Pecos County, Texas

Annual Financial Report For the Year Ended December 31, 2021



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Financial Section

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Independent Auditor's Report

To the Honorable Judge and Members of the Commissioners' Court Pecos County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pecos County, Texas (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Pecos County Memorial Hospital, an enterprise fund, which represents 100 percent of the assets, net position and revenues and expenses of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Pecos County Memorial Hospital, is based solely on the report of the other auditors.

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 December 31, 2021, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Beginning net position for the fiduciary funds has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

The Honorable Judge and Members of the Commissioners Court Pecos County, Texas

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 one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS 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.

The Honorable Judge and Members of the Commissioners Court Pecos County, Texas

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. 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.

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 is presented for purposes of additional analysis as required by *State of Texas Uniform Grant Management Standards (UGMS)*, and is also not a required part of the basic financial statements.

The combining statements and the schedule of expenditures of federal and state awards are the responsibility of management and 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.

The Honorable Judge and Members of the Commissioners Court Pecos County, Texas

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 21, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Weaver and Sidnell L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas July 21, 2023

Management's Discussion and Analysis

As management of Pecos County, Texas (the County), we offer readers of the County's financial statements this overview and analysis of the financial activities of the County for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 17.

Financial Highlights

- The assets and deferred outflows of the County was less than its liabilities and deferred inflows at the close of the most recent year by \$4,344,159 (*net deficit position*). A deficit of \$55,000,335 is reported for unrestricted net position.
- As of the close of the current year, the County's governmental funds reported combined ending fund balances of \$33,406,128 an increase of \$1,874,396 in comparison with the prior year. Approximately 61.1% of this total amount, \$20,410,845, is unassigned and *available for spending* at the government's discretion.
- At the end of the current year, unassigned fund balance for the general fund was \$20,410,845 or 76% percent of total general fund expenditures.
- The County's total capital lease debt decrease by \$180,759 during the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent year. All changes in net assets 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 only result in cash flows in future periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of Pecos County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government wide financial statements can be found on pages 17 through 19 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. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus on 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 this comparison between governmental funds and governmental activities.

The County maintains three governmental fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge fund, and the debt service fund, which are considered to be major funds. All other special revenue funds and capital project funds are considered nonmajor governmental funds and are combined into the aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements as other supplemental information elsewhere in this report.

The governmental fund financial statements can be found on pages 20 through 26 of this report.

The County adopts an annual appropriated budget for its general fund and road and bridge fund. Budgetary comparison statements, which are considered required supplementary information, have been provided for these funds to demonstrate compliance with this budget on pages 75 through 80.

Proprietary Funds: The County maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Pecos County Memorial Hospital fund, formerly presented as a discretely presented component unit, is now presented as an enterprise fund of the County. The Pecos County Memorial Hospital fund is considered a major fund of the County. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its self-insurance. Because this predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 27 through 30 of this report.

Fiduciary Funds: Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other governmental units. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's basic programs. The basic fiduciary fund financial statements can be found on page 31 and 32 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 beginning on page 35 of this report.

Other Information: The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information for budgetary data. Combining fund statements can be found on pages 84 through 101.

Government-Wide Financial Analysis

As noted earlier, net position (deficit) may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities exceeded assets by \$4,344,159 at the close of the most recent year. The County's investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is outstanding is 921% more than the County's total net position.

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.

	Governmental Activities				Business-type Activities				Total Primary Government			
		2020		2021	2020		2021		2020			2021
Current and other assets Capital assets	\$	71,048,577 21,530,123	\$	74,713,669 24,570,197	\$	8,986,932 13,373,153	\$	4,315,418 16,557,646	\$	80,035,509 34,903,276	\$	79,029,087 41,127,843
Total assets Total deferred outflows		92,578,700		99,283,866		22,360,085		20,873,064		114,938,785		120,156,930
of resources		4,990,665		5,845,073		6,315,474		7,330,573		11,306,139		13,175,646
Long-term liabilities outstanding		40,158,291		42,046,855		33,641,274		34,237,691		73,799,565		76,284,546
Other liabilities		39,078,756		41,996,672		8,125,836		9,332,317		47,204,592		51,328,989
Total liabilities Total deferred inflows		79,237,047		84,043,527		41,767,110		43,570,008		121,004,157		127,613,535
of resources		4,030,108		3,637,660		6,860,764		6,425,540		10,890,872		10,063,200
Net position:												
Net investment in capital assets		21,235,060		24,455,893		12,232,334		15,558,283		33,467,394		40,014,176
Restricted		9,949,664		10,642,000		-		-		9,949,664		10,642,000
Unrestricted		(16,882,514)		(17,650,141)		(32,184,649)		(37,350,194)		(49,067,163)		(55,000,335)
Total net position (deficit)	\$	14,302,210	\$	17,447,752	\$	(19,952,315)	\$	(21,791,911)	\$	(5,650,105)	\$	(4,344,159)

Pecos County, Texas Net Position

A significant portion of the County's net position, \$10,642,000, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$55,000,335.

Governmental and Business-Type Activities

Governmental activities increased the County's net position by \$3,145,542 and business-type activities decreased the County's net position by \$1,839,596. Key elements of these changes are as follows:

	Governmental Activities		Business-ty	pe Activities	Total Primary Government		
	2020	2021	2020	2021	2020	2021	
Revenues							
Program revenues:							
Charges for services	\$ 3,600,481	\$ 4,258,212	\$ 24,564,150	\$ 22,288,824	\$ 28,164,631	\$ 26,547,036	
Operating grants and contributions	2,225,640	2,234,461	4,442,140	1,358,095	6,667,780	3,592,556	
Capital grants and contributions	-	-	245,907	360,112	245,907	360,112	
General revenues:							
Property taxes	29,104,906	32,761,636	-	-	29,104,906	32,761,636	
Alcoholic beverage taxes	20,725	25,437	-	-	20,725	25,437	
Investment earnings	191,571	27,029	15,170	8,110	206,741	35,139	
Payment in lieu of taxes	270,000	1,286,543	-	-	270,000	1,286,543	
Proceeds from settlement	2,679,823	123,340	-	-	2,679,823	123,340	
Procees from sales of assets	27,060	28,159	-	-	27,060	28,159	
Other	106,289	407,612			106,289	407,612	
Total revenues	38,226,495	41,152,429	29,267,367	24,015,141	67,493,862	65,167,570	
Expenses							
General government	5,352,579	3,840,729	-	-	5,352,579	3,840,729	
Judicial	2,675,246	2,805,469	-	-	2,675,246	2,805,469	
Financial administration	1,919,700	2,051,026	-	-	1,919,700	2,051,026	
Public facilities	1,132,947	1,385,995	-	-	1,132,947	1,385,995	
Public safety	6,290,803	6,474,478	-	-	6,290,803	6,474,478	
Public service	1,109,551	1,392,049	-	-	1,109,551	1,392,049	
Adult probation	-	11,274	-	-	-	11,274	
Health and welfare	3,536,271	4,938,966	-	-	3,536,271	4,938,966	
Culture and recreation	3,396,730	4,758,017	-	-	3,396,730	4,758,017	
Highways and streets	3,934,731	3,661,068	-	-	3,934,731	3,661,068	
Conservation	534,173	422,054	-	-	534,173	422,054	
Airport	590	654,443	-	-	590	654,443	
Pecos County Memorial Hospital			32,372,411	31,466,056	32,372,411	31,466,056	
Total expenses	29,883,321	32,395,568	32,372,411	31,466,056	62,255,732	63,861,624	
Change in net position:							
Before transfers	8,343,714	8,756,861	(3,105,044)	(7,450,915)	5,238,130	1,305,946	
Transfers	(4,910,606)	(5,611,319)	4,910,606	5,611,319			
Change in net position	3,433,108	3,145,542	1,805,562	(1,839,596)	5,238,130	1,305,946	
Net position - beginning of year	10,869,102	14,302,210	(21,757,877)	(19,952,315)	(10,888,775)	(5,650,105)	
Net position, ending	\$ 14,302,210	\$ 17,447,752	\$ (19,952,315)	\$ (21,791,911)	\$ (5,650,645)	\$ (4,344,159)	

Pecos County, Texas Changes in Net Position

Financial Analysis of the Governments Funds

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

Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Pecos County's financing 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 year.

