

# **Parker County, Texas**

Annual Financial Report

September 30, 2023



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**Parker County, Texas**  
 Annual Financial Report  
 Year Ended September 30, 2023  
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# **Financial Section**

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## Independent Auditor's Report

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

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

In our opinion, the 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, 2023, 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, 2023, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*.

#### 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County'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*, 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 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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 26, 2024 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 26, 2024

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## Management's Discussion And Analysis

Management's discussion and analysis (MD&A) of Parker County's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2023. 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, 2023 by \$68,509,273 (net position). Of this amount, \$26,564,756 is restricted for specific purposes and \$(1,281,233) represents a deficit in unrestricted net position. Net position also reflects net investment in capital assets of \$43,225,750.
- In contrast to the government-wide statements, the fund statements report a combined fund balance at September 30, 2023 of \$87,194,444; of which \$16,680 represents nonspendable fund balance, \$48,341,921 represents fund balance restricted for funding of debt service, capital projects, the lateral road fund, and federal and state programs, \$1,721,061 represents fund balance committed to state and special programs, and \$37,114,782 or 43% represents unassigned fund balance.
- The general fund reports a fund balance of \$38,876,706; of which \$16,680 represents nonspendable fund balance, \$146,625 represents amounts restricted for federal and state programs and \$1,598,619 represents amounts committed to state and special programs, with the remaining reported as unassigned. Unassigned fund balance for the general fund equals 51% of total final budgeted 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-seven individual funds (excluding fiduciary funds), forty-two 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 56 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 59 through 64 of this report. Combining statements and schedules are also included in the report as other supplementary information and can be found on pages 70 through 97.

### 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 \$68,509,273 as of September 30, 2023.

#### Parker County's Net Position

	Governmental Activities	
	2023	2022
Current and other assets	\$ 138,111,030	\$ 150,133,764
Capital assets, net of depreciation/amortization	124,670,441	104,673,950
Total assets	262,781,471	254,807,714
Deferred outflow of resources	13,753,804	12,631,553
Long-term liabilities, including due in one year	166,973,527	155,672,206
Unearned revenue	30,006,265	37,677,874
Other liabilities	9,676,668	12,120,629
Total liabilities	206,656,460	205,470,709
Deferred inflow of resources	1,369,542	17,687,172
Net position		
Net investment in capital assets	43,225,750	25,543,190
Restricted	26,564,756	22,594,755
Unrestricted	(1,281,233)	(3,856,559)
<b>Total net position</b>	<b>\$ 68,509,273</b>	<b>\$ 44,281,386</b>

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 \$43,225,750. 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 \$26,564,756 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 \$1,281,233, which is the result of prior year conveyance of assets to other governmental entities.

The County's governmental activities increased net position by \$24,227,887 during the current year. The total cost of all governmental activities this year was \$86,368,821. The amount that our taxpayers paid for these activities through property taxes was \$61,137,292 or 71%.

### Parker County's Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues		
Program revenues		
Charges for services	\$ 16,091,726	\$ 13,929,433
Operating grants and contributions	9,037,061	4,464,663
Capital grants and contributions	744,968	1,246,004
General revenues		
Property taxes	61,137,292	58,350,604
Sales and other taxes	17,097,177	15,504,266
Investment earnings and unrealized gains/losses	6,140,163	754,446
Gain on disposal	135,906	-
Other	212,415	204,587
Total revenues	<u>110,596,708</u>	<u>94,454,003</u>
Expenses		
General government	13,670,426	12,645,054
Roads and bridges	14,576,554	13,242,699
Public safety	1,279,698	938,100
Law enforcement	29,291,326	26,067,720
Judicial	15,219,779	12,859,891
Health and welfare	1,359,551	1,047,462
Recording	4,102,474	3,533,458
Tax assessing-collecting	1,737,734	1,374,635
Interest and other costs	5,131,279	5,201,400
Total expenses	<u>86,368,821</u>	<u>76,910,419</u>
Change in net position	24,227,887	17,543,584
Net position-beginning	<u>44,281,386</u>	<u>26,737,802</u>
<b>Net position-ending</b>	<u><u>\$ 68,509,273</u></u>	<u><u>\$ 44,281,386</u></u>

## Revenues by Source

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

- Program revenues of \$25,873,755 equaled 30% of governmental expenses of \$86,368,821. As expected, general revenues in the amount of \$84,587,047 provided the remaining support and coverage for expenses.
- 34% or \$29,291,326 of the expenses are law enforcement while this category provided 2% of total revenues.
- Roads and bridges and judicial account for \$29,796,333 or 34% of expenses while providing about 10% of total revenues.
- Operating grant revenues and contributions comprised about 8% 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 \$87,194,444 a decrease of \$2,722,269 in comparison with the prior year. Approximately \$37,114,782 or 43% 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 \$16,680, committed fund balance of \$1,721,061, and restricted fund balance of \$48,341,921. Committed fund balance is set aside for state and special programs while the restricted fund balance is set aside to pay debt service in the amount of \$3,565,984, and fund capital projects in the amount of \$21,320,078, lateral roads in the amount of \$14,846,614, and federal and state programs in the amount of \$8,609,245.

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 \$38,876,706, of which \$16,680 was nonspendable fund balance, \$146,625 was restricted, \$1,598,619 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 \$3,651,692, which is primarily due to less expenditures than revenue to operate the County.

The debt service fund has a total fund balance of \$3,565,984, all of which is restricted for debt service. The decrease in the debt service fund was \$594,793.

The capital projects funds had a total fund balance of \$21,320,078 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 \$10,202,943 after capital outlay expenditures.

The lateral road fund had a total fund balance of \$14,846,614, 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 \$3,599,536 due to continued healthy property tax collections.

## General Fund Budgetary Highlights

The original fiscal year 2023 budget was adopted in September 2022, with total general fund expenditures in the amount of \$71,817,656.

In total, the original general fund budget for expenditures were \$668,178 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 \$5,606,717 primarily due to the increase in sales tax collections, increase in investment earnings and unrealized gains on investments, and property taxes over what was expected; and
- Actual expenditures were \$6,263,146 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, 2023, capital assets, net of accumulated depreciation, in the governmental activities totaled \$124,670,441. 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 \$7,103,142.

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

	Governmental Activities	
	2023	2022
Land	\$ 22,829,505	\$ 19,529,994
Work in progress	26,812,560	25,125,661
Buildings and improvements	20,111,367	17,055,069
Infrastructure	39,719,749	31,388,578
Office furniture and equipment	2,971,204	2,750,027
Transportation equipment	3,703,255	2,453,486
Road maintenance equipment	5,491,727	4,660,310
Emergency management equipment	312,444	414,663
Right-to-use lease assets	878,609	1,220,093
Right-to-use subscription assets	1,757,638	-
Other	82,383	76,069
<b>Total</b>	<b>\$ 124,670,441</b>	<b>\$ 104,673,950</b>

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

## Long-Term Liabilities

As of September 30, 2023, the County had unlimited tax road bonds, tax notes, and general obligation refunding bonds of \$133,013,540. Total leases payable were \$855,706. Total subscriptions payable were \$1,740,903. Financed purchases payable were \$1,084,221.

The County's total property tax rate for fiscal year 2023 was \$0.312336 per \$100 assessed valuation, of which \$0.057587 was for annual debt service, \$0.062790 was for maintenance of County roads accounted for in the lateral road fund with the remaining \$0.191959 levied on general maintenance and operations in the general fund. Revenue in each of the taxing funds represented approximately 54%, 75% and 98% for the General Fund, Lateral Road Fund and Debt Service Fund, respectively. The revenue generated through property taxes largely offset the expenditure incurred in the respective funds, as shown below.

	General Fund	Lateral Road Fund	Debt Service Fund
Property Taxes	\$ 37,296,795	\$ 12,632,490	\$ 11,208,123
Other Revenue	31,362,078	4,263,463	237,194
<b>Total Revenue</b>	<b>68,658,873</b>	<b>16,895,953</b>	<b>11,445,317</b>
Expenditures	62,007,688	17,395,740	12,040,110
Other Financing Sources (Uses)	(2,999,493)	4,099,323	-
<b>Change in Fund Balance</b>	<b>\$ 3,651,692</b>	<b>\$ 3,599,536</b>	<b>\$ (594,793)</b>

## Parker County's Outstanding Debt

	Governmental Activities	
	2023	2022
Unlimited tax road bonds	\$ 125,573,540	\$ 129,014,412
Tax notes	4,350,000	5,675,000
General obligation refunding bonds	3,090,000	4,570,000
Financed purchases	1,084,221	1,594,435
Leases payable	855,706	1,187,633
Subscriptions payable	1,740,903	-
<b>Total</b>	<b>\$ 136,694,370</b>	<b>\$ 142,041,480</b>

Additional information on the County's long-term debt can be found in Note 8 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 2024, 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 7%.

## **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**

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**Parker County, Texas**  
Statement of Net Position  
September 30, 2023

**Exhibit A-1**

	<b>Primary Government</b>
	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 14,724,995
Investments	117,081,326
Receivables, net of allowance	6,188,029
Prepaid expenses and other assets	116,680
Land and work in progress	49,642,065
Other capital assets, net of depreciation/amortization	75,028,376
Total assets	262,781,471
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred loss on refunding	4,278,164
Deferred outflows related to pension	9,288,480
Deferred outflows related to OPEB	187,160
Total deferred outflows of resources	13,753,804
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	7,221,735
Accrued salaries and benefits payable	895,591
Accrued interest payable	652,219
Due to other governmental entities	907,123
Unearned revenue	30,006,265
Noncurrent liabilities	
Due within one year	9,763,351
Due in more than one year	157,210,176
Total liabilities	206,656,460
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to leases	1,010,191
Deferred inflows related to OPEB	359,351
Total deferred inflows of resources	1,369,542
<b>NET POSITION</b>	
Net investment in capital assets	43,225,750
Restricted for	
Debt service	2,982,537
Lateral road	14,972,974
State and federal programs	8,609,245
Unrestricted	(1,281,233)
<b>TOTAL NET POSITION</b>	<b>\$ 68,509,273</b>

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

**Parker County, Texas**  
Statement of Activities  
Year Ended September 30, 2023

**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	
<b>PRIMARY GOVERNMENT</b>					
Governmental activities					
General government	\$ 13,670,426	\$ 441,937	\$ 5,627,556	\$ -	\$ (7,600,933)
Roads and bridges	14,576,554	6,060,409	871,952	744,968	(6,899,225)
Public safety	1,279,698	98,722	428,837	-	(752,139)
Law enforcement	29,291,326	1,235,784	983,215	-	(27,072,327)
Judicial	15,219,779	2,767,820	1,094,731	-	(11,357,228)
Health and welfare	1,359,551	651,461	30,770	-	(677,320)
Recording	4,102,474	1,792,261	-	-	(2,310,213)
Tax assessing-collecting	1,737,734	3,043,332	-	-	1,305,598
Interest and other costs	5,131,279	-	-	-	(5,131,279)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 86,368,821</b>	<b>\$ 16,091,726</b>	<b>\$ 9,037,061</b>	<b>\$ 744,968</b>	<b>(60,495,066)</b>

General revenue	
Property taxes	61,137,292
Sales and other taxes	17,097,177
Investment earnings and unrealized gains/losses	6,140,163
Other general revenue	212,415
Total general revenues	84,587,047
Gain on disposal	135,906
Change in net position	24,227,887
<b>Net position, beginning of year</b>	44,281,386
<b>NET POSITION, END OF YEAR</b>	<b>\$ 68,509,273</b>

