ordered collections due to others	-	-	1,881,785	-
Held for others	997,777	128,062	-	-
Interest earnings	-	-	3,332	468
	<u>997,777</u>	<u>128,062</u>	<u>1,885,117</u>	<u>468</u>
Total additions	<u>997,777</u>	<u>128,062</u>	<u>1,885,117</u>	<u>468</u>
DEDUCTIONS				
Vehicle registration due to state	-	-	-	-
Payments due under judicial order/statute	-	-	1,906,394	-
Payments to other governments and organizations	-	88,953	-	1,673
Payments to individuals	1,044,750	-	-	-
	<u>1,044,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>1,044,750</u>	<u>88,953</u>	<u>1,906,394</u>	<u>1,673</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(46,973)	39,109	(21,277)	(1,205)
NET POSITION - BEGINNING OF YEAR	<u>114,420</u>	<u>58,249</u>	<u>651,083</u>	<u>38,976</u>
NET POSITION - END OF YEAR	<u>\$ 67,447</u>	<u>\$ 97,358</u>	<u>\$ 629,806</u>	<u>\$ 37,771</u>

District Attorney Trust Account	District Attorney Restitution Account	County Clerk's Probate Fund	TPWD Funds Account	Juvenile Probation Restitution Account	CSCD Restitution Account	Total Fiduciary Funds
\$ -	\$ -	\$ -	\$ 232,218	\$ -	\$ -	\$ 64,445,375
-	166,937	-	-	3,572	2,407,696	6,607,477
79,767	-	1,400	-	-	-	7,275,658
-	-	-	-	-	-	6,309
<u>79,767</u>	<u>166,937</u>	<u>1,400</u>	<u>232,218</u>	<u>3,572</u>	<u>2,407,696</u>	<u>78,334,819</u>
-	-	-	227,438	-	-	64,434,664
-	96,226	-	-	3,887	2,434,144	6,556,224
202,943	-	-	-	-	-	293,569
-	-	200	-	-	-	6,598,872
<u>202,943</u>	<u>96,226</u>	<u>200</u>	<u>227,438</u>	<u>3,887</u>	<u>2,434,144</u>	<u>77,883,329</u>
(123,176)	70,711	1,200	4,780	(315)	(26,448)	451,490
247,986	-	35,354	85	4,344	26,448	6,644,955
<u>\$ 124,810</u>	<u>\$ 70,711</u>	<u>\$ 36,554</u>	<u>\$ 4,865</u>	<u>\$ 4,029</u>	<u>\$ -</u>	<u>\$ 7,096,445</u>

This Page Intentionally Left Blank

Federal and State Award Programs

This Page Intentionally Left Blank

**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, each major fund, and the aggregate remaining fund information of Parker County, Texas (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 30, 2023.

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 30, 2023

**Independent Auditor's Report on Compliance for
Each Major Federal and State Program and Report on Internal Control
over Compliance in Accordance with the Uniform Guidance
and the Texas Grant Management Standards**

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Parker County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the Texas Grant Management Standards (TxGMS) that could have a direct and material effect on each of Parker County's major federal and state programs for the year ended September 30, 2022. Parker County's major federal and state 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 and state programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS): the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and TxGMS. Our responsibilities under those standards 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 and state 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 and state 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*, the Uniform Guidance, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Parker County's compliance with the requirements of each major federal and state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 and TxGMS, 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 30, 2023

Parker County, Texas

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

I. Summary of the Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

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

An unmodified opinion was issued on compliance for major programs.