As of the end of the current year, the County's governmental funds reported combined ending fund balances of \$33,406,128, an increase of \$1,874,396 in comparison with the prior year. Approximately 61.1% of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to cover debt service, inventory, and revenues restricted for airport use generated from airport assets.

The general fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the general fund was \$20,410,845, while total fund balance was \$30,356,030.

Road and Bridge Fund. This fund is used to account for funds restricted for use in improving County highways and lateral streets and roadways.

Proprietary Funds: Unrestricted fund deficit of the County's enterprise fund, Pecos Memorial Hospital at the end of the year was a deficit of \$34,753,910. The remainder of the fund balance is net investment in capital assets. The change in net position for the fund was a decrease of \$2,004,014. Unrestricted fund balance of the County's health self-insurance plan at the end of the year was \$577,764. The change in unrestricted net position for the fund was an increase of \$571,238.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget are briefly summarized as follows:

- Actual revenues for 2021 were \$593,693 more than final budgeted revenues.
- Actual expenditures for 2021 were \$7,489,645 less than the final amended budget.

This resulted in a net increase in the general fund balance for the year of \$1,052,840 after accounting for other financing sources as detailed on page 24 of this report.

Capital Asset and Debt Administration

Capital Assets: The County's investment in capital assets for its governmental and business type activities as of December 31, 2021, amounts to \$41,127,843 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and other improvements.

			(Net of d								
	 Governmer	ntal Ad	ctivities		Business-type Activities				Total Primary Government		
	 2020		2021	2020		2021		2020		2021	
Land	\$ 1,345,948	\$	1,345,948	\$	85,649	\$	85,649	\$	1,431,597	\$	1,431,597
Buildings	10,443,276		10,052,259		9,938,686		13,075,968		20,381,962		23,128,227
Improvements - other	3,008,461		4,730,767		71,694		60,321		3,080,155		4,791,088
Machinery and equipment	4,955,038		5,234,796		1,148,163		1,482,890		6,103,201		6,717,686
Construction in progress	550,855		2,021,262		-		-		550,855		2,021,262
Infrastructure	646,677		605,297		-		-		646,677		605,297
Leased assets	579,868		579,868		1,195,498		963,029		1,775,366		1,542,897
Capitalized interest	 -		-		933,463		889,789		933,463		889,789
Net capital assets	\$ 21,530,123	\$	24,570,197	\$	13,373,153	\$	16,557,646	\$	34,903,276	\$	41,127,843

Pecos County, Texas Capital Assets (Net of depreciation)

Additional information on the County's capital assets can be found in Note 6 on pages 49 through 50 of this report.

Long-term debt: At the end of the current year, the County had no bonded debt outstanding. At the end of the year, the County had \$1,113,667 in capital lease debt. The County's debt is comprised as follows:

	Governmental Activities				
		2020		2021	
Capital lease obligations	\$	295,063	\$	114,304	
Compensated absences		1,362,944		1,372,110	
Net Pension liability		2,689,734		4,374,952	
Other post-employment benefits obligation		39,357,764		36,915,587	
TCDRS OPEB		619,573		736,185	
Total governmental activities	\$	44,325,078	\$	43,513,138	
		Business-typ	be Act	tivities	
		2020		2021	
Capital lease obligations	\$	1,213,844	\$	999,363	
Compensated absences		1,135,853		1,105,842	
Other post-employment benefits obligation		32,070,500		32,859,013	
TCDRS OPEB		653,896		761,537	
Total business-type activities	\$	35,074,093	\$	35,725,755	

Additional information on Pecos County's long-term debt can be found in Note 8 on pages 51 through 52.

Economic Factors and Next Year's Budgets and Rates

Pecos County's tax base continues to grow. The oil and gas industry in West Texas has rebounded and the court has been actively working with other industries as well to diversify the tax base. The court continues to work with wind and solar companies as well as data mining sites. The Commissioners' court continues to monitor economic conditions and is taking current economic trends and inflation into account in preparing for the future.

Requests for Information

This financial report is designed to provide a general overview of Pecos County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Pecos, 103 W Callaghan, Fort Stockton, Texas 79735.

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Basic Financial Statements

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Pecos County, Texas Statement of Net Position December 31, 2021