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

**Parker County, Texas**  
 Balance Sheet – Governmental Funds  
 September 30, 2023

**Exhibit A-3**

	General	Lateral Road	Capital Projects Tax Road Bonds	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash	\$ 4,326,218	\$ 1,758,904	\$ 3,220,939	\$ 385,697	\$ 2,511,966	\$ 1,080,355	\$ 13,284,079
Investments	35,240,317	14,238,439	26,073,680	3,122,242	20,334,508	8,317,041	107,326,227
Receivables, net of allowance							
Property taxes	378,842	175,679	-	113,651	-	-	668,172
Intergovernmental	3,394,719	-	583,586	-	-	50,146	4,028,451
Leases	1,027,724	-	-	-	-	-	1,027,724
Other	59,293	192,917	-	13,166	-	26,425	291,801
Prepaid items and other assets	16,680	-	-	-	-	-	16,680
Total assets	44,443,793	16,365,939	29,878,205	3,634,756	22,846,474	9,473,967	126,643,134
<b>TOTAL ASSETS</b>	<b>\$ 44,443,793</b>	<b>\$ 16,365,939</b>	<b>\$ 29,878,205</b>	<b>\$ 3,634,756</b>	<b>\$ 22,846,474</b>	<b>\$ 9,473,967</b>	<b>\$ 126,643,134</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ 3,538,982	\$ 1,245,765	\$ 1,398,336	\$ -	\$ -	\$ 85,119	\$ 6,268,202
Accrued salaries and benefits payable	655,552	147,200	-	-	-	22,949	825,701
Due to other governmental entities	126,286	-	-	-	-	780,837	907,123
Unearned revenue	-	-	7,159,791	-	22,846,474	-	30,006,265
Total liabilities	4,320,820	1,392,965	8,558,127	-	22,846,474	888,905	38,007,291
Deferred inflows of resources							
Leases	1,010,191	-	-	-	-	-	1,010,191
Property taxes	236,076	126,360	-	68,772	-	-	431,208
Total deferred inflows of resources	1,246,267	126,360	-	68,772	-	-	1,441,399
Fund balances							
Nonspendable							
Inventory	15,130	-	-	-	-	-	15,130
Prepaid	1,550	-	-	-	-	-	1,550
Restricted for							
Debt service	-	-	-	3,565,984	-	-	3,565,984
Capital projects	-	-	21,320,078	-	-	-	21,320,078
Lateral road	-	14,846,614	-	-	-	-	14,846,614
Federal and state programs	146,625	-	-	-	-	8,462,620	8,609,245
Committed for state and special programs	1,598,619	-	-	-	-	122,442	1,721,061
Unassigned	37,114,782	-	-	-	-	-	37,114,782
Total fund balances	38,876,706	14,846,614	21,320,078	3,565,984	-	8,585,062	87,194,444
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 44,443,793</b>	<b>\$ 16,365,939</b>	<b>\$ 29,878,205</b>	<b>\$ 3,634,756</b>	<b>\$ 22,846,474</b>	<b>\$ 9,473,967</b>	<b>\$ 126,643,134</b>

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, 2023

<b>TOTAL FUND BALANCES - GOVERNEMENTAL FUNDS</b>	\$	87,194,444
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		124,670,441
<p>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.</p>		
Deferred outflows related to pension	\$	9,288,480
Deferred inflows related to pension		-
Net deferred outflows and inflows		9,288,480
<p>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.</p>		
Deferred outflows related to OPEB	\$	187,160
Deferred inflows related to OPEB		(359,351)
Net deferred outflows and inflows		(172,191)
<p>Accrued interest payable and arbitrage payable on long-term debt does not require current financial resources, therefore is not reported as a liability in the governmental funds balance sheet.</p>		
		(819,664)
<p>Revenues earned but not available within sixty days of year-end are not recognized as revenue on the fund financial statements.</p>		
		431,208
<p>Noncurrent liabilities, including bonds payable, leases, subscriptions, 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.</p>		
Bonds payable	\$	(133,013,540)
Financed purchases		(1,084,221)
Leases payable		(855,706)
Subscriptions payable		(1,740,903)
Deferred premiums on issuance		(11,794,332)
Net Pension liability		(15,987,626)
Total OPEB liability		(1,283,948)
Compensated absences		(1,213,251)
Total long-term liabilities		(166,973,527)
<p>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.</p>		
		4,278,164
<p>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.</p>		
		10,611,918
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>68,509,273</b>

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, 2023

	General	Lateral Road	Capital Projects Tax Road Bonds	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ 37,296,795	\$ 12,632,490	\$ -	\$ 11,208,123	\$ -	\$ -	\$ 61,137,408
Sales taxes	16,768,316	-	-	-	-	-	16,768,316
Intergovernmental	2,045,542	867,735	3,960,069	-	4,456,508	1,195,198	12,525,052
Fees of office	7,041,357	2,466,026	-	-	-	1,717,517	11,224,900
Investment earnings and unrealized gains/losses	3,480,519	654,209	1,584,968	237,194	-	183,273	6,140,163
Royalties	28,975	-	-	-	-	-	28,975
Miscellaneous	1,997,369	275,493	262,253	-	-	91,869	2,626,984
<b>Total revenues</b>	<b>68,658,873</b>	<b>16,895,953</b>	<b>5,807,290</b>	<b>11,445,317</b>	<b>4,456,508</b>	<b>3,187,857</b>	<b>110,451,798</b>
<b>EXPENDITURES</b>							
Current							
General government	10,706,967	-	89,081	-	-	154,542	10,950,590
Roads and bridges	-	10,348,418	-	-	-	-	10,348,418
Public safety	841,661	-	-	-	19,420	174,111	1,035,192
Law enforcement	26,696,928	-	-	-	-	37,014	26,733,942
Judicial	12,620,663	-	-	-	-	1,464,204	14,084,867
Health and welfare	1,238,058	-	-	-	-	-	1,238,058
Recording	3,227,311	-	-	-	-	619,020	3,846,331
Tax assessing-collecting	1,655,388	-	-	-	-	-	1,655,388
Capital outlay	3,483,618	6,918,891	15,921,152	-	4,437,088	103,327	30,864,076
Debt service							
Principal	1,426,249	119,040	-	6,245,872	-	-	7,791,161
Interest and other charges	110,845	9,391	-	5,794,238	-	-	5,914,474
<b>Total expenditures</b>	<b>62,007,688</b>	<b>17,395,740</b>	<b>16,010,233</b>	<b>12,040,110</b>	<b>4,456,508</b>	<b>2,552,218</b>	<b>114,462,497</b>
Excess (deficiency) of revenues over (under) expenditures	6,651,185	(499,787)	(10,202,943)	(594,793)	-	635,639	(4,010,699)
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	29,000	4,000,000	-	-	-	215,000	4,244,000
Operating transfers out	(4,215,000)	-	-	-	-	(29,000)	(4,244,000)
Proceeds on sale of assets	53,620	99,323	-	-	-	2,600	155,543
Proceeds from right-to-use subscription assets	1,132,887	-	-	-	-	-	1,132,887
<b>Total other financing sources (uses)</b>	<b>(2,999,493)</b>	<b>4,099,323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188,600</b>	<b>1,288,430</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>3,651,692</b>	<b>3,599,536</b>	<b>(10,202,943)</b>	<b>(594,793)</b>	<b>-</b>	<b>824,239</b>	<b>(2,722,269)</b>
<b>FUND BALANCES, beginning of year</b>	<b>35,225,014</b>	<b>11,247,078</b>	<b>31,523,021</b>	<b>4,160,777</b>	<b>-</b>	<b>7,760,823</b>	<b>89,916,713</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 38,876,706</b>	<b>\$ 14,846,614</b>	<b>\$ 21,320,078</b>	<b>\$ 3,565,984</b>	<b>\$ -</b>	<b>\$ 8,585,062</b>	<b>\$ 87,194,444</b>

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, 2023

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

Net changes in fund balances - total governmental funds	\$ (2,722,269)
---	----------------

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	\$ 25,808,270	
Depreciation/amortization	<u>(7,103,142)</u>	18,705,128

The net effect of capital asset disposals decreases net position.	(19,637)
---	----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(116)
--	-------

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.	261,342
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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.	(56,073)
---	----------

Repayment of financed purchases, leases, subscriptions, 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.	7,790,999
--	-----------

Proceeds from current year issuances of subscriptions payable are shown as an other resource in the governmental funds, but are shown as an increase in long-term debt in the statement of net position.	(1,132,888)
--	-------------

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.	1,340,082
---	-----------

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	\$ 149,878	
Changes in arbitrage payable	(167,445)	
Changes in compensated absences	<u>(79,044)</u>	(96,611)

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>697,015</u>
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<b>CHANGE IN NET POSITON OF GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES</b>	<b><u>\$ 24,227,887</u></b>
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The Notes to Financial Statements are an integral part of this statement.

**Parker County, Texas**

Statement of Net Position – Proprietary Fund  
September 30, 2023

**Exhibit A-7**

	<b>Insurance Escrow</b>
<b>ASSETS</b>	
Cash	\$ 1,440,916
Investments	9,755,099
Receivables, net of allowance	171,881
Prepaid items and other assets	<u>100,000</u>
Total assets	11,467,896
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	786,088
Accrued salaries and benefits payable	<u>69,890</u>
Total liabilities	855,978
<b>NET POSITION</b>	
Unrestricted	<u>10,611,918</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 10,611,918</u></u>

**Parker County, Texas**

Statement of Revenues, Expenses,  
and Changes in Net Position – Proprietary Fund  
Year Ended September 30, 2023

**Exhibit A-8**

	<b>Insurance Escrow</b>
<b>OPERATING REVENUES</b>	
Contributions	\$ 7,646,923
Total operating revenues	7,646,923
<b>OPERATING EXPENSES</b>	
Contractual	7,995,615
Total operating expenses	7,995,615
Operating loss	(348,692)
<b>NONOPERATING REVENUES</b>	
Miscellaneous	645,585
Interest	400,122
Total nonoperating revenues	1,045,707
Change in net position	697,015
<b>NET POSITION, beginning of year</b>	9,914,903
<b>NET POSITION, end of year</b>	\$ 10,611,918

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, 2023**Exhibit A-9**

	<b>Insurance Escrow</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from interfund services provided	\$ 7,609,411
Payments to providers	(7,895,305)
	<hr/>
Net used in operating activities	(285,894)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Sale of investments	(3,571,835)
Interest and related income	400,122
Miscellaneous	645,585
	<hr/>
Net cash used in investing activities	(2,526,128)
<b>NET DECREASE IN CASH</b>	(2,812,022)
<b>CASH, beginning of year</b>	<hr/> 4,252,938
<b>CASH, end of year</b>	<hr/> <hr/> \$ 1,440,916
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating loss	\$ (348,692)
Adjustments to reconcile operating loss to net cash used in operating activities	
Increase in accounts receivable	(37,512)
Increase in accounts payable	100,310
	<hr/>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<hr/> <hr/> \$ (285,894)

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

**Parker County, Texas**

Statement of Net Position – Fiduciary Funds  
September 30, 2023

**Exhibit A-10**

**ASSETS**

Cash	\$ 8,023,609
Investments	<u>561,969</u>
Total assets	<u><u>8,585,578</u></u>

**LIABILITIES**

Deposits held and due to others	<u>29,438</u>
Total liabilities	<u><u>29,438</u></u>

**NET POSITION**

Restricted - Individuals, organizations, and other governments	<u>8,556,140</u>
---	------------------

**TOTAL NET POSITION**

\$ 8,556,140
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**Parker County, Texas**Statement of Changes in Net Position – Fiduciary Funds  
September 30, 2023**Exhibit A-11****ADDITIONS**

Vehicle registration fees collected for state	\$ 64,357,236
Judicial/statutory ordered collections due to others	8,994,377
Held for others	8,316,201
Interest earnings	126,365

Total additions 81,794,179

**DEDUCTIONS**

Vehicle registration due to state	64,232,160
Payments due under judicial order/statute	9,168,951
Payments to other governments and organizations	194,453
Payments to individuals	6,738,920

Total deductions 80,334,484

**NET INCREASE IN FIDUCIARY NET POSITION** 1,459,695

**NET POSITION - BEGINNING OF YEAR** 7,096,445

**NET POSITION - END OF YEAR** \$ 8,556,140

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## **Parker County, Texas**

### Notes to Financial Statements

#### **Note 1. Summary of Significant Accounting Policies**

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

#### **Reporting Entity**

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

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

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

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

#### **Government-wide Financial Statements**

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

## **Parker County, Texas**

### Notes to Financial Statements

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.