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

Identification of major program:

<u>Program/Cluster Name</u>	<u>Assistance Listing #</u>	<u>Amount</u>
US 180 and FM 730 Widening	20.205	\$ 996,203

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

Auditee qualified as a low-risk auditee? Yes No

Parker County, Texas

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

State Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

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

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that were required to be
reported in accordance with Texas Grant
Management Standards? _____ Yes X No

Identification of major program:

<u>Program/Cluster Name</u>	<u>Amount</u>
US 180 and FM 730 Widening	\$ 249,201

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

**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 and State Awards

There were no matters reported

Parker County, Texas

Summary of Prior Audit Findings
For the Year Ended September 30, 2022

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, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct Programs			
Equitable Sharing Program	16.922	NCIC# 1840000	\$ 89,559
Total Direct Programs			89,559
Passed Through Texas Department of Criminal Justice State Criminal Alien Assistance Program (SCAAP)	16.606	15PBJA-20-RR-00555-SACC & 15PBJA-21-RR-04843-SCAA	58,170
Total Passed Through Texas Department of Criminal Justice			58,170
TOTAL U.S. DEPARTMENT OF JUSTICE			147,729
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Texas Department of Transportation US 180 and FM 730 Widening	20.205	CSJ 0008-03-119 & 1601-01-032	996,803
Total Passed Through Texas Department of Transportation			996,803
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			996,803
U.S. DEPARTMENT OF TREASURY			
Direct Programs			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	449,395
Total Direct Programs			449,395
TOTAL U.S. DEPARTMENT OF TREASURY			449,395
U.S. ELECTION ASSISTANCE COMMISSION			
Passed Through Texas Division Secretary of State HAVA Election Security Grants	90.404	TX18101001	4,138
Total Passed Through Texas Secretary of State			4,138
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			4,138
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Department of State Health Services			
Public Health Emergency Preparedness - Cities Readiness Grant FY2022	93.069	537-18-0156-00001 Amendment 5	28,350
Public Health Emergency Preparedness - Cities Readiness Grant FY2023	93.069	537-18-0156-00001 Amendment 6	12,402
Total Passed Through Texas Department of State Health Services			40,752
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			40,752
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)	2,963
Total Passed Through Texas Division of Emergency Management			2,963
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			2,963
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,641,780

Parker County, Texas

Schedule of Expenditures of State Awards
For the Year Ended September 30, 2022

State Grantor/ Pass-Through Grantor/ Program Title	Pass-through Identifying Number	State Expenditures
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		
Direct Programs		
Texas Natural Gas Vehicle Grant Program (TNGVGP)	582-21-23389-NV & 582-21-23390-NV	\$ 125,865
Total Direct Programs		125,865
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		125,865
TEXAS DEPARTMENT OF TRANSPORTATION		
Direct Programs		
Old Weatherford Road Bicycle & Pedestrian Improvements	CSJ 0902-38-140	125,108
US 180 and FM 730 Widening	CSJ 0008-03-119 & 1601-01-032	249,201
Total Direct Programs		374,309
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		374,309
TEXAS INDIGENT DEFENSE COMMISSION		
Direct Programs		
Texas Indigent Defense Formula Grant	212-22-184	80,957
Total Direct Programs		80,957
TOTAL TEXAS INDIGENT DEFENSE COMMISSION		80,957
TEXAS DEPARTMENT OF MOTOR VEHICLES		
Passed Through Tarrant County		
Tarrant County Auto Crimes Task Force 2022	608-22-2200000	82,846
Total Passed Through Tarrant County		82,846
TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES		82,846
OFFICE OF THE ATTORNEY GENERAL		
Direct Programs		
Statewide Automated Victim Notification Services Grant	202122449-00-467-01	18,592
Total Direct Programs		18,592
TOTAL OFFICE OF THE ATTORNEY GENERAL		18,592
OFFICE OF THE GOVERNOR CRIMINAL JUSTICE DIVISION		
Direct Programs		
Engaging Youth & Preventing Truancy	3994302	71,455
Total Direct Programs		71,455
TOTAL OFFICE OF THE GOVERNOR CRIMINAL JUSTICE DIVISION		71,455
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 754,024</u>

Parker County, Texas

Notes to Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2022

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, 2022. 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, Audit Requirements for Federal Awards* (Uniform Guidance), and the Texas Grant Management Standards (TxGMS).

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

Note 2. Loans

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