Covernmental Activities Busines-Type Activities Total Assers Cash and cash equivalents Investments \$ 14,794,897 \$ 2,456,205 \$ 17,251,102 Investments 30,675,957 - 30,675,957 - 30,675,957 Receivables, net 26,457,387 2,139,368 22,95,755 29,96,755 Estimated third-party payor settlements - 377,892 377,892 - Other assets - 1,127,381 1,127,381 - - Capital assets 99,283,866 20,873,064 - - - Deferred outflow of resources - pension 3,355,5431 3,315,959 - - - Deterred outflow of resources 5,845,073 7,330,573 - - - Accounts payable and other current liabilities 3,132,157 2,698,194 - - - Due to other governments 182,039 - - - - - Due to other governments 182,039 - - - - -			Primary Government	
Cash and cash equivalents \$ 14,794,897 \$ 2,456,205 \$ 17,251,102 Investments 30,075,957 30,075,957 30,075,957 30,075,957 30,075,957 30,075,957 30,075,957 30,075,957				Total
Investments 30,675,957 - 30,675,957 Receivables, net 26,437,387 3,139,368 29,596,755 Estimated bindcparty payor settlements - 377,892 377,892 Internal balances 2,785,428 (2,785,428) - Other assets - 1,127,381 1,127,381 Capital assets, net 24,570,197 16,557,646 41,127,843 Total assets 99,283,866 20,873,064 120,156,930 Deferred outflow of resources - pension 3,565,431 3,315,959 6,881,390 Deterred outflow of resources - OPEB 2,279,442 4,014,614 6,294,256 Total deferred outflows of resources 5,845,073 7,330,573 13,175,646 LIABILITES - 182,039 - 182,039 Due to other governments 182,039 - 182,039 Due to other governments 182,039 - 1,482,037 Due to other governments 182,039 - 1,532,716 Due to other governments 182,039 - 1,82,039	ASSETS			
Receivables, net 26,457,387 3,139,368 29,596,755 Estimated third-party payor settlements - 377,892 377,892 Internal balances 2,785,428 (2,785,428) - Other assets - 1,127,381 1,127,381 Capital assets, net 24,570,197 16,557,646 41,127,843 Total assets 99,283,866 20,873,064 120,156,930 Deferred outflow of resources - pension 3,555,431 3,315,959 6,881,390 Deferred outflow of resources - oPEB 2,279,642 4,014,614 6,294,256 Total deferred outflows of resources 5,845,073 7,330,573 13,175,646 LIABILITIES - 182,039 - 182,039 Due to other governments 182,039 - 182,039 Estimated health claims payable 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,442,012 Uncerned revenue - property tax 30,724,440 - 30,724,240 Unearmed greant revenue 1,536,716 <t< td=""><td>Cash and cash equivalents</td><td>\$ 14,794,897</td><td>\$ 2,456,205</td><td>\$ 17,251,102</td></t<>	Cash and cash equivalents	\$ 14,794,897	\$ 2,456,205	\$ 17,251,102
Estimated third-party payor settlements - 377,892 377,892 Internal bolances 2,785,428 - - Other assets - 1,127,381 1,127,381 Capital assets, net 24,570,197 16,557,646 41,127,883 Total assets 99,283,866 20,873,064 120,156,930 DEFERED OUTFLOWS OF RESOURCES - - 3,315,959 6,881,390 Deferred outflow of resources - 0PEB 2,279,642 4,014,614 6,294,256 Total deferred outflows of resources 5,845,073 7,330,573 13,175,646 LIABILITIES - 182,039 - 182,039 Due to other governments 182,039 - 182,039 Estimated health claims payable 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 TCDRS obligation 736,185 761,537 1,487,722 Unearmed grant revenue 1,536,716 - 1,536,716 Noncurrent liabilities 84,043,527 43,570,008	Investments	30,675,957	-	30,675,957
Internal balances 2.785.428 (2.785,428) - Other assets - 1,127,381 1,127,381 1,127,381 Capital assets, net 24,570,197 16,557,646 41,127,843 Total assets 99,283,866 20,873,064 120,156,930 DEFERRED OUTFLOWS OF RESOURCES 2279,642 4,014,614 6,294,256 Total deferred outflow of resources - OPEB 2,279,642 4,014,614 6,294,256 Total deferred outflows of resources 5,845,073 7,330,573 13,175,646 LIABILITIES 4,014,614 6,294,256 182,039 182,039 182,039 Estimated health claims payable 562,086 - 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 - 1,336,716 - 1,536,716 Noncurrent liabilities: 0,742,440 - 30,742,440 - 30,742,440 - 30,742,440 - 1,536,716 - 1,536,716 - 1,536,716 - 1,536,716 - 1,536,71	Receivables, net	26,457,387	3,139,368	29,596,755
Other assets - 1,127,381 1,127,381 1,127,381 Capital assets, net 24,570,197 16,557,646 41,127,843 Total assets 99,283,866 20,873,064 120,156,930 DeFERRED OUTFLOWS OF RESOURCES 2279,442 4,014,614 6,294,256 Total deferred outflow of resources - OPEB 2,279,442 4,014,614 6,294,256 Total deferred outflows of resources 5,845,073 7,330,573 13,175,646 LABLITES Accounts payable and other current liabilities 3,132,157 2,698,194 5,830,351 Due to other governments 182,039 - 182,039 Estimated health claims payable 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 TCDRS obligation 736,185 761,537 1,497,722 Unearmed grant revenue 1,536,716 - 1,536,716 Noncurrent liabilities: 34,237,697 753,526 1,483,623 Due in more than one year 42,046,855 34,237,691 76,284,546	Estimated third-party payor settlements	-	377,892	377,892
Capital assets, net 24,570,197 16,557,646 41,127,843 Total assets 99,283,866 20,873,064 120,156,930 DEFERRED OUTFLOWS OF RESOURCES Deferred outflow of resources - pension 3,565,431 3,315,959 6,881,390 Deferred outflow of resources - OPEB 2,279,642 4,014,614 6,294,256 Total deferred outflows of resources 5,845,073 7,330,573 13,175,646 LIABILITES 3,132,157 2,698,194 5,830,351 Due to other governments 182,039 - 182,039 Estimated health claims payable 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 TCDRS obligation 736,185 761,537 1,497,722 Unearmed revenue - property tax 30,742,440 - 30,742,440 Noncurrent liabilities: - 1,536,716 - 1,536,716 Due within one year 730,097 753,526 1,483,623 Due in more than one year - 1,480,27	Internal balances	2,785,428	(2,785,428)	-
Total assets 99,283,866 20,873,064 120,156,930 DEFERRED OUTFLOWS OF RESOURCES Deferred outflow of resources - pension 3,565,431 3,315,959 6,881,390 Deferred outflow of resources - OPEB 2,279,642 4,014,614 6,294,256 Total deferred outflows of resources 5,845,073 7,330,573 13,175,646 LIABILITIES Accounts payable and other current liabilities 3,132,157 2,698,194 5,830,351 Due to other governments 182,039 - 182,039 - 182,039 Estimated health claims payable 562,086 - 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 TCDRS obligation 736,185 711,537 1,497,722 Unearmed grant revenue 1,536,716 - 1,536,716 - 1,536,716 Noncurrent liabilities: Due within one year 730,097 753,526 1,483,623 Due in more than one year 2,002,999 2,002,999 4,005,978 Deferred inflow of resources - pension 2,002,999 2,002,999	Other assets	-	1,127,381	1,127,381
DEFERRED OUTFLOWS OF RESOURCES Deferred outflow of resources - OPEB 3,565,431 3,315,959 6,881,390 Deferred outflow of resources - OPEB 2,279,642 4,014,614 6,294,256 Total deferred outflows of resources 5,845,073 7,330,573 13,175,646 LIABILITES 4,014,614 6,294,256 Accounts payable and other current liabilities 3,132,157 2,698,194 5,830,351 Due to other governments 182,039 - 182,039 Estimated health claims payable 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 TCDRS obligation 736,185 761,537 1,497,722 Unearmed revenue - property tax 30,742,440 - 30,742,440 Unearmed revenue - property tax 30,742,440 - 30,742,440 Due within one year 730,097 753,526 1,483,623 Due within one year 42,046,855 34,227,691 7,284,546 Total liabilities 84,043,527 4,357,0008 127,613	Capital assets, net	24,570,197	16,557,646	41,127,843
Deferred outflow of resources - pension 3,565,431 3,315,959 6,881,390 Deferred outflow of resources - OPEB 2,277,642 4,014,614 6,294,256 Total deferred outflows of resources 5,845,073 7,330,573 13,175,646 LIABILITIES Accounts payable and other current liabilities 3,132,157 2,698,194 5,830,351 Due to other governments 182,039 - 182,039 - 182,039 Estimated health claims payable 562,086 - 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 TCDRS obligation 736,185 761,537 1,497,722 Unearned revenue - property tax 30,742,440 - 30,742,440 - 30,742,440 Unearned grant revenue 1,536,716 - 1,536,716 - 1,536,716 Noncurrent liabilities: 24,046,855 34,237,691 76,284,546 - - 1,636,716 Due within one year 730,097 753,526 1,483,623 - 1,480,272 1,480,272	Total assets	99,283,866	20,873,064	120,156,930
Deferred outflow of resources 2,279,642 4,014,614 6,294,256 Total deferred outflows of resources 5,845,073 7,330,573 13,175,646 LIABILITIES Accounts payable and other current liabilities 3,132,157 2,698,194 5,830,351 Due to other governments 182,039 - 182,039 - 182,039 Estimated health claims payable 562,086 - 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 TCDRS obligation 736,185 761,537 1,497,722 Unearned revenue - property tax 30,742,440 - 30,742,440 - 30,742,440 Unearned grant revenue 1,536,716 - 1,536,716 - 1,536,716 Noncurrent liabilities: Due within one year 730,097 753,526 1,483,623 Due in more than one year 42,046,855 34,237,691 76,284,546 Total liabilities 84,043,527 43,570,008 127,613,535 Deferred inflow of resources - oPEB 1,634,661 2,942,269	DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources 5.845.073 7.330.573 13.175.646 LIABILITIES Accounts payable and other current liabilities 3.132.157 2.698.194 5.830.351 Due to other governments 182.039 - 182.039 Estimated health claims payable 562.086 - 562.086 Net pension liability 4.374.952 5.119.060 9.494.012 TCDRS obligation 736.185 761.537 1.497.722 Unearned revenue - property tax 30.742.440 - 30.742.440 Unearned revenue - property tax 30.742.440 - 1.536.716 Noncurrent liabilities: Due within one year 730.097 753.526 1.483.623 Due in more than one year 42.046.855 34.237.691 72.628.546 Total liabilities 84.043.527 43.570.008 127.613.535 Deferred inflow of resources - pension 2.002.979 2.002.979 4.005.978 Deferred inflow of resources - OPEB 1.634.661 2.942.269 4.576.930 Total deferred inflows of resources 3.637.660 6.425.	Deferred outflow of resources - pension		3,315,959	