#### **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.

## **Parker County, Texas**

### Notes to Financial Statements

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.

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.

## **Parker County, Texas**

### Notes to Financial Statements

#### **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, 2023.

#### **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.

#### **Prepaid Items and Other Assets**

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

**Parker County, Texas**  
Notes to Financial Statements

**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

#### **Subscription-Based Information Technology Arrangements (SBITAs)**

The County has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The County recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of an SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

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

- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the County is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

## 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, 2023.

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 2023, the unassigned General Fund balance was 51% of final budgeted expenditures and the Debt Service Fund balance was at 58% 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, 2023, 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. 96, Subscription-Based Information Technology Arrangements (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 was implemented in the County's fiscal year 2023 financial statements with no impact to amounts previously reported.

#### **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, 2023, the County has the following pooled investments:

Investment Type	September 30, 2023	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)					
Texas CLASS	\$ 53,298,024	\$ -	\$ -	\$ -	72 days
Investments by fair value level					
Money Market Mutual Funds	2,109,305	-	-	-	
CD Investments	-	847,254	-	-	399 days
U.S. Agency Securities	-	15,423,141	-	-	490 days
U.S. Treasury Bonds	-	45,965,571	-	-	195 days
<b>Total</b>	<b>\$ 55,407,329</b>	<b>\$ 62,235,966</b>	<b>\$ -</b>	<b>\$ -</b>	

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, 2023, 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, 2023, 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
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, 2023, 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, 2023, excluding that portion budgeted for the retirement of long-term debt principal and interest was 0.254749 per \$100 valuation. The total tax rate for all purposes was 0.312336 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, 2023:

Fund	Delinquent Taxes	Allowance	Net Receivable
General	\$ 1,121,030	\$ (742,188)	\$ 378,842
Debt service	336,305	(222,654)	113,651
Lateral road	426,953	(251,274)	175,679
<b>Total</b>	<b>\$ 1,884,288</b>	<b>\$ (1,216,116)</b>	<b>\$ 668,172</b>

**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, 2023 the value of accumulated vacation and compensatory benefits amounted to \$1,213,251. The General Fund has been used to liquidate the liability.

**Note 6. Changes in Capital Assets**

During the year ended September 30, 2023, the County completed various capital projects relating to infrastructure, roads and bridges, and rights-of-way.

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning 10/1/2022	Additions	Deletions	Transfers	Balance 9/30/2023
Governmental activities					
Capital assets, not being depreciated / amortized					
Land	\$ 19,529,994	\$ 3,299,511	\$ -	\$ -	\$ 22,829,505
Work in progress	25,125,661	14,406,994	-	(12,720,095)	26,812,560
Total capital assets not being depreciated / amortized	44,655,655	17,706,505	-	(12,720,095)	49,642,065
Capital assets being depreciated / amortized					
Buildings and improvements	38,874,811	263,221	-	3,942,627	43,080,659
Infrastructure	155,165,249	1,633,991	-	8,777,468	165,576,708
Office furniture and equipment	9,911,416	1,009,518	510,582	-	10,410,352
Transportation equipment	8,069,226	2,059,254	363,111	-	9,765,369
Road maintenance equipment	19,897,659	1,974,640	296,008	-	21,576,291
Emergency management equipment	1,078,553	-	10,739	-	1,067,814
Right-to-use lease assets	2,027,752	-	-	-	2,027,752
Right-to-use subscription assets	-	2,443,888	-	-	2,443,888
Other	276,608	28,253	-	-	304,861
Total capital assets being depreciated / amortized	235,301,274	9,412,765	1,180,440	12,720,095	256,253,694
Less accumulated depreciation / amortization for					
Buildings and improvements	21,819,742	1,149,550	-	-	22,969,292
Infrastructure	123,776,671	2,080,288	-	-	125,856,959
Office furniture and equipment	7,161,389	783,005	505,246	-	7,439,148
Transportation equipment	5,615,740	796,076	349,702	-	6,062,114
Road maintenance equipment	15,237,349	1,143,223	296,008	-	16,084,564
Emergency management equipment	663,890	101,327	9,847	-	755,370
Right-to-use lease assets	807,659	341,484	-	-	1,149,143
Right-to-use subscription assets	-	686,250	-	-	686,250
Other	200,539	21,939	-	-	222,478
Total accumulated depreciation / amortization	175,282,979	7,103,142	1,160,803	-	181,225,318
Total capital assets being depreciated / amortized, net	60,018,295	2,309,623	19,637	12,720,095	75,028,376
<b>Governmental activities capital assets, net</b>	<b>\$ 104,673,950</b>	<b>\$ 20,016,128</b>	<b>\$ 19,637</b>	<b>\$ -</b>	<b>\$ 124,670,441</b>

**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	\$	1,952,025
Roads and bridges		3,476,946
Public safety		180,412
Law enforcement		1,007,007
Judicial		381,048
Health and Welfare		46,812
Recording		58,892
		<u>58,892</u>
<b>Total depreciation / amortization for governmental activities</b>	<b>\$</b>	<b><u>7,103,142</u></b>

**Note 7. Lease Receivable**

The County leases various facilities to lessees. These leases are being presented in aggregate. The County recognized \$91,088 in lease revenue and \$1,941 in interest revenue during the current fiscal year related to these leases. As of September 30, 2023, the County has \$1,027,724 remaining in lease receivables and \$1,010,191 remaining in deferred inflows recorded in the General Fund.

Principal and interest requirements to maturity for the lease receivable as of September 30, 2023 are as follows:

Year	Principal	Interest	Total
2024	\$ 41,853	\$ 2,138	\$ 43,991
2025	26,520	2,075	28,595
2026	26,576	2,019	28,595
2027	28,112	1,962	30,074
2028	29,230	1,900	31,130
2029-2033	151,710	8,553	160,263
2034-2038	168,679	6,848	175,527
2039-2043	188,131	4,950	193,081
2044-2048	210,439	2,830	213,269
2049-2052	156,474	583	157,057
	<u>1,027,724</u>	<u>33,858</u>	<u>1,061,582</u>
<b>Total</b>	<b>\$ 1,027,724</b>	<b>\$ 33,858</b>	<b>\$ 1,061,582</b>

**Parker County, Texas**  
Notes to Financial Statements

**Note 8. Long-Term Debt**

The County's long-term liabilities consist of bond indebtedness, compensated absences, financed purchases, leases payable, subscriptions payable, net pension liability and net OPEB liability. The debt service requirements for unlimited tax road bonds, unlimited tax refunding bonds, general obligation bonds, and tax notes are accounted for in the debt service fund and governmental activities. The obligations for leases payable, subscriptions payable, financed purchases, net pension liability and net OPEB liability are typically liquidated with resources of the general fund and lateral road fund.

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

	October 1, 2022	Additions	Retirements	September 30, 2023	Due Within One Year
General Obligation Refunding Bonds, Series 2014	\$ 3,800,000	\$ -	\$ 1,225,000	\$ 2,575,000	\$ 1,265,000
General Obligation Refunding Bonds, Series 2015	770,000	-	255,000	515,000	255,000
Tax Note, Series 2015	485,000	-	485,000	-	-
Unlimited Tax Refunding, Series 2016	48,020,000	-	1,880,000	46,140,000	1,980,000
Unlimited Tax Road Bonds 2017	35,050,000	-	395,000	34,655,000	745,000
Unlimited Tax Road Bonds 2020	30,790,000	-	755,000	30,035,000	790,000
Unlimited Tax Refunding, Series 2020	15,154,412	-	410,872	14,743,540	283,540
Tax Note, Series 2021	5,190,000	-	840,000	4,350,000	850,000
Deferred premiums on issuance	13,134,414	-	1,340,082	11,794,332	1,042,167
Financed purchases	1,594,435	-	510,214	1,084,221	386,411
Leases payable	1,187,633	-	331,927	855,706	280,763
Subscriptions payable	1,311,001	1,132,888	702,986	1,740,903	672,219
Net pension liability (asset)	(2,291,882)	18,279,508	-	15,987,626	-
Total OPEB liability	1,653,987	-	370,039	1,283,948	-
Compensated absences	1,134,207	1,147,413	1,068,369	1,213,251	1,213,251
<b>Totals</b>	<b>\$ 156,983,207</b>	<b>\$ 20,559,809</b>	<b>\$ 10,569,489</b>	<b>\$ 166,973,527</b>	<b>\$ 9,763,351</b>

**Unlimited Tax Road Bonds**

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, 2023 was \$34,655,000.

The County issued \$31,505,000 in unlimited tax road bonds in March of 2020 for the purpose of construction, acquisition by purchase, maintenance, and operation of macadamized, graveled or paved roads, or in aid thereof, within the County, including, but not limited to, constructing, improving, extending, expanding, upgrading and/or developing roads in the county, including right-of-way acquisition, utility relocation, traffic safety and operational improvements and other transportation related improvements. Principal payments are due in annual installments on February 15. The bonds are scheduled to mature in February of 2046. Interest is payable February 15 and August 15, at interest rates ranging from 3.5% to 3.75%. The outstanding balance at September 30, 2023 was \$30,035,000.

## **Parker County, Texas**

### Notes to Financial Statements

#### **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, 2023 was \$46,140,000.

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, 2023 was \$14,743,540.

#### **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, 2023 was \$2,575,000.

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, 2023 was \$515,000.

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 matured in February of 2023.

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, 2023 was \$4,350,000.

**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
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	8,120,000	3,999,999	12,119,999
2028-2032	40,675,000	15,445,713	56,120,713
2033-2037	29,425,000	8,395,203	37,820,203
2038-2042	20,580,000	3,164,156	23,744,156
2043-2046	5,535,000	338,100	5,873,100
	<u>\$ 133,013,540</u>	<u>\$ 50,748,541</u>	<u>\$ 183,762,081</u>

**Federal Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or are not performed correctly, a liability to the County could result. The County periodically engages an arbitrage consultant to perform the calculations in accordance with the Internal Revenue Service's rules and regulations. The County has recorded an arbitrage liability in the amount of \$167,445 as of September 30, 2023.

**Leases 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, 2023
Equipment	0.48-3.76%	\$ 1,507,379	2023-2027	\$ 855,706

**Parker County, Texas**  
Notes to Financial Statements

Principal and interest requirements to maturity for lease payables as of September 30, 2023 are as follows:

Year	Principal	Interest	Total
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
<b>Total</b>	\$ 855,706	\$ 56,766	\$ 912,472

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 \$1,149,143.