LIABILITIES Accounts payable and other current liabilities 3.132.157 2.698,194 5.830.351 Due to other governments 182.039 - 182.039 Estimated health claims payable 562.086 - 562.086 Net pension liability 4.374,952 5.119.060 9.494.012 TCDRS obligation 736,185 761.537 1.497.722 Unearned revenue - property tax 30.742.440 - 30.742.440 Unearned grant revenue 1.536.716 - 1.536.716 Noncurrent liabilities: - 1.536.716 - 1.536.716 Due within one year 730.097 753.526 1.483.623 Due in more than one year 42.046.855 34.237.691 76.284.546 Total liabilities 84.043.527 43.570.008 127.613.535 DEFERED INFLOWS OF RESOURCES - 1.480.272 1.480.272 1.480.272 Deferred inflow of resources - OPEB 1.634.661 2.942.269 4.576.930 Total deferred inflows of resources 3.637.660 6.425.540 10.06	Deferred outflow of resources - OPEB	2,279,642	4,014,614	6,294,256
Accounts payable and other current liabilities 3,132,157 2,698,194 5,830,351 Due to other governments 182,039 - 182,039 Estimated health claims payable 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 TCDRS obligation 736,185 761,537 1,497,722 Unearned revenue - property tax 30,742,440 - 30,742,440 Unearned grant revenue 1,536,716 - 1,536,716 Noncurrent liabilities: - 1,536,716 - 1,536,716 Due within one year 42,046,855 34,237,691 76,284,546 Total liabilities 84,043,527 43,570,008 127,613,535 DEFERRED INFLOWS OF RESOURCES - 1,480,272 1,480,272 1,480,272 Medicare accelerated and advance payments - - 1,480,272 1,480,272 Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660	Total deferred outflows of resources	5,845,073	7,330,573	13,175,646
Due to other governments 182,039 - 182,039 Estimated health claims payable 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 TCDRS obligation 736,185 761,537 1,497,722 Unearned revenue - property tax 30,742,440 - 30,742,440 Unearned grant revenue 1,536,716 - 1,536,716 Noncurrent liabilities: - 1,536,716 - 1,536,716 Due within one year 730,097 753,526 1,483,623 - 162,84,546 Total liabilities 84,043,527 43,570,008 127,613,535 - Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 - Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 - Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 Net investment in capital assets 24,455,893 15,558,283 40,014,176 Restricted for: - 7,599,658				
Estimated health claims payable 562,086 - 562,086 Net pension liability 4,374,952 5,119,060 9,494,012 TCDRS obligation 736,185 761,537 1,497,722 Unearned revenue - property tax 30,742,440 - 30,742,440 Unearned grant revenue 1,536,716 - 1,536,716 Noncurrent liabilities: - 1,536,716 - 1,536,716 Due within one year 730,097 753,526 1,483,623 Due within one year 42,046,855 34,237,691 76,284,546 Total liabilities 84,043,527 43,570,008 127,613,535 DEFERRED INFLOWS OF RESOURCES - 1,480,272 1,480,272 Medicare accelerated and advance payments - 1,480,272 1,480,272 Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION - 7,599,658 - 7,599,658 Road and bridge 900,247			2,698,194	
Net pension liability 4.374,952 5,119,060 9,494,012 TCDRS obligation 736,185 761,537 1,497,722 Unearned revenue - property tax 30,742,440 - 30,742,440 Unearned grant revenue 1,536,716 - 1,536,716 Noncurrent liabilities: - 1,536,716 - 1,536,716 Due within one year 730,097 753,526 1,483,623 Due in more than one year 42,046,855 34,237,691 76,284,546 Total liabilities 84,043,527 43,570,008 127,613,535 DEFERRED INFLOWS OF RESOURCES - 1,480,272 1,480,272 Medicare accelerated and advance payments - 1,434,661 2,942,269 4,576,930 Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 10,063,200 NET POSITION - 7,599,658 - 7,599,658 - 7,599,658 - 90,247 Restricted for: - 1,719,217 - 90,247 90,247 90,247	Due to other governments		-	
TCDRs obligation 736,185 761,537 1,497,722 Unearned revenue - property tax 30,742,440 - 30,742,440 Unearned grant revenue 1,536,716 - 1,536,716 Noncurrent liabilities: - 1,536,716 - 1,536,716 Due within one year 730,097 753,526 1,483,623 - Due in more than one year 42,046,855 34,237,691 76,284,546 Total liabilities 84,043,527 43,570,008 127,613,535 DEFERRED INFLOWS OF RESOURCES - 1,480,272 1,480,272 Medicare accelerated and advance payments - 1,480,272 1,480,272 Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 Deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION - - 7,599,658 - 7,599,658 Road and bridge 900,247 - 900,247 900,247 Federal and state grants 422,878 - 422,878 422,878	Estimated health claims payable		-	
Unearned revenue - property tax 30,742,440 - 30,742,440 Unearned grant revenue 1,536,716 - 1,536,716 Noncurrent liabilities: - 1,536,716 - 1,536,716 Due within one year 730,097 753,526 1,483,623 Due in more than one year 42,046,855 34,237,691 76,284,546 Total liabilities 84,043,527 43,570,008 127,613,535 DEFERRED INFLOWS OF RESOURCES - 1,480,272 1,480,272 Medicare accelerated and advance payments - 1,480,272 1,480,272 Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION - - 7,599,658 - 7,599,658 Road and bridge 900,247 - 900,247 900,247 Federal and state grants 422,878 - 422,878	Net pension liability	4,374,952	5,119,060	9,494,012
Unearned grant revenue 1,536,716 - 1,536,716 Noncurrent liabilities: Due within one year 730,097 753,526 1,483,623 Due in more than one year 42,046,855 34,237,691 76,284,546 Total liabilities 84,043,527 43,570,008 127,613,535 DEFERRED INFLOWS OF RESOURCES Medicare accelerated and advance payments - 1,480,272 1,480,272 Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 2,942,269 4,576,930 Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION - - 7,599,658 - 7,599,658 Road and bridge 900,247 - 900,247 900,247 Federal and state grants 422,878 - 422,878 422,878 Legislation 1,719,217 - 1,719,217 1,719,217 Unrestricted (17,650,141) (37,350,194) (55,000,335)	TCDRS obligation	736,185	761,537	1,497,722
Noncurrent liabilities: 730,097 753,526 1,483,623 Due within one year 42,046,855 34,237,691 76,284,546 Total liabilities 84,043,527 43,570,008 127,613,535 DEFERRED INFLOWS OF RESOURCES 84,043,527 43,570,008 127,613,535 DEFERRED INFLOWS OF RESOURCES - 1,480,272 1,480,272 1,480,272 Medicare accelerated and advance payments - 1,480,272 1,480,272 1,480,272 Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION - - 7,599,658 - 7,599,658 Net investment in capital assets 24,455,893 15,558,283 40,014,176 Restricted for: - 7,599,658 - 7,599,658 Airport 7,599,658 - 7,599,658 - 7,599,658 Road and bridge 900,247 - 900,247 - 422,878	Unearned revenue - property tax	30,742,440	-	30,742,440
Due within one year 730,097 753,526 1,483,623 Due in more than one year 42,046,855 34,237,691 76,284,546 Total liabilities 84,043,527 43,570,008 127,613,535 DEFERRED INFLOWS OF RESOURCES - 1,480,272 1,480,272 1,480,272 Medicare accelerated and advance payments - 1,480,272 1,480,272 1,480,272 Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 2,040,998 Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION - - 7,599,658 - 7,599,658 Road and bridge 900,247 - 900,247 900,247 Federal and state grants 422,878 - 422,878 422,878 Legislation 1,719,217 - 1,719,217 1,719,217 1,719,217	-	1,536,716	-	1,536,716
Due in more than one year 42,046,855 34,237,691 76,284,546 Total liabilities 84,043,527 43,570,008 127,613,535 DEFERRED INFLOWS OF RESOURCES . . 1,480,272 1,480,272 Medicare accelerated and advance payments - 1,480,272 1,480,272 Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION . <th.< th=""> . . <th.< th=""></th.<></th.<>		730.097	753.526	1,483,623
DEFERRED INFLOWS OF RESOURCES Medicare accelerated and advance payments - 1,480,272 1,480,272 Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION Restricted for: - 7,599,658 - 7,599,658 Airport 7,599,658 - 900,247 900,247 900,247 Federal and state grants 422,878 - 422,878 422,878 1,719,217 Unrestricted 11,719,217 - 1,719,217 1,719,217 1,719,217				
Medicare accelerated and advance payments - 1,480,272 1,480,272 Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION - - 7,599,658 - - 7,599,658 Restricted for: - - 900,247 - 900,247 Federal and bridge 900,247 - 900,247 - 422,878 Legislation 1,719,217 - 1,719,217 - 1,719,217 Unrestricted (17,650,141) (37,350,194) (55,000,335) -	Total liabilities	84,043,527	43,570,008	127,613,535
Deferred inflow of resources - pension 2,002,999 2,002,999 4,005,998 Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION Net investment in capital assets 24,455,893 15,558,283 40,014,176 Restricted for: 7,599,658 - 7,599,658 Road and bridge 900,247 - 900,247 Federal and state grants 422,878 - 422,878 Legislation 1,719,217 - 1,719,217 Unrestricted (17,650,141) (37,350,194) (55,000,335)	DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of resources - OPEB 1,634,661 2,942,269 4,576,930 Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION	Medicare accelerated and advance payments	-	1,480,272	1,480,272
Total deferred inflows of resources 3,637,660 6,425,540 10,063,200 NET POSITION <th< th=""> <th< th=""> <td>Deferred inflow of resources - pension</td><td>2,002,999</td><td>2,002,999</td><td>4,005,998</td></th<></th<>	Deferred inflow of resources - pension	2,002,999	2,002,999	4,005,998
NET POSITION 24,455,893 15,558,283 40,014,176 Restricted for: 7,599,658 - 7,599,658 Airport 7,599,658 - 7,599,658 Road and bridge 900,247 - 900,247 Federal and state grants 422,878 - 422,878 Legislation 1,719,217 - 1,719,217 Unrestricted (17,650,141) (37,350,194) (55,000,335)	Deferred inflow of resources - OPEB	1,634,661	2,942,269	4,576,930
Net investment in capital assets 24,455,893 15,558,283 40,014,176 Restricted for:	Total deferred inflows of resources	3,637,660	6,425,540	10,063,200
Restricted for: Airport 7,599,658 - 7,599,658 Road and bridge 900,247 - 900,247 Federal and state grants 422,878 - 422,878 Legislation 1,719,217 - 1,719,217 Unrestricted (17,650,141) (37,350,194) (55,000,335)				
Airport 7,599,658 - 7,599,658 Road and bridge 900,247 - 900,247 Federal and state grants 422,878 - 422,878 Legislation 1,719,217 - 1,719,217 Unrestricted (17,650,141) (37,350,194) (55,000,335)		24,455,893	15,558,283	40,014,176
Road and bridge 900,247 - 900,247 Federal and state grants 422,878 - 422,878 Legislation 1,719,217 - 1,719,217 Unrestricted (17,650,141) (37,350,194) (55,000,335)		7 599 658	_	7 599 658
Federal and state grants 422,878 - 422,878 Legislation 1,719,217 - 1,719,217 Unrestricted (17,650,141) (37,350,194) (55,000,335)			-	
Legislation 1,719,217 - 1,719,217 Unrestricted (17,650,141) (37,350,194) (55,000,335)	-		-	
Unrestricted (17,650,141) (37,350,194) (55,000,335)	-		-	
	-		(37,350,194)	
	TOTAL NET POSITION (DEFICIT)	\$ 17,447,752	\$ (21,791,911)	\$ (4,344,159)

Pecos County, Texas Statement of Activities

Statement of Activities For the Year Ended December 31, 2021

<u>Function/Programs</u>	Expenses	Charges for Services
PRIMARY GOVERNMENT		
Governmental activities:		
General government	\$ 3,840),729 \$ 586,986
Judicial	2,805	632,959
Financial administration	2,051	,026 236,260
Public facilities	1,385	649,423
Public safety	6,474	1,478 168,962
Public service	1,392	2,049 1,793
Adult probation	11	,274 -
Health and welfare	4,938	3,966 1,214,922
Culture and recreation	4,758	3,017 195,425
Highways and streets	3,661	,068 561,474
Conservation	422	- 2,054
Airport	654	10,008
Total governmental activities	32,395	5,568 4,258,212
Business-type activities:		
Pecos County Memorial Hospital	31,466	22,288,824
Total business-type activities	31,466	5,056 22,288,824
TOTAL PRIMARY GOVERNMENT	\$ 63,861	,624 \$ 26,547,036

Program Revenues					Net (Expense) Revenue and Changes in Net Position							
G	Operating Grants and Contributions	rants and Grants and		G	overnmental Activities	Bu	usiness-Type Activities		Total			
\$	498,285 - - 1,296,650 283,988 - 98,162 57,371 5 - -	\$		\$	(2,755,458) (2,172,510) (1,814,766) (736,572) (5,008,866) (1,106,268) (11,274) (3,625,882) (4,505,221) (3,099,589) (422,054) (644,435)	\$		\$	(2,755,458) (2,172,510) (1,814,766) (736,572) (5,008,866) (1,106,268) (11,274) (3,625,882) (4,505,221) (3,099,589) (422,054) (644,435)			
	2,234,461		-		(25,902,895)		-		(25,902,895)			
	1,358,095 1,358,095		360,112		-		(7,459,025)		(7,459,025)			
Pro Alo Ur Pc Pro Mi	3,592,556 ral revenues: operty taxes coholic bevera intestricted investigation ayment in lieu of occeeds from se occeeds from so scellaneous rev ansfers Total general Change in ne	stment ea f property ittlement iles of asso venue revenues	v taxes ets and transfers	\$	(25,902,895) 32,761,636 25,437 27,029 1,286,543 123,340 28,159 407,612 (5,611,319) 29,048,437 3,145,542	\$	(7,459,025) - - 8,110 - - - 5,611,319 5,619,429 (1,839,596)	\$	(33,361,920) 32,761,636 25,437 35,139 1,286,543 123,340 28,159 407,612 - 34,667,866 1,305,946			
	osition - beginn OSITION - END (0,	ar	\$	14,302,210 17,447,752	\$	(19,952,315) (21,791,911)	\$	(5,650,105) (4,344,159)			

Pecos County, Texas Balance Sheet – Governmental Funds December 31, 2021

	 General
ASSETS Cash and cash equivalents Investments	\$ 7,890,702 30,675,957
Receivables, net Property taxes	20,645,369
Other Due from other funds	1,876,208 523,537
TOTAL ASSETS	\$ 61,611,773
LIABILITIES	
Accounts payable Due to other funds	\$ 2,468,718 521,638
Due to other governments	182,039
Unearned revenue - property tax Unearned grant revenue	 26,105,293 -
Total liabilities	29,277,688
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property tax	409,509
Unavailable revenue - fines and forfeitures Unavailable revenue - other revenues	 1,222,118 346,428
Total deferred inflows of resources	1,978,055
FUND BALANCE	
Restricted:	7 500 / 50
Airport use Road and bridge	7,599,658
Federal and state grants	_
Legislation	-
Assigned:	
Repairs from insurance proceeds	973,417
Compensated absences	1,372,110
Unassigned	 20,410,845
Total fund balances	 30,356,030
TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCES	\$ 61,611,773