**Subscription Based Information Technology Arrangements (SBITA)**

The County has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The County is required to make payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate(s)	Subscription Term in Years	Ending Balance September 30, 2023
Software	3.21-3.37%	2023-2028	\$ 1,740,903

The future principal and interest SBITA payments as of September 30, 2023 are as follows:

Year	Principal	Interest	Total
2024	\$ 672,219	\$ 52,948	\$ 725,167
2025	511,761	31,008	542,769
2026	290,065	18,079	308,144
2027	242,862	8,598	251,460
2028	23,996	679	24,675
<b>Total</b>	\$ 1,740,903	\$ 111,312	\$ 1,852,215

The value of the subscription assets as of the end of the current fiscal year was \$2,443,888 and had accumulated amortization of \$686,250.

**Parker County, Texas**  
Notes to Financial Statements

**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.

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

Year	Principal	Interest	Total
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	145,923	14,302	160,225
2029	152,906	7,318	160,224
<b>Total</b>	\$ 1,084,221	\$ 151,338	\$ 1,235,559

**Note 9. 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 848 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](http://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.

## Parker County, Texas

### Notes to Financial Statements

#### 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 13.3% and 12.4% for the months of the calendar years 2023 and 2022, respectively.

The deposit rate payable by the employee members for calendar years 2023 and 2022 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, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2022
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, 2022 are summarized below:

<u>Asset Class</u>	<u>Target Allocation <sup>(1)</sup></u>	<u>Geometric Real <sup>(2)</sup></u>
US Equities	11.50%	4.95%
Global Equities	2.50%	4.95%
International Equities - Developed	5.00%	4.95%
International Equities - Emerging	6.00%	4.95%
Investment - Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.95%
Hedge Funds	6.00%	2.90%
Cash Equivalents	2.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

(1) Target asset allocation adopted at the March 2023 TCDRS Board meeting.

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 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, 2022:

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
Total pension liability	\$ 178,427,608	\$ 157,522,799	\$ 139,991,393
Fiduciary net pension	141,535,173	141,535,173	141,535,173
<b>Net pension liability / (asset)</b>	<b>\$ 36,892,435</b>	<b>\$ 15,987,626</b>	<b>\$ (1,543,780)</b>

**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, 2022:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at December 31, 2021	\$ 147,155,336	\$ 149,447,218	\$ (2,291,882)
Service cost	4,008,329	-	4,008,329
Interest on total pension liability	11,277,345	-	11,277,345
Effect of economic/demographic gains or losses	740,483	-	740,483
Refund of contributions	(312,977)	(312,977)	-
Benefit payments	(5,345,717)	(5,345,718)	1
Administrative expenses	-	(82,942)	82,942
Member contributions	-	2,178,380	(2,178,380)
Net investment income	-	(8,826,010)	8,826,010
Employer contributions	-	4,244,915	(4,244,915)
Other	-	232,307	(232,307)
<b>Balance at December 31, 2022</b>	<b>\$ 157,522,799</b>	<b>\$ 141,535,173</b>	<b>\$ 15,987,626</b>

At September 30, 2023, the County reported \$15,987,626 for the net pension liability and pension expense of \$4,361,201 related to the December 31, 2022 valuation. The breakdown of the components of pension expense follows:

	Pension Expense
Service cost	\$ 4,008,329
Interest on total pension liability <sup>(1)</sup>	11,277,345
Administrative expenses	82,942
Member contributions	(2,178,380)
Expected investment return net of investment expenses	(11,392,083)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	398,308
Recognition of assumption changes or inputs	2,023,811
Recognition of investment gains or losses	373,236
Other <sup>(2)</sup>	(232,307)
<b>Pension expense</b>	<b>\$ 4,361,201</b>

(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, 2023, 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
	<u>                    </u>	<u>                    </u>
Differences between expected and actual economic experience	\$ 739,924	\$ -
Change in assumption	2,023,809	-
Net difference between projected and actual investment earnings	3,064,716	-
Contributions subsequent to the measurement date	3,460,031	-
	<u>                    </u>	<u>                    </u>
<b>Total</b>	<u>\$ 9,288,480</u>	<u>\$ -</u>

The \$3,460,031 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, 2023 (i.e. recognized in the County's financial statements for the year ended September 30, 2024). Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended December 31</u>	Pension <u>Expense Amount</u>
2023	\$ 853,812
2024	220,663
2025	710,357
2026	<u>4,043,617</u>
<b>Total</b>	<u>\$ 5,828,449</u>

**Note 10. 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, 2022, the date of the latest actuarial valuation, consists of the following:

Inactive employees currently receiving benefits	268
Inactive employees entitled to but not yet receiving benefits	122
Active employees	<u>495</u>
<b>Total</b>	<u><u>885</u></u>

**Actuarial Assumptions**

The OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions. All actuarial assumptions that determined the total OPEB liability as of December 31, 2022 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, 2022, a discount rate of 3.72% is used.

	OPEB Liability
Beginning Liability	\$ 1,653,987
Changes for the year:	
Service cost	61,478
Interest (on total OPEB liability)	34,956
Difference between expected and actual experience	15,204
Changes of assumptions	(444,333)
Benefit payments, including refunds of employee contributions	<u>(37,344)</u>
Net changes	<u>(370,039)</u>
<b>Ending Liability</b>	<u><u>\$ 1,283,948</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 (3.72%) in measuring the total OPEB liability at December 31, 2022:

	1% Decrease in Discount Rate (2.72%)	Discount Rate (3.72%)	1% Increase in Discount Rate (4.72%)
Total OPEB liability	\$ 1,528,709	\$ 1,283,948	\$ 1,092,611

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

For the year ended September 30, 2023, the County recognized OPEB expense of \$91,619.

At September 30, 2023, 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	\$ 14,625	\$ 3,883
Changes of assumptions	146,539	355,468
Contributions made subsequent to measurement date	25,996	-
<b>Total</b>	<b>\$ 187,160</b>	<b>\$ 359,351</b>

The \$25,996 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, 2023 (i.e. recognized in the County's financial statements for the year ended September 30, 2024). 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
2023	\$ 13,578
2024	(46,272)
2025	(79,664)
2026	(85,829)
<b>Total</b>	<b>\$ (198,187)</b>

## **Parker County, Texas**

### Notes to Financial Statements

#### **Note 11. 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 12. 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 13. 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, 2023 amounted to \$27,226.

## **Parker County, Texas**

### Notes to Financial Statements

#### **Note 14. Healthcare Coverage**

During the year ended September 30, 2023, 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, 2023, 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, 2023, the County had \$552,731 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 15. Deficit in Unrestricted Net Position**

The statement of net position reported a deficit in unrestricted net position of \$1,281,233 mainly due to unfunded other post-employment benefit liabilities and conveyance of assets to other governmental entities.

#### **Note 16. Subsequent Events**

The County has evaluated subsequent events that occurred after September 30, 2023, through June 26, 2024, the date which the financial statements were available to be issued.

In April 2024, the County issued \$77,895,000 in unlimited tax road bonds. The bonds were issued to fund road improvements within the County. The bonds were issued with interest rates ranging from 4.125% to 5.000% and are scheduled to mature in February 2049.

## **Required Supplementary Information**

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## Parker County, Texas

### Texas County District Retirement System Schedule of Changes in Employer's Net Pension Liability and Related Ratios for the Employees of Parker County Year Ended September 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>									
Service cost	\$ 4,008,329	\$ 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)	11,277,345	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	740,483	358,866	259,760	114,506	598,793	206,343	(395,797)	(487,692)	174,522
Benefit payments/refunds of contributions	(5,658,694)	(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	10,367,463	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	147,155,336	137,325,692	120,724,283	112,784,129	104,296,731	96,162,717	89,010,845	82,335,921	76,052,495
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 157,522,799</b>	<b>\$ 147,155,336</b>	<b>\$ 137,325,692</b>	<b>\$ 120,724,283</b>	<b>\$ 112,784,129</b>	<b>\$ 104,296,731</b>	<b>\$ 96,162,717</b>	<b>\$ 89,010,845</b>	<b>\$ 82,335,921</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 4,244,915	\$ 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	2,178,380	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	(8,826,010)	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	(5,658,695)	(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	(82,942)	(80,852)	(89,483)	(84,176)	(76,087)	(63,714)	(61,520)	(54,895)	(56,458)
Other	232,307	42,142	24,084	23,517	31,476	9,097	(53,623)	34,155	(100,779)
Net Change in Plan Fiduciary Net Position	(7,912,045)	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	149,447,218	122,291,436	110,462,315	94,729,335	95,805,540	83,008,529	76,364,267	75,991,412	70,431,730
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 141,535,173</b>	<b>\$ 149,447,218</b>	<b>\$ 122,291,436</b>	<b>\$ 110,462,315</b>	<b>\$ 94,729,335</b>	<b>\$ 95,805,540</b>	<b>\$ 83,008,529</b>	<b>\$ 76,364,268</b>	<b>\$ 75,991,412</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 15,987,626</b>	<b>\$ (2,291,882)</b>	<b>\$ 15,034,256</b>	<b>\$ 10,261,968</b>	<b>\$ 18,054,794</b>	<b>\$ 8,491,191</b>	<b>\$ 13,154,188</b>	<b>\$ 12,646,577</b>	<b>\$ 6,344,509</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.85%	101.56%	89.05%	91.50%	83.99%	91.86%	86.32%	85.79%	92.29%
Covered Employee Payroll	\$ 31,119,712	\$ 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	51.37%	-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 nine 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, 2023

	Year Ended December 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 4,142,034	\$ 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
Contributions in relation to the actuarially determined contribution	4,244,915	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
Contribution deficiency (excess)	\$ (102,881)	\$ (31,178)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 31,119,712	\$ 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
Contributions as a percentage of covered-employee payroll	13.6%	12.4%	12.4%	11.6%	11.4%	10.9%	10.8%	11.0%	11.0%	10.5%

**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	16.2 years (based on contribution rate calculated in 12/31/22 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
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
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. 2022: No changes in plan provisions were reflected in the Schedule.
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. 2022: 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, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>						
Service cost	\$ 61,478	\$ 58,188	\$ 45,026	\$ 28,288	\$ 33,924	\$ 33,002
Interest (on the total OPEB liability)	34,956	34,023	37,618	41,642	38,051	38,075
Effect of assumption changes or inputs	(444,333)	33,682	172,347	286,937	(122,132)	52,130
Effect of economic/demographic (gains) or losses	15,204	(2,888)	(5,371)	12,306	(9,889)	(4,045)
Benefit payments/refunds of contributions	(37,344)	(31,182)	(30,498)	(26,756)	(22,876)	(19,582)
<b>Net Change in Total OPEB Liability</b>	(370,039)	91,823	219,122	342,417	(82,922)	99,580
<b>Total OPEB Liability - Beginning</b>	1,653,987	1,562,164	1,343,042	1,000,625	1,083,547	983,967
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 1,283,948</u>	<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>
<b>Covered Employee Payroll</b>	\$ 31,119,712	\$ 28,347,219	\$ 27,725,175	\$ 26,756,214	\$ 25,418,178	\$ 24,477,626
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	4.13%	5.83%	5.63%	5.02%	3.94%	4.43%