 Road and Bridge Special Revenue	Other Nonmajor overnmental Funds	Total Governmental Funds			
\$ 2,177,211	\$ 3,784,908	\$	13,852,821		
-	-		30,675,957		
3,522,402	-		24,167,771		
-	164,702		2,040,910		
 11,245	 -		534,782		
\$ 5,710,858	\$ 3,949,610	\$	71,272,241		
\$ 173,464	\$ 233,043	\$	2,875,225		
-	30,000		551,638		
- 4,637,147	-		182,039 30,742,440		
4,007,147	- 1,536,716		1,536,716		
4,810,611	1,799,759		35,888,058		
-	-		409,509		
-	-		1,222,118		
 -	 		346,428		
-	-		1,978,055		
-	-		7,599,658		
900,247	-		900,247		
-	422,878		422,878		
-	1,719,217		1,719,217		
-	7,756		981,173		
-	-		1,372,110		
-	 -		20,410,845		
 900,247	 2,149,851		33,406,128		
\$ 5,710,858	\$ 3,949,610	\$	71,272,241		

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Pecos County, Texas Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2021

TOTAL FUND BALANCE - GOVERNMENTAL FUND		\$ 33,406,128
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.		24,570,197
Internal service funds are used by management to account for the self-insurance fund of the government. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Consolidation of internal service fund activities related to the enterprise fund Internal service fund net position	\$ 2,596,284 577,764	3,174,048
Certain assets, such as fines and fees receivable, are not available to pay for current-period expenditures and therefore, are deferred in the governmento funds.		1,978,055
Some assets, deferred outflows of resources, liabilities and deferred inflows of resources will not be recognized in the current period and therefore are not reported in the fund financial statements.		
Net pension liability TCDRS obligation Deferred outflows of resources - pensions Deferred inflow of resources - pension Deferred outflows of resources - TCDRS OPEB Deferred inflows related to TCDRS OPEB	\$ (4,374,952) (736,185) 3,565,431 (2,002,999) 2,279,642 (1,634,661)	(2,903,724)
Long-term liabilities, including bonds payable and related items, are not due and payable in the current period and therefore are not reported in the governmental funds.		(42,776,952)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		\$ 17,447,752

Pecos County, Texas Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds For the Year Ended December 31, 2021

	General
REVENUES	A A A A A A A A A A
Taxes	\$ 28,829,751
Alcoholic beverage taxes	25,437
Fines and forfeitures	1,007
Intergovernmental	498,356 2,797,065
Charges for services	1,286,543
Payment in lieu of taxes Royalties	34,842
Interest	24,322
Proceeds from settlement	123,340
Other	85,682
Total revenues	33,706,345
EXPENDITURES	
General government	5,795,589
Judicial	2,185,371
Financial administration	1,488,312
Law enforcement	2,758,434
Corrections	1,302,960
Health and welfare	4,386,427
Fire protection	591,178
Culture and recreation	5,008,521
Libraries	514,944
Building maintenance	804,418
Utilities	625,651
Conservation	163,043
Public service	514,554
Airport	691,431
Highways and streets	-
Capital outlay	
Total expenditures	26,830,833
Excess of revenues over expenditures	6,875,512
OTHER FINANCING SOURCES (USES)	00.150
Sale of asset	28,159
Transfers from other funds	1,087,543
Transfers to other funds	(6,938,374)
Total other financing (uses) sources	(5,822,672)
Net change in fund balances	1,052,840
Fund balances - beginning of year	29,303,190
FUND BALANCES - END OF YEAR	\$ 30,356,030

Ro	ad and Bridge Special Revenue	er Nonmajor nmental Funds	Total Governmental Funds	
\$	3,791,628	\$ -	\$	32,621,379
	-	-		25,437
	-	64,510		65,517
	98,158	1,721,458		2,317,972
	561,474	715,652		4,074,191
	-	-		1,286,543
	-	-		34,842
	-	1,334		25,656
	-	-		123,340
	311,117	 10,813		407,612
	4,762,377	2,513,767		40,982,489
	-	-		5,795,589
	-	78,421		2,263,792
	-	-		1,488,312
	-	-		2,758,434
	-	1,076,682		2,379,642
	-	205,969		4,592,396
	-	-		591,178
	-	-		5,008,521
	-	-		514,944
	-	-		804,418
	-	-		625,651
	-	- 807,532		163,043 1,322,086
	_	-		691,431
	3,532,302	-		3,532,302
	730,769	54,925		785,694
	4,263,071	 2,223,529		33,317,433
	499,306	290,238		7,665,056
	-	-		28,159
	32,012	(5,288)		1,114,267
	-	 5,288		(6,933,086)
	32,012	 -	1	(5,790,660)
	531,318	290,238		1,874,396
	368,929	 1,859,613		31,531,732
\$	900,247	\$ 2,149,851	\$	33,406,128

Pecos County, Texas Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2021	
TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	\$ 1,874,396
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current	
period net of disposition of capital assets.	3,040,074
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(2,496,912)
Net changes in fines, forfeitures, property tax and other revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds (i.e. unearned revenues and unavailable revenues.)	140,407
Capital leases provide current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	180,759
Internal service funds are used by management to charge the costs of self-insurance in individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	407.010
	 406,818
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 3,145,542

Pecos County, Texas Statement of Net Position Proprietary Funds December 31, 2021

Record County Memodal Hospital Internal Fund ASSETS Fund Fund Cash and investments \$ 2,456,205 \$ 942,076 Accounts receivable 3,137,348 248,706 Due from general fund - 20,600 Estimated fund payrs payro settlements 3,77,892 - Other assets 1,127,381 - Capital assets, net 1,4,557,446 - Total assets 23,658,492 1,396,782 Deferred outflow of resources - pension 3,315,959 - Deterred outflow of resources - OPEB 4,014,414 - Total deferred outflows of resources \$ 3,0,989,065 \$ 1,396,782 Due to general fund 1,89,144 - - Assers AND DEFERRED OUFLOWS OF RESOURCES \$ 30,989,065 \$ 1,396,782 Due to general fund - - - Assers AND DEFERRED OUFLOWS OF RESOURCES \$ 30,989,065 \$ 1,396,782 Due to general fund - - - Assers and Deferrence intopy payrs settlements - -		•			
ASSETS \$ 2.456,205 \$ 942,076 Accounts receivable 3.139,368 2.487,064 Due from general fund 3.77,892 - Capitral activity payor settlements 3.77,892 - Capitral activity activity payor settlements 3.77,892 - Capitral activity 16,557,646 - Total assets 1,127,381 - Capitral activity of resources - pension 3.315,959 - Deferred outflow of resources - OPEB 4,014,614 - Total deferred outflows of resources 7,330,573 - Total deferred outflows of resources 7,330,573 - Total deferred outflows of resources \$ 30,99,066 \$ 1,396,782 LIABILITIES Accounts payable and accrued expenses \$ 2,698,194 \$ 256,932 Due to general fund - - 562,086 Estimated health claims payable - - 562,086 Estimated health claims payable - - 562,086 Estimated third-party payor settlements - - - Noncurrent liabilities: - - - -<					
Cash and investments \$ 2.456.205 \$ 942.076 Accounts receivable 3.139.388 248,706 Due from general fund - 206.000 Estimated third-party payor settlements 377.892 - Other casets 1.127.381 - Capital lossets, net 1.6557.646 - Total assets 23.658.492 1.396.782 Deferred outflow of resources - pension 3.315.959 - Deferred outflow of resources - OPEB 4.014.614 - Total deferred outflows of resources 7.330.573 - Total ASSETS AND DEFERRED OUTFLOWS OF RESOURCES \$ 3.09.987.065 \$ 1.396.782 LABILITIES - - - - - - Accounts payoble and accrued expenses \$ 2.698.194 \$ 256.932 Due to general fund - - - - Stimated health cloims payoble - - - - Accounts payoble and accrued expenses - - -			Fund		Fund
Accounts receivable 3.139.368 248.706 Due from general fund - 206.000 Estimated third-party payor settlements 377.892 - Other assets 1.127.381 - Capital assets, net 1.6.557.446 - Total assets 23.658.492 1.376.782 Deferred outflow of resources - oPEB 4.014.614 - Total deferred outflows of resources - OPEB 4.014.614 - Total deferred outflows of resources - OPEB 4.014.614 - Total deferred outflows of resources 7.330.573 - Total deferred outflows of resources \$ 3.0,989.065 \$ 1.396.782 LiAbilities - - 562.086 - - 562.086 Due to general fund - - - 562.086 - - - - 562.086 - - - - - - - - - - - - - - - - - - <		\$	2 156 205	¢	942 076
Due from general fund - 206,000 Estimated third-party payor settlements 377,892 - Other cosets 1,127,381 - Capital assets, net 16,557,446 - Total assets 23,458,492 1,396,782 Deferred outflows of resources - oPEB 3,315,959 - Deferred outflows of resources - OPEB 4,014,614 - Total assets 7,330,573 - Total deferred outflows of resources 7,330,573 - Total deferred outflows of resources 7,330,573 - Cocounts payable and accrued expenses \$ 2,698,194 \$ Due to general fund 189,144 - - Estimated health claims payable - - - Net pension liability 5,119,060 - - - Due in more than one year 73,526 - - - Total liabilities 2,302,799 - - - Due in more than one year 7,43,57,152 819,018 - <t< td=""><td></td><td>Ψ</td><td></td><td>Ψ</td><td></td></t<>		Ψ		Ψ	
Other assets 1,127,381 - Capital assets, net 16,557,646 - Total assets 23,658,492 1,396,782 DEFERRED OUTFLOWS OF RESOURCES - - Deferred outflow of resources - OPEB 4,014,614 - Total assets AND DEFERRED OUTFLOWS OF RESOURCES \$ 30,989,065 \$ 1,396,782 LIABILITIES - - Accounts payable and accrued expenses \$ 2,698,194 \$ 256,932 Due of general fund 189,144 - - Stimated health claims payable - - - Estimated health claims payable - - - - Due to general fund \$ 1,19,060 - - - Noncurrent liabilities: - - - - - Due within one year 753,526 - - - - - Due in more than one year 2,942,2769 - - - - - Due within one year 2,014,207,29 - -			-		
Capital assets, net 16.557.646 - Total assets 23.658.492 1.396.782 DEFERED OUTFLOWS OF RESOURCES 3.315.759 - Deferred outflow of resources - OFEB 4.014.614 - Total deferred outflows of resources 7.330.573 - Total ASSETS AND DEFERED OUTFLOWS OF RESOURCES \$ 30.989.065 \$ 1.396.782 LIABILITIES Accounts payable and accrued expenses \$ 2.698.194 \$ 256.932 Due to general fund 189.144 - - Estimated health claims payable - 562.086 - Estimated health claims payable - - 562.086 Estimated health claims payable - - - Due within one year 753.526 - - Due within one year 34.237.6911 - - Total labilities 1.480.272 - - Due in more than one year 2.002.799 - - Total labilities 1.480.272 - - Deferred inflows of resources - OFEB	Estimated third-party payor settlements		377,892		-
Total assets23.658.4921.396.782DEFERRED OUTFLOWS OF RESOURCES3.315.959-Deferred outflow of resources - OPEB4.014.614-Total deferred outflows of resources7.330.573-TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES\$ 30.989.065\$ 1.396.782LIABILITIES*256.932Accounts payable and accrued expenses\$ 2.698.194\$ 256.932Due to general fund189.144-Estimated health claims payable-562.086Estimated health claims payableNet pension liability5.119.060-TCDRS obligation761.537-Noncurrent liabilities:Due in more than one year34.237.691-Total deferred inflows of resources - pension2.942.269-Deferred inflows of resources - DPEB2.942.269-Deferred inflows of resources - DPEB2.942.269-Deferred inflows of resources - DPEB2.942.269-Total liabilities1.480.272-Deferred inflows of resources - DPEB2.942.269-Total liabilities AND DEFERRED INFLOWS OF RESOURCES\$ 50.184.692\$ 819.018Net investment in capital assets15.558.283Unrestricted(34.753.910)577.764IOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50.184.692\$ 819.018Net investment in capital assets15.558.283Unrestricted(34.753.910)577.764<	Other assets		1,127,381		-
DEFERRED OUTFLOWS OF RESOURCES Deferred outflow of resources - OPEB 3,315,959 Deferred outflows of resources 7,330,573 Total deferred outflows of resources \$ 30,987,065 \$ 1,396,782 LIABILITIES \$ 2,698,194 \$ 256,932 Accounts payable and accrued expenses \$ 2,698,194 \$ 256,932 Due to general fund 188,144 - Estimated health claims payable - 562,086 Estimated hild-party payors settlements - - Not pension liability 5,119,060 - TOTAL assers on liability 5,119,060 - Noncurrent liabilities - - Due in more than one year 753,526 - Due in more than one year 34,237,691 - Total liabilities 43,759,152 819,018 DEFERRED INFLOWS OF RESOURCES - - Medicare accelerated and advance payments 1,480,272 - Deferred inflows of resources - DPEB 2,942,269 - Total labilities AND DEFERRED INFLOWS OF RESOURCES \$ 50,184,692 \$ 819,018 NET POSITION (19,195,627)	Capital assets, net		16,557,646		-
Deferred outflow of resources - OPEB3,315,959-Deferred outflows of resources7,330,573-Total deferred outflows of resources\$ 30,989,065\$ 1,396,782ILABILITIES*-Accounts payable and accrued expenses\$ 2,698,194\$ 256,932Due to general fund189,144-Estimated health claims payableEstimated health claims payableStimated health claims payableEstimated health claims payableDue vigeneral fundStimated health claims payableEstimated health claims payableTCDRS obligation761,537-TODRS obligation753,526-Due within one year34,237,691-Due in more than one year2,002,999-Deferred inflows of resources - oPEB2,942,269-Total labilities and beferred inflows of resources - OPEB2,942,269-Total deferred inflows of resources - OPEB2,942,269-Total LUBILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018Net investment in capital assets15,558,283Unrestricted(34,753,910)577,764577,764Total LUBILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018Net investment in capital assets15,558,283Unrestricted(34,753,910)577,764577,764Total LUBILITIES	Total assets		23,658,492		1,396,782