**Notes to Schedule:**

As of December 31 - Measurement date

Only six 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, 2023

**Exhibit B-1**  
Page 1 of 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 37,157,910	\$ 37,157,910	\$ 37,296,795	\$ 138,885
Sales taxes	15,000,000	15,000,000	16,768,316	1,768,316
Intergovernmental	1,622,678	1,622,678	2,045,542	422,864
Fees of office	7,476,110	7,476,110	7,041,357	(434,753)
Investment earnings and unrealized gain/loss	35,000	35,000	3,480,519	3,445,519
Royalties	50,000	50,000	28,975	(21,025)
Miscellaneous	1,043,068	1,710,458	1,997,369	286,911
Total revenues	62,384,766	63,052,156	68,658,873	5,606,717
<b>EXPENDITURES</b>				
General government				
Commissioners' court	95,600	95,600	86,678	8,922
County judge	455,773	469,773	462,357	7,416
Veterans' service officer	81,114	81,114	81,028	86
Non-departmental	4,741,948	5,081,147	3,259,479	1,821,668
Employee benefits	73,350	73,350	81,461	(8,111)
Election expenses	1,136,952	1,136,952	692,744	444,208
County auditor	871,118	871,118	803,170	67,948
County treasurer	564,703	564,703	517,965	46,738
Building and grounds	2,234,135	2,244,135	2,050,707	193,428
North convenience center	349,109	499,109	403,683	95,426
South convenience center	251,572	251,572	200,827	50,745
Purchasing administration	399,242	399,242	394,289	4,953
Information technology	1,709,277	1,729,277	1,056,672	672,605
Social services	273,364	273,364	212,329	61,035
County extension services	418,283	418,283	403,578	14,705
Total general government	13,655,540	14,188,739	10,706,967	3,481,772
Public safety				
Emergency management	297,991	297,791	231,975	65,816
Fire protection	721,220	721,420	609,686	111,734
Total public safety	1,019,211	1,019,211	841,661	177,550
Law enforcement				
Jail	10,550,000	10,478,000	9,796,900	681,100
Constable #1	439,977	432,269	416,052	16,217
Constable #2	545,565	629,802	596,266	33,536
Constable #3	450,084	450,084	427,854	22,230
Constable #4	322,498	321,498	306,258	15,240
Sheriff administration	14,228,168	14,138,289	13,346,158	792,131
Sheriff investigation	131,313	146,321	126,919	19,402
Sheriff dispatching	4,638	4,638	4,023	615
Sheriff patrol	669,585	803,469	570,670	232,799
Training division	67,131	64,742	57,448	7,294
Jail transfer	118,661	111,287	90,538	20,749
Narcotics task force	130,271	129,271	103,614	25,657
Game warden	1,750	1,750	149	1,601
Animal control	721,819	721,093	713,155	7,938
Highway patrol (North)	68,450	68,450	58,082	10,368
Highway patrol (South)	85,191	85,191	82,842	2,349
Total law enforcement	28,535,101	28,586,154	26,696,928	1,889,226

**Parker County, Texas**  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance – Budget and Actual  
General Fund – Continued  
Year Ended September 30, 2023

**Exhibit B-1**  
Page 2 of 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Judicial				
District court 43rd	1,217,929	1,217,929	898,333	319,596
District court 415th	1,081,462	1,081,462	992,915	88,547
County court-at-law #1	1,035,467	1,035,467	936,974	98,493
County court-at-law #2	1,093,880	1,094,402	1,147,959	(53,557)
Justice of the peace #1	500,906	500,906	496,117	4,789
Justice of the peace #2	602,888	602,888	596,586	6,302
Justice of the peace #3	652,137	652,137	635,994	16,143
Justice of the peace #4	588,838	588,838	576,079	12,759
County attorney	3,254,736	3,274,736	3,198,858	75,878
District attorney	2,249,285	2,256,046	1,908,255	347,791
Adult probation	10,000	10,000	3,249	6,751
Probate	160,059	200,059	195,106	4,953
Juvenile probation	1,231,850	1,231,850	1,034,238	197,612
Total judicial	13,679,437	13,746,720	12,620,663	1,126,057
Health and welfare				
Medical examiner-investigator	641,844	641,844	544,413	97,431
911 addressing	153,966	153,966	153,887	79
Sanitations	621,242	623,548	539,758	83,790
Total health and welfare	1,417,052	1,419,358	1,238,058	181,300
Recording				
County clerk	671,782	671,782	670,298	1,484
County clerk court division	1,154,601	1,154,601	1,130,649	23,952
District clerk	1,484,469	1,484,469	1,426,364	58,105
Total recording	3,310,852	3,310,852	3,227,311	83,541
Tax assessing-collecting	1,810,491	1,810,491	1,655,388	155,103
Total tax assessing-collecting	1,810,491	1,810,491	1,655,388	155,103
Capital outlay	3,447,403	3,461,740	3,483,618	(21,878)
Total capital outlay	3,447,403	3,461,740	3,483,618	(21,878)
Debt service				
Principal	639,665	639,665	1,426,249	(786,584)
Interest	87,904	87,904	110,845	(22,941)
Total debt service	727,569	727,569	1,537,094	(809,525)
Total expenditures	67,602,656	68,270,834	62,007,688	6,263,146
Excess (deficiency) of revenues over (under) expenditures	(5,217,890)	(5,218,678)	6,651,185	11,869,863
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	29,000	29,000	29,000	-
Operating transfers out	(4,215,000)	(4,215,000)	(4,215,000)	-
Proceeds from right-to-use subscription assets	-	-	1,132,887	1,132,887
Proceeds on sale of assets	15,000	15,788	53,620	37,832
Total other financing sources	(4,171,000)	(4,170,212)	(2,999,493)	1,170,719
Net changes in fund balances	(9,388,890)	(9,388,890)	3,651,692	13,040,582
<b>FUND BALANCES, October 1</b>	35,225,014	35,225,014	35,225,014	-
<b>FUND BALANCES, September 30</b>	\$ 25,836,124	\$ 25,836,124	\$ 38,876,706	\$ 13,040,582

**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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 12,556,632	\$ 12,556,632	\$ 12,632,490	\$ 75,858
Intergovernmental	422,536	2,263,690	867,735	(1,395,955)
Fees of office	2,167,900	2,167,900	2,466,026	298,126
Interest	12,500	12,500	654,209	641,709
Miscellaneous	2,250	8,145	275,493	267,348
Total revenues	15,161,818	17,008,867	16,895,953	(112,914)
<b>EXPENDITURES</b>				
Roads and bridges				
General	50,000	50,000	-	50,000
Precinct 1	3,178,686	3,106,299	2,591,013	515,286
Precinct 2	2,959,015	2,961,481	2,514,694	446,787
Precinct 3	3,342,625	3,427,667	2,920,866	506,801
Precinct 4	2,827,709	2,869,309	2,321,845	547,464
Total roads and bridges	12,358,035	12,414,756	10,348,418	2,066,338
Capital outlay				
Precinct 1	2,564,792	2,637,016	2,034,467	602,549
Precinct 2	2,158,108	2,161,538	1,323,155	838,383
Precinct 3	4,256,283	6,012,395	1,702,017	4,310,378
Precinct 4	3,122,790	3,081,190	1,859,252	1,221,938
Total capital outlay	12,101,973	13,892,139	6,918,891	6,973,248
Debt service				
Precinct 1	124,150	124,313	125,011	(698)
Precinct 2	-	-	627	(627)
Precinct 3	-	-	1,180	(1,180)
Precinct 4	-	-	1,613	(1,613)
Total debt service	124,150	124,313	128,431	(4,118)
Total expenditures	24,584,158	26,431,208	17,395,740	9,035,468
Excess (deficiency) of revenues over (under) expenditures	(9,422,340)	(9,422,341)	(499,787)	8,922,554
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	4,000,000	4,000,000	4,000,000	-
Proceeds on sale of assets	-	-	99,323	99,323
Total other financing sources	4,000,000	4,000,000	4,099,323	99,323
<b>NET CHANGE IN FUND BALANCES</b>	(5,422,340)	(5,422,341)	3,599,536	9,021,877
<b>FUND BALANCES, October 1</b>	11,247,078	11,247,078	11,247,078	-
<b>FUND BALANCES, September 30</b>	\$ 5,824,738	\$ 5,824,737	\$ 14,846,614	\$ 9,021,877

## **Supplementary Information**

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## **Nonmajor funds – Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Nonmajor funds – Special Revenue Funds (Continued)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Election Grants** – To account for election specific grants.

**Opioid Settlement** – To account for funds obtained under the Opioid Abatement Trust Fund.

**Veterans Service** – To account for funds donated by jurors for use by the Veterans County Service Office.

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

**Parker County, Texas**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2023

	<b>Special Revenue Funds</b>			
	<b>Historical Commission</b>	<b>Estray</b>	<b>Abandoned Vehicle</b>	<b>Courthouse Security</b>
<b>ASSETS</b>				
Cash	\$ 1,269	\$ 1,974	\$ 2,984	\$ 31,575
Investments	123,473	15,982	24,153	255,602
Receivables:				
Intergovernmental	-	-	-	-
Other	-	1,783	-	2,550
<b>Total assets</b>	<b>124,742</b>	<b>19,739</b>	<b>27,137</b>	<b>289,727</b>
<b>TOTAL ASSETS</b>	<b>\$ 124,742</b>	<b>\$ 19,739</b>	<b>\$ 27,137</b>	<b>\$ 289,727</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 2,300	\$ 481	\$ -	\$ -
Accrued salaries and benefits payable	-	-	-	1,507
Due to other governmental entities	-	-	-	-
<b>Total liabilities</b>	<b>2,300</b>	<b>481</b>	<b>-</b>	<b>1,507</b>
Fund balances:				
Restricted for state and federal programs	-	19,258	27,137	288,220
Committed for state and special programs	122,442	-	-	-
<b>Total fund balances</b>	<b>122,442</b>	<b>19,258</b>	<b>27,137</b>	<b>288,220</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 124,742</b>	<b>\$ 19,739</b>	<b>\$ 27,137</b>	<b>\$ 289,727</b>

Special Revenue Funds						
Voter Registration	Sheriff's Forfeiture Federal Share	Contract Elections	Pre-Trial Intervention	Sheriff's Evidence	Sheriff's Forfeiture	
\$ 2,004	\$ 21,757	\$ 31,388	\$ 7,482	\$ 1,140	\$ 59,655	
16,223	176,125	254,088	60,565	9,225	85,462	
4,000	-	-	-	-	-	-
-	-	-	-	-	-	1,214
22,227	197,882	285,476	68,047	10,365	146,331	
<u>\$ 22,227</u>	<u>\$ 197,882</u>	<u>\$ 285,476</u>	<u>\$ 68,047</u>	<u>\$ 10,365</u>	<u>\$ 146,331</u>	
\$ -	\$ 11,044	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	11,044	-	-	-	-	-
22,227	186,838	285,476	68,047	10,365	146,331	
-	-	-	-	-	-	-
22,227	186,838	285,476	68,047	10,365	146,331	
<u>\$ 22,227</u>	<u>\$ 197,882</u>	<u>\$ 285,476</u>	<u>\$ 68,047</u>	<u>\$ 10,365</u>	<u>\$ 146,331</u>	

**Parker County, Texas**  
Combining Balance Sheet  
Nonmajor Governmental Funds – Continued  
September 30, 2023

	<b>Special Revenue Funds</b>			
	<b>LEOSE</b>	<b>District Attorney State Supplement</b>	<b>Special District Attorney</b>	<b>Special County Attorney</b>
<b>ASSETS</b>				
Cash	\$ 9,468	\$ 298	\$ 2,845	\$ 1,019
Investments	14,195	2,416	23,027	8,250
Receivables:				
Intergovernmental	-	-	-	-
Other	204	-	-	-
<b>Total assets</b>	<b>23,867</b>	<b>2,714</b>	<b>25,872</b>	<b>9,269</b>
<b>TOTAL ASSETS</b>	<b>\$ 23,867</b>	<b>\$ 2,714</b>	<b>\$ 25,872</b>	<b>\$ 9,269</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	-	537	-	-
Due to other governmental entities	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>537</b>	<b>-</b>	<b>-</b>
Fund balances:				
Restricted for state and federal programs	23,867	2,177	25,872	9,269
Committed for state and special programs	-	-	-	-
<b>Total fund balances</b>	<b>23,867</b>	<b>2,177</b>	<b>25,872</b>	<b>9,269</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 23,867</b>	<b>\$ 2,714</b>	<b>\$ 25,872</b>	<b>\$ 9,269</b>

Special Revenue Funds					
District Attorney Awarded	Justice Technology Fund	Law Library	Road and Bridge Escrow	Juvenile Probation Fees and Grant	Adult Probation Bond Fund
\$ 51,044	\$ 64,571	\$ 53,079	\$ 85,853	\$ 31,296	\$ 26,080
331,415	522,706	429,670	694,984	253,344	211,120
-	-	-	-	46,146	-
1,641	150	3,659	-	-	-
384,100	587,427	486,408	780,837	330,786	237,200
<u>\$ 384,100</u>	<u>\$ 587,427</u>	<u>\$ 486,408</u>	<u>\$ 780,837</u>	<u>\$ 330,786</u>	<u>\$ 237,200</u>
\$ -	\$ 196	\$ 730	\$ -	\$ 48,310	\$ -
-	-	-	-	17,249	-
-	-	-	780,837	-	-
-	196	730	780,837	65,559	-
384,100	587,231	485,678	-	265,227	237,200
-	-	-	-	-	-
384,100	587,231	485,678	-	265,227	237,200
<u>\$ 384,100</u>	<u>\$ 587,427</u>	<u>\$ 486,408</u>	<u>\$ 780,837</u>	<u>\$ 330,786</u>	<u>\$ 237,200</u>

**Parker County, Texas**

Combining Balance Sheet

Nonmajor Governmental Funds – Continued

September 30, 2023

	<b>Special Revenue Funds</b>			
	<b>District Court Records Technology</b>	<b>Justice Court Security</b>	<b>County/ District Technology</b>	<b>County Clerk Records Management</b>
<b>ASSETS</b>				
Cash	\$ 5,620	\$ 17,040	\$ 4,730	\$ 207,575
Investments	45,490	137,938	38,286	1,680,343
Receivables:				
Intergovernmental	-	-	-	-
Other	-	46	94	1,700
<b>Total assets</b>	<b>51,110</b>	<b>155,024</b>	<b>43,110</b>	<b>1,889,618</b>
<b>TOTAL ASSETS</b>	<b>\$ 51,110</b>	<b>\$ 155,024</b>	<b>\$ 43,110</b>	<b>\$ 1,889,618</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 11,064
Accrued salaries and benefits payable	-	-	-	1,509
Due to other governmental entities	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,573</b>
Fund balances:				
Restricted for state and federal programs	51,110	155,024	43,110	1,877,045
Committed for state and special programs	-	-	-	-
<b>Total fund balances</b>	<b>51,110</b>	<b>155,024</b>	<b>43,110</b>	<b>1,877,045</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 51,110</b>	<b>\$ 155,024</b>	<b>\$ 43,110</b>	<b>\$ 1,889,618</b>

Special Revenue Funds						
County Clerk Vital Records	Records Management County Wide	District Clerk Records Management	Court Reporters Service	District Clerk	Court Record Preservation	
\$ 4,462	\$ 58,658	\$ 3,712	\$ 46,636	\$ 48,139	\$ 20,787	
36,122	474,848	30,061	377,522	389,690	168,282	
-	-	-	-	-	-	
44	3,790	-	2,617	1,643	-	
40,628	537,296	33,773	426,775	439,472	189,069	
<u>\$ 40,628</u>	<u>\$ 537,296</u>	<u>\$ 33,773</u>	<u>\$ 426,775</u>	<u>\$ 439,472</u>	<u>\$ 189,069</u>	
\$ -	\$ -	\$ -	\$ 10,982	\$ 5	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	10,982	5	-	
40,628	537,296	33,773	415,793	439,467	189,069	
-	-	-	-	-	-	
40,628	537,296	33,773	415,793	439,467	189,069	
<u>\$ 40,628</u>	<u>\$ 537,296</u>	<u>\$ 33,773</u>	<u>\$ 426,775</u>	<u>\$ 439,472</u>	<u>\$ 189,069</u>	

**Parker County, Texas**

Combining Balance Sheet

Nonmajor Governmental Funds – Continued

September 30, 2023

	<b>Special Revenue Funds</b>			
	<b>Document Preservation</b>	<b>Child Abuse Prevention</b>	<b>Specialty Court</b>	<b>DA Pretrial Intervention</b>
<b>ASSETS</b>				
Cash	\$ 124,695	\$ 274	\$ 6,608	\$ 2,111
Investments	1,009,394	2,218	53,489	17,089
Receivables:				
Intergovernmental	-	-	-	-
Other	1,670	13	572	-
<b>Total assets</b>	<b>1,135,759</b>	<b>2,505</b>	<b>60,669</b>	<b>19,200</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,135,759</b>	<b>\$ 2,505</b>	<b>\$ 60,669</b>	<b>\$ 19,200</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 4	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	2,147	-	-	-
Due to other governmental entities	-	-	-	-
<b>Total liabilities</b>	<b>2,151</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:				
Restricted for state and federal programs	1,133,608	2,505	60,669	19,200
Committed for state and special programs	-	-	-	-
Total fund balances	1,133,608	2,505	60,669	19,200
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,135,759</b>	<b>\$ 2,505</b>	<b>\$ 60,669</b>	<b>\$ 19,200</b>

Special Revenue Funds

Court Facility	Language Access	Court-Initiated Guardianship	Judicial Education & Support	Opioid Settlement	Veterans Service	Other Grant Funds	Total Non-major Governmental Funds
\$ 10,538	\$ 3,089	\$ 3,750	\$ 585	\$ 16,438	\$ 67	\$ 8,060	\$ 1,080,355
85,297	25,002	30,356	4,739	133,068	540	65,242	8,317,041
-	-	-	-	-	-	-	50,146
2,091	359	510	75	-	-	-	26,425
97,926	28,450	34,616	5,399	149,506	607	73,302	9,473,967
<u>\$ 97,926</u>	<u>\$ 28,450</u>	<u>\$ 34,616</u>	<u>\$ 5,399</u>	<u>\$ 149,506</u>	<u>\$ 607</u>	<u>\$ 73,302</u>	<u>\$ 9,473,967</u>
\$ -	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,119
-	-	-	-	-	-	-	22,949
-	-	-	-	-	-	-	780,837
-	3	-	-	-	-	-	888,905
97,926	28,447	34,616	5,399	149,506	607	73,302	8,462,620
-	-	-	-	-	-	-	122,442
97,926	28,447	34,616	5,399	149,506	607	73,302	8,585,062
<u>\$ 97,926</u>	<u>\$ 28,450</u>	<u>\$ 34,616</u>	<u>\$ 5,399</u>	<u>\$ 149,506</u>	<u>\$ 607</u>	<u>\$ 73,302</u>	<u>\$ 9,473,967</u>

**Parker County, Texas**

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Nonmajor Governmental Funds  
 Year Ended September 30, 2023

	<b>Special Revenue Funds</b>			
	<b>Historical Commission</b>	<b>Estray</b>	<b>Abandoned Vehicle</b>	<b>Courthouse Security</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	124,504
Interest	13,537	-	-	-
Miscellaneous	-	20,570	-	-
Total revenues	13,537	20,570	-	124,504
<b>EXPENDITURES</b>				
Current				
General government	20,972	-	-	-
Public safety	-	-	-	87,038
Law enforcement	-	1,680	-	-
Judicial	-	-	-	-
Recording	-	-	-	-
Capital outlays	-	-	-	-
Total expenditures	20,972	1,680	-	87,038
Excess (deficiency) of revenues				
Net changes in fund balances	(7,435)	18,890	-	37,466
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	-
Operating transfers in	15,000	-	-	-
Operating transfers out	-	(29,000)	-	-
Total financing other sources (uses)	15,000	(29,000)	-	-
<b>NET CHANGES IN FUND BALANCES</b>	7,565	(10,110)	-	37,466
<b>Fund balances - beginning of year</b>	114,877	29,368	27,137	250,754
<b>Fund balances - end of year</b>	<u>\$ 122,442</u>	<u>\$ 19,258</u>	<u>\$ 27,137</u>	<u>\$ 288,220</u>

<b>Special Revenue Funds</b>						
<b>Voter Registration</b>	<b>Sheriff's Forfeiture Federal Share</b>	<b>Contract Elections</b>	<b>Pre-Trial Intervention</b>	<b>Sheriff's Evidence</b>	<b>Sheriff's Forfeiture</b>	
\$ 16,650	\$ 108,914	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	125,624	-	-	-	-
-	8,079	-	-	-	-	5,412
-	-	-	-	-	-	29,384
16,650	116,993	125,624	-	-	-	34,796
16,650	-	93,934	-	-	-	-
-	-	-	-	-	-	-
-	21,806	-	-	-	-	7,349
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	55,519	-	-	-	-	47,808
16,650	77,325	93,934	-	-	-	55,157
-	39,668	31,690	-	-	-	(20,361)
-	-	-	-	-	-	2,600
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,600
-	39,668	31,690	-	-	-	(17,761)
22,227	147,170	253,786	68,047	10,365	-	164,092
\$ 22,227	\$ 186,838	\$ 285,476	\$ 68,047	\$ 10,365	\$ -	\$ 146,331

**Parker County, Texas**

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Nonmajor Governmental Funds – Continued  
 Year Ended September 30, 2023

	<b>Special Revenue Funds</b>			
	<b>LEOSE</b>	<b>District Attorney State Supplement</b>	<b>Special District Attorney</b>	<b>Special County Attorney</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 15,000	\$ -	\$ -
Fees of office	16,514	-	900	1,481
Interest	-	-	1,128	415
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>16,514</b>	<b>15,000</b>	<b>2,028</b>	<b>1,896</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Law enforcement	6,179	-	-	-
Judicial	2,719	21,812	-	1,656
Recording	-	-	-	-
Capital outlays	-	-	-	-
<b>Total expenditures</b>	<b>8,898</b>	<b>21,812</b>	<b>-</b>	<b>1,656</b>
Excess (deficiency) of revenues				
Net changes in fund balances	7,616	(6,812)	2,028	240
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total financing other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>7,616</b>	<b>(6,812)</b>	<b>2,028</b>	<b>240</b>
<b>Fund balances - beginning of year</b>	<b>16,251</b>	<b>8,989</b>	<b>23,844</b>	<b>9,029</b>
<b>Fund balances - end of year</b>	<b>\$ 23,867</b>	<b>\$ 2,177</b>	<b>\$ 25,872</b>	<b>\$ 9,269</b>

<b>Special Revenue Funds</b>					
<b>District Attorney Awarded</b>	<b>Justice Technology Fund</b>	<b>Law Library</b>	<b>Road and Bridge Escrow</b>	<b>Juvenile Probation Fees and Grant</b>	<b>Adult Probation Bond Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ 818,055	\$ -
-	24,627	108,923	-	10,321	201,801
16,381	-	-	-	498	7,309
41,308	-	-	-	-	-
57,689	24,627	108,923	-	828,874	209,110
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,451	21,170	29,272	-	909,999	436,414
-	-	-	-	-	-
-	-	-	-	-	-
12,451	21,170	29,272	-	909,999	436,414
45,238	3,457	79,651	-	(81,125)	(227,304)
-	-	-	-	-	-
-	-	-	-	-	200,000
-	-	-	-	-	-
-	-	-	-	-	200,000
45,238	3,457	79,651	-	(81,125)	(27,304)
338,862	583,774	406,027	-	346,352	264,504
\$ 384,100	\$ 587,231	\$ 485,678	\$ -	\$ 265,227	\$ 237,200

**Parker County, Texas**

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Nonmajor Governmental Funds – Continued  
 Year Ended September 30, 2023

	<b>Special Revenue Funds</b>			
	<b>District Court Records Technology</b>	<b>Justice Court Security</b>	<b>County/ District Technology</b>	<b>County Clerk Records Management</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fees of office	-	7,503	3,899	347,765
Interest	-	-	-	79,538
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>7,503</b>	<b>3,899</b>	<b>427,303</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Law enforcement	-	-	-	-
Judicial	-	3,883	-	-
Recording	60,011	-	-	109,156
Capital outlays	-	-	-	-
<b>Total expenditures</b>	<b>60,011</b>	<b>3,883</b>	<b>-</b>	<b>109,156</b>
Excess (deficiency) of revenues				
Net changes in fund balances	(60,011)	3,620	3,899	318,147
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total financing other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(60,011)</b>	<b>3,620</b>	<b>3,899</b>	<b>318,147</b>
<b>Fund balances - beginning of year</b>	<b>111,121</b>	<b>151,404</b>	<b>39,211</b>	<b>1,558,898</b>
<b>Fund balances - end of year</b>	<b>\$ 51,110</b>	<b>\$ 155,024</b>	<b>\$ 43,110</b>	<b>\$ 1,877,045</b>

Special Revenue Funds					
County Clerk Vital Records	Records Management County Wide	District Clerk Records Management	Court Reporters Service	District Clerk	Court Record Preservation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,128	119,511	-	79,133	60,381	71
-	-	-	-	-	-
-	-	-	-	-	-
8,128	119,511	-	79,133	60,381	71
-	-	-	22,986	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	24,828	-	-
5,100	1,014	57,260	-	-	54,000
-	-	-	-	-	-
5,100	1,014	57,260	47,814	-	54,000
3,028	118,497	(57,260)	31,319	60,381	(53,929)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,028	118,497	(57,260)	31,319	60,381	(53,929)
37,600	418,799	91,033	384,474	379,086	242,998
\$ 40,628	\$ 537,296	\$ 33,773	\$ 415,793	\$ 439,467	\$ 189,069

**Parker County, Texas**

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Nonmajor Governmental Funds – Continued  
 Year Ended September 30, 2023

	<b>Special Revenue Funds</b>			
	<b>Document Preservation</b>	<b>Child Abuse Prevention</b>	<b>Specialty Court Fund</b>	<b>DA Pretrial Intervention</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fees of office	343,646	379	20,756	9,000
Interest	50,976	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>394,622</b>	<b>379</b>	<b>20,756</b>	<b>9,000</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Law enforcement	-	-	-	-
Judicial	-	-	-	-
Recording	332,479	-	-	-
Capital outlays	-	-	-	-
<b>Total expenditures</b>	<b>332,479</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues				
Net changes in fund balances	62,143	379	20,756	9,000
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total financing other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>62,143</b>	<b>379</b>	<b>20,756</b>	<b>9,000</b>
<b>Fund balances - beginning of year</b>	<b>1,071,465</b>	<b>2,126</b>	<b>39,913</b>	<b>10,200</b>
	-	-	-	-
<b>Fund balances - end of year</b>	<b>\$ 1,133,608</b>	<b>\$ 2,505</b>	<b>\$ 60,669</b>	<b>\$ 19,200</b>

Special Revenue Funds							Total
Court Facility	Language Access	Court-Initiated Guardianship	Judicial Education & Support	Opioid Settlement	Veterans Service	Other Grant Funds	Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 149,506	\$ -	\$ 87,073	\$ 1,195,198
61,477	17,403	20,640	3,130	-	-	-	1,717,517
-	-	-	-	-	-	-	183,273
-	-	-	-	-	607	-	91,869
61,477	17,403	20,640	3,130	149,506	607	87,073	3,187,857
-	-	-	-	-	-	-	154,542
-	-	-	-	-	-	87,073	174,111
-	-	-	-	-	-	-	37,014
-	-	-	-	-	-	-	1,464,204
-	-	-	-	-	-	-	619,020
-	-	-	-	-	-	-	103,327
-	-	-	-	-	-	87,073	2,552,218
61,477	17,403	20,640	3,130	149,506	607	-	635,639
-	-	-	-	-	-	-	2,600
-	-	-	-	-	-	-	215,000
-	-	-	-	-	-	-	(29,000)
-	-	-	-	-	-	-	188,600
61,477	17,403	20,640	3,130	149,506	607	-	824,239
36,449	11,044	13,976	2,269	-	-	73,302	7,760,823
-	-	-	-	-	-	-	-
\$ 97,926	\$ 28,447	\$ 34,616	\$ 5,399	\$ 149,506	\$ 607	\$ 73,302	\$ 8,585,062

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## **Fiduciary Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**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.

**Constable Trust Fund** - To account for assets temporarily held from Constable sale proceeds

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**Parker County, Texas**

Combining Statement of Net Position –  
Fiduciary Funds  
September 30, 2023

	Sheriff's Jail Trust Account	Auto Registration Account	Vehicle Inventory Tax Escrow	County Clerk's Court Fund Account	County Attorney's Escrow Account
<b>ASSETS</b>					
Cash	\$ 9,745	\$ 619,819	\$ 1,108,238	\$ 50,981	\$ 2,146
Investments	-	-	-	-	-
Total assets	<u>\$ 9,745</u>	<u>\$ 619,819</u>	<u>\$ 1,108,238</u>	<u>\$ 50,981</u>	<u>\$ 2,146</u>
<b>LIABILITIES</b>					
Deposits held and due to others	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>					
Restricted - Individuals, organizations, and other governments	\$ 9,745	\$ 619,819	\$ 1,108,238	\$ 50,981	\$ 2,146
Total net position	<u>\$ 9,745</u>	<u>\$ 619,819</u>	<u>\$ 1,108,238</u>	<u>\$ 50,981</u>	<u>\$ 2,146</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
\$ 316,197	\$ 197,024	\$ 596,546	\$ 2,985,634	\$ 113,462	\$ 1,356,417	\$ 201,609
-	-	-	-	-	-	-
<u>\$ 316,197</u>	<u>\$ 197,024</u>	<u>\$ 596,546</u>	<u>\$ 2,985,634</u>	<u>\$ 113,462</u>	<u>\$ 1,356,417</u>	<u>\$ 201,609</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 316,197	\$ 197,024	\$ 596,546	\$ 2,985,634	\$ 113,462	\$ 1,356,417	\$ 201,609
<u>\$ 316,197</u>	<u>\$ 197,024</u>	<u>\$ 596,546</u>	<u>\$ 2,985,634</u>	<u>\$ 113,462</u>	<u>\$ 1,356,417</u>	<u>\$ 201,609</u>

**Parker County, Texas**

Combining Statement of Net Position –  
 Fiduciary Funds – Continued  
 September 30, 2023

	<b>Sherriff's Office Inmate Trust Account</b>	<b>County Jail Commissary Fund</b>	<b>Adult Probation Fund</b>	<b>V.I.T Interest Account</b>	<b>District Attorney Trust Account</b>
<b>ASSETS</b>					
Cash	\$ 78,652	\$ 148,256	\$ 64,277	\$ 62,298	\$ 72,065
Investments	-	-	561,969	-	-
Total assets	<u>\$ 78,652</u>	<u>\$ 148,256</u>	<u>\$ 626,246</u>	<u>\$ 62,298</u>	<u>\$ 72,065</u>
<b>LIABILITIES</b>					
Deposits held and due to others	\$ -	\$ -	\$ 29,438	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,438</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>					
Restricted - Individuals, organizations, and other governments	<u>\$ 78,652</u>	<u>\$ 148,256</u>	<u>\$ 596,808</u>	<u>\$ 62,298</u>	<u>\$ 72,065</u>
Total net position	<u>\$ 78,652</u>	<u>\$ 148,256</u>	<u>\$ 596,808</u>	<u>\$ 62,298</u>	<u>\$ 72,065</u>

District Attorney Restituion Account	County Clerk's Probate Fund	TPWD Funds Account	Juvenile Probation Restituion Account	CSCD Restituion Account	Constable Trust Account	Total Fiduciary Funds
\$ -	\$ 34,304	\$ 1,255	\$ 4,684	\$ -	\$ -	\$ 8,023,609
-	-	-	-	-	-	561,969
<u>\$ -</u>	<u>\$ 34,304</u>	<u>\$ 1,255</u>	<u>\$ 4,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,585,578</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,438
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,438</u>
\$ -	\$ 34,304	\$ 1,255	\$ 4,684	\$ -	\$ -	\$ 8,556,140
<u>\$ -</u>	<u>\$ 34,304</u>	<u>\$ 1,255</u>	<u>\$ 4,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,556,140</u>

## Parker County, Texas

### Combining Statement of Changes in Net Position – Fiduciary Funds September 30, 2023

	<b>Sheriff's Jail Trust Account</b>	<b>Auto Registration Account</b>	<b>Vehicle Inventory Tax Escrow</b>	<b>County Clerk's Court Fund Account</b>	<b>County Attorney's Escrow Account</b>
<b>ADDITIONS</b>					
Vehicle registration fees collected for state	\$ -	\$ 62,363,606	\$ 1,647,673	\$ -	\$ -
Judicial/statutory ordered collections due to others	-	-	-	952,400	-
Held for others	907,579	-	-	-	12,673
Interest earnings	-	-	27,860	-	77
Total additions	<u>907,579</u>	<u>62,363,606</u>	<u>1,675,533</u>	<u>952,400</u>	<u>12,750</u>
<b>DEDUCTIONS</b>					
Vehicle registration due to state	-	62,227,800	1,654,793	-	-
Payments due under judicial order/statute	-	-	-	954,359	-
Payments to other governments and organizations	-	-	23,490	-	-
Payments to individuals	901,973	-	-	-	12,162
Total deductions	<u>901,973</u>	<u>62,227,800</u>	<u>1,678,283</u>	<u>954,359</u>	<u>12,162</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	5,606	135,806	(2,750)	(1,959)	588
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>4,139</u>	<u>484,013</u>	<u>1,110,988</u>	<u>52,940</u>	<u>1,558</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 9,745</u>	<u>\$ 619,819</u>	<u>\$ 1,108,238</u>	<u>\$ 50,981</u>	<u>\$ 2,146</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,270,183	-	-
-	137,681	795,605	3,663,517	-	1,655,414	43,031
-	-	-	37,484	-	-	2,789
-	137,681	795,605	3,701,001	2,270,183	1,655,414	45,820
-	-	-	-	-	-	-
-	-	-	-	2,307,034	-	-
-	-	-	-	-	-	-
72,705	149,760	786,532	1,496,679	-	2,342,241	53,320
72,705	149,760	786,532	1,496,679	2,307,034	2,342,241	53,320
(72,705)	(12,079)	9,073	2,204,322	(36,851)	(686,827)	(7,500)
388,902	209,103	587,473	781,312	150,313	2,043,244	209,109
\$ 316,197	\$ 197,024	\$ 596,546	\$ 2,985,634	\$ 113,462	\$ 1,356,417	\$ 201,609

**Parker County, Texas**

Combining Statement of Changes in Net Position –  
Fiduciary Funds – Continued  
September 30, 2023

	Sherriff's Office Inmate Trust Account	County Jail Commissary Fund	Adult Probation Fund	V.I.T Interest Account
<b>ADDITIONS</b>				
Vehicle registration fees collected for state	\$ -	\$ -	\$ -	\$ -
Judicial/statutory ordered collections due to others	-	-	1,971,993	-
Held for others	929,803	143,074	-	-
Interest earnings	-	-	27,115	25,445
Total additions	<u>929,803</u>	<u>143,074</u>	<u>1,999,108</u>	<u>25,445</u>
<b>DEDUCTIONS</b>				
Vehicle registration due to state	-	-	-	-
Payments due under judicial order/statute	-	-	2,032,106	-
Payments to other governments and organizations	-	92,176	-	918
Payments to individuals	918,598	-	-	-
Total deductions	<u>918,598</u>	<u>92,176</u>	<u>2,032,106</u>	<u>918</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	11,205	50,898	(32,998)	24,527
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>67,447</u>	<u>97,358</u>	<u>629,806</u>	<u>37,771</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 78,652</u>	<u>\$ 148,256</u>	<u>\$ 596,808</u>	<u>\$ 62,298</u>

District Attorney Trust Account	District Attorney Restitution Account	County Clerk's Probate Fund	TPWD Funds Account	Juvenile Probation Restitution Account	CSCD Restitution Account	Constable Trust Fund	Total Fiduciary Funds
\$ -	\$ -	\$ -	\$ 345,957	\$ -	\$ -	\$ -	\$ 64,357,236
-	75,025	-	-	2,843	2,344,223	1,377,710	8,994,377
25,124	-	2,700	-	-	-	-	8,316,201
-	-	-	-	-	5,595	-	126,365
<u>25,124</u>	<u>75,025</u>	<u>2,700</u>	<u>345,957</u>	<u>2,843</u>	<u>2,349,818</u>	<u>1,377,710</u>	<u>81,794,179</u>
-	-	-	349,567	-	-	-	64,232,160
-	145,736	-	-	2,188	2,349,818	1,377,710	9,168,951
77,869	-	-	-	-	-	-	194,453
-	-	4,950	-	-	-	-	6,738,920
<u>77,869</u>	<u>145,736</u>	<u>4,950</u>	<u>349,567</u>	<u>2,188</u>	<u>2,349,818</u>	<u>1,377,710</u>	<u>80,334,484</u>
(52,745)	(70,711)	(2,250)	(3,610)	655	-	-	1,459,695
124,810	70,711	36,554	4,865	4,029	-	-	7,096,445
<u>\$ 72,065</u>	<u>\$ -</u>	<u>\$ 34,304</u>	<u>\$ 1,255</u>	<u>\$ 4,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,556,140</u>

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# **Federal and State Award Programs**

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**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Parker County, Texas (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 26, 2024.

**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*.

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

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

**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 26, 2024



**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 (the County) 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 the County's major federal and state programs for the year ended September 30, 2023. The 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, the 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, 2023.

***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 the 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 the 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 the County's federal and state programs.

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

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

### **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 the 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 the 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 the 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 the 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 the 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.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and TxGMS and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on each major federal and program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

**Report on Internal Control over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be significant deficiencies.

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. Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

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 and TxGMS. 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 26, 2024





## **Parker County, Texas**

### Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2023

Effect and Questioned Costs: As reports were not submitted, the information as required was not made available to the North Texas Council of Governments and the Texas Department of Transportation. There were no questioned costs.

Recommendation: We recommend that reports are compiled and submitted for each month as required. We also recommend that review procedures are put in place to ensure reports are compiled and submitted correctly and timely.

Response: See Corrective Action Plan

#### **Finding 2023-002**

Major State Program: SH 121 Funds Old Weatherford Rd Improvements

Compliance Requirements: Cash Management

Criteria: The agreement between Parker County and the Texas Department of Transportation requires that all funds paid to Parker County be deposited into a separate account, and interest earned on the funds kept in the account. Interest earned may be used only for purposes specified within the agreement.

Condition: (X) Compliance Finding (X) Significant Deficiency ( ) Material Weakness

Context: Interest earned in the amount of \$396,529 on funds paid in advance to Parker County were not kept in a separate account.

Effect and Questioned Costs: Interest earned on funds paid in advance and not kept in a separate account could be used for purposes other than as specified within the agreement. There were no questioned costs.

Recommendation: Interest earned on funds paid in advance should be recorded and kept in a separate account. We also recommend review procedures be put in place to ensure interest earned is kept in a separate account and recorded appropriately.

Response: See Corrective Action Plan

#### **IV. Summary of Prior Year Findings**

There were no matters reported



**Parker County, Texas**  
Corrective Action Plan  
Year Ended September 30, 2023

**Finding 2023-001**

Major State Program: SH 121 Funds Old Weatherford Rd Improvements

Compliance Requirements: Reporting

Corrective Action Plan: Although formal written reports were not submitted during FY 2023, the County's Designee participated in frequent coordination and progress meetings with the Engineer of Record, the City of Fort Worth, and NCTCOG. During the right-of-way acquisition phase, the County held several meetings with NCTCOG to discuss the negotiation of ROW and easements. Currently, the County is working closely with NCTCOG's engineering firm during the bid phase to respond to contractor questions.

The County, in coordination with its third-party Transportation Program Manager, has established a monthly progress reporting process with the North Central Texas Council of Governments (NCTCOG). Once construction begins, the County will provide NCTCOG with a report outlining the cumulative interest earned and summarizing the total funding allocated for construction.

During the construction phase, the County will provide NCTCOG with a monthly report summarizing construction expenditures and the percentage of completion. The reports will be prepared by the Transportation Program Manager and reviewed by the Auditor or Assistant Auditor and submitted to NCTCOG via the Revenue and Project Tracking System (RTRTIP Program). A memo clarifying the reporting requirements, as outlined in the Advanced Funding Agreement (AFA) between TXDOT and Parker County, was provided to NCTCOG along with the above reporting recommendation.

Person(s) Responsible: Brianna Fowler, County Auditor, will coordinate with the Transportation Program Manager to ensure that reports are submitted monthly via the RTR TIP Program.

Anticipated Completion Date: The County will complete its first written monthly report for the month ended June 30, 2024, during July 2024.

## **Parker County, Texas**

Corrective Action Plan - Continued

Year Ended September 30, 2023

### **Finding 2023-002**

Major State Program: SH 121 Funds Old Weatherford Rd Improvements

Compliance Requirements: Cash Management

Corrective Action Plan: In order to ensure that the County is in compliance with Cash Management (CM) requirements, a CM column has been added to the Auditor's Office grant listing worksheet. When a new grant is awarded, the grant agreement will be reviewed to determine whether CM is applicable or not, and the CM column will be completed accordingly. Additionally, the monthly interest allocation worksheet will be updated, as applicable, if a fund/department is required to retain its interest due to a grant's CM requirement.

Person(s) Responsible: Brianna Fowler, County Auditor, will review each new grant agreement to determine whether it has a CM requirement. If applicable, the requirement will be noted on the grant listing worksheet to ensure that interest tracking and reporting is completed and accurate. Additionally, the interest allocation template will be updated, as applicable, to ensure interest is allocated to the correct GL account.

Anticipated Completion Date: The above correction action plan has been implemented as of the date of this report.

**Parker County, Texas**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended September 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-through Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Direct Programs			
Equitable Sharing Program	16.922	NCIC# 1840000	\$ 85,172
Total Direct Programs			85,172
Passed Through Texas Department of Criminal Justice			
State Criminal Alien Assistance Program (SCAAP)	16.606	15PBJA-22-RR-05448-SCAA	24,546
Total Passed Through Texas Department of Criminal Justice			24,546
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>109,718</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through Texas Department of Transportation			
US 180 and FM 730 Widening	20.205	CSJ 0008-03-119 & 1601-01-032	595,974
Total Passed Through Texas Department of Transportation			595,974
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b>595,974</b>
<b>U.S. DEPARTMENT OF TREASURY</b>			
Direct Programs			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	4,456,508
Total Direct Programs			4,456,508
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<b>4,456,508</b>
<b>U.S. GENERAL SERVICES ADMINISTRATION</b>			
Direct Programs			
Federal Surplus Program	39.003	N/A	41,390
Total Direct Programs			41,390
<b>TOTAL U.S. GENERAL SERVICES ADMINISTRATION</b>			<b>41,390</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Texas Department of State Health Services			
Public Health Emergency Preparedness - Cities Readiness Grant FY 2023	93.069	537-18-0156-00001 Amendments 6 & 7	33,956
Total Passed Through Texas Department of State Health Services			33,956
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>33,956</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 5,237,546</b>

**Parker County, Texas**

Schedule of Expenditures of State Awards  
For the Year Ended September 30, 2023

State Grantor/ Pass-Through Grantor/ Program Title	Pass-through Identifying Number	State Expenditures
<b>TEXAS COMMISSION ON ENVIRONMENTAL QUALITY</b>		
Direct Programs		
Texas Natural Gas Vehicle Grant Program (TNGVGP)	582-21-23389-NV	\$ 281,536
Total Direct Programs		<u>281,536</u>
<b>TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY</b>		281,536
<b>TEXAS DEPARTMENT OF TRANSPORTATION</b>		
Direct Programs		
Old Weatherford Road Bicycle & Pedestrian Improvements	CSJ 0902-38-140	3,215,101
US 180 and FM 730 Widening	CSJ 0008-03-119 & 1601-01-032	148,994
Total Direct Programs		<u>3,364,095</u>
<b>TOTAL TEXAS DEPARTMENT OF TRANSPORTATION</b>		3,364,095
<b>TEXAS INDIGENT DEFENSE COMMISSION</b>		
Direct Programs		
Texas Indigent Defense Formula Grant	212-23-184	86,300
Total Direct Programs		<u>86,300</u>
<b>TOTAL TEXAS INDIGENT DEFENSE COMMISSION</b>		86,300
<b>TEXAS DEPARTMENT OF MOTOR VEHICLES</b>		
Passed Through Tarrant County		
Tarrant County Auto Crimes Task Force 2023	608-23-2200000	94,232
Total Passed Through Tarrant County		<u>94,232</u>
<b>TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES</b>		94,232
<b>OFFICE OF THE ATTORNEY GENERAL</b>		
Direct Programs		
Statewide Automated Victim Notification Services Grant	202223449-00-467-01	17,505
Total Direct Programs		<u>17,505</u>
<b>TOTAL OFFICE OF THE ATTORNEY GENERAL</b>		17,505
<b>OFFICE OF THE GOVERNOR CRIMINAL JUSTICE DIVISION</b>		
Direct Programs		
Engaging Youth & Preventing Truancy	3994303	71,455
Body Armor Grant Program	3498103 & 3498104	53,117
Total Direct Programs		<u>124,572</u>
<b>TOTAL OFFICE OF THE GOVERNOR CRIMINAL JUSTICE DIVISION</b>		<u>124,572</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<u>\$ 3,968,240</u>

## **Parker County, Texas**

Notes to Schedule of Expenditures of Federal and State Awards  
For the Year Ended September 30, 2023

### **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, 2023. 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.

### **Note 3. Subrecipients**

Of the federal and state expenditures presented in the schedules, the County provided no amounts in federal or state awards to subrecipients during the year ended September 30, 2023.