Deferred outflow of resources - OPEB4,014,614-Total deferred outflows of resources7,330,573-TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES\$ 30,989,065\$ 1,396,782LIABILITIESAccounts payable and accrued expenses\$ 2,698,194\$ 256,932Due to general fund189,144-Estimated health claims payableEstimated hird-party payor settlementsNet pension liability5,119,060-TOTAL isolation753,526-Due within one year34,237,491-Due within one year34,237,491-Total liabilitiesMedicare accelerated and advance payments1,480,272-Deferred inflows of resources - pension2,002,999-Deferred inflows of resources - OPEB2,942,269-Total deferred inflows of resourcesTotal deferred inflows of resourcesTotal LIABILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018Net POSITIONNet prositicion15,558,283Net prositicion-15,558,283Net prositicion-15,558,283Net prositicion577,764-RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION577,764Adjustment to reflect the consolidation of internal service fund activities related to enterprise fun	DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources7,330,573-TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES\$ 30,989,065\$ 1,396,782LIABILITIESAccounts payable and accrued expenses\$ 2,698,194\$ 256,932Due to general fund189,144-Estimated health claims payable-562,086Estimated health claims payable-562,086Estimated health claims payableNet pension liability5,119,060-TCDRS obligation761,537-Noncurrent liabilities:Due within one year34,237,691-Total liabilities43,759,152819,018Deferred inflows of resources - pension2,002,999-Deferred inflows of resources - OPEB2,942,269-Total LIABILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018Net investment in capital assets1,5,558,283Unrestricted(34,753,910)577,764577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	· ·				-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES\$ 30,989,065\$ 1,396,782LIABILITIESAccounts payable and accrued expenses\$ 2,698,194\$ 256,932Due to general fund189,144-Estimated third-party payor settlements-562,086Estimated third-party payor settlementsNet pension liability5,119,060-TCDRS obligation761,537-Noncurrent liabilities:Due within one year753,526-Due in more than one year34,237,691-Total liabilities43,759,152819,018Deferred inflows of resources - oPEB2,942,269-Total deferred inflows of resources - OPEB2,942,269-Total liabilities AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018Net investment in capital assets15,558,283-Unrestricted(34,753,910)577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION(19,195,627)\$ 577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION(2,596,284)	Deferred outflow of resources - OPEB		4,014,614		-
LIABILITIES Accounts payable and accrued expenses \$ 2,698,194 \$ 256,932 Due to general fund 189,144 - Estimated health claims payable - 562,086 Estimated third-party payor settlements - - Net pension liability 5,119,060 - TCDRS obligation 761,537 - Noncurrent liabilities: - - Due within one year 753,526 - Due in more than one year 34,237,691 - Total liabilities 43,759,152 819,018 Deferred inflows of resources - pension 2,002,979 - Deferred inflows of resources - OPEB 2,942,269 - Total deferred inflows of resources 6,425,540 - Total deferred inflows of resources 4,425,540 - Total deferred inflows of resources 5,50,184,692 \$ 819,018 Net investment in capital assets 15,558,283 - Unrestricted (34,753,910) 577,764 RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION (19,195,627) \$ 577,764 RECONCILIATION TO GOVERNMEN	Total deferred outflows of resources		7,330,573	1	-
Accounts payable and accrued expenses\$2,698,194\$256,932Due to general fund189,144-Estimated health claims payable-562,086Estimated third-party payor settlementsNet pension liability5,119,060-TCDRS obligation761,537-Noncurrent liabilities:Due within one year753,526-Due within one year34,237,691-Total liabilities43,759,152819,018DEFERRED INFLOWS OF RESOURCESMedicare accelerated and advance payments1,480,272-Deferred inflows of resources - pension2,002,999-Deferred inflows of resources - OPEB2,942,269-Total deferred inflows of resources6,425,540-Total deferred inflows of resources550,184,692\$Net investment in capital assets15,558,283-Unrestricted(34,753,910)577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION\$577,764Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	30,989,065	\$	1,396,782
Due to general fund189,144-Estimated health claims payable-562,086Estimated third-party payor settlementsNet pension liability5,119,060-TCDRS obligation761,537-Noncurrent liabilities:Due within one year753,526-Due in more than one year34,237,691-Total liabilities43,759,152819,018DEFERRED INFLOWS OF RESOURCESMedicare accelerated and advance payments1,480,272-Deferred inflows of resources - pension2,002,999-Deferred inflows of resources - OPEB2,942,269-Total liabilities AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018NET POSITION(19,195,627)\$ 577,764Net investment in capital assets15,558,283-Unrestricted(34,753,910)577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION(19,195,627)\$ 577,764Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	LIABILITIES				
Estimated health claims payable-562.086Estimated third-party payor settlementsNet pension liability5,119,060-TCDRS obligation761,537-Noncurrent liabilities:Due within one year753,526-Due in more than one year34,237,691-Total liabilities43,759,152819,018DEFERRED INFLOWS OF RESOURCESMedicare accelerated and advance payments1,480,272-Deferred inflows of resources - pension2,002,999-Deferred inflows of resources - OPEB2,942,269-Total liabilities AND DEFERRED INFLOWS OF RESOURCES\$50,184,692\$Net investment in capital assets15,558,283Unrestricted(34,753,910)577,764-IOTAL NET POSITIONNet investment in capital assets15,558,283-Unrestricted(34,753,910)577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITIONAdjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)		\$		\$	256,932
Estimated third-party payor settlements-Net pension liability5,119,060TCDRS obligation761,537Noncurrent liabilities:-Due within one year753,526Due in more than one year34,237,691Total liabilities43,759,152BEFERRED INFLOWS OF RESOURCES-Medicare accelerated and advance payments1,480,272Deferred inflows of resources - pension2,002,999Deferred inflows of resources - OPEB2,942,269Total liabilities AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692Net investment in capital assets15,558,283Unrestricted(34,753,910)ST7,764(34,753,910)TOTAL NET POSITION(19,195,627)RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITIONAdjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	-		189,144		-
Net pension liability5,119,060-TCDRS obligation761,537-Noncurrent liabilities:753,526-Due within one year753,526-Due in more than one year34,237,691-Total liabilities43,759,152819,018DEFERRED INFLOWS OF RESOURCESMedicare accelerated and advance payments1,480,272-Deferred inflows of resources - pension2,002,999-Deferred inflows of resources - OPEB2,942,269-Total deferred inflows of resources6,425,540-Total deferred inflows of resources6,425,540-Total LIABILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018NET POSITION(34,753,910)577,764Net investment in capital assets15,558,283-Unrestricted(34,753,910)577,764TOTAL NET POSITION(19,195,627)\$ 577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION4djustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)			-		562,086
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Noncurrent liabilities:Due within one year753,526Due in more than one year34,237,691Total liabilities43,759,152819,018DEFERRED INFLOWS OF RESOURCESMedicare accelerated and advance payments1,480,272-Deferred inflows of resources - pension2,002,999-Deferred inflows of resources - OPEB2,942,269-Total deferred inflows of resources6,425,540-Total deferred inflows of resources6,425,540-Total LIABILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018NET POSITION(34,753,910)577,764Net investment in capital assets15,558,283-Unrestricted(34,753,910)577,764TOTAL NET POSITION(19,195,627)\$ 577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITIONAdjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)					-
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Due in more than one year34,237,691-Total liabilities43,759,152819,018DEFERRED INFLOWS OF RESOURCESMedicare accelerated and advance payments1,480,272-Deferred inflows of resources - pension2,002,999-Deferred inflows of resources - OPEB2,942,269-Total deferred inflows of resources6,425,540-Total deferred inflows of resources6,425,540-Total deferred inflows of resources50,184,692\$NET POSITION(34,753,910)577,764Net investment in capital assets15,558,283-Unrestricted(34,753,910)577,764TOTAL NET POSITION(19,195,627)\$RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION(19,195,627)\$Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)			753.526		-
Total liabilities43,759,152819,018DEFERRED INFLOWS OF RESOURCES					-
DEFERRED INFLOWS OF RESOURCESMedicare accelerated and advance payments1,480,272-Deferred inflows of resources - pension2,002,999-Deferred inflows of resources - OPEB2,942,269-Total deferred inflows of resources6,425,540-TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018NET POSITION15,558,283-Net investment in capital assets15,558,283-Unrestricted(34,753,910)577,764TOTAL NET POSITION(19,195,627)\$ 577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION(19,195,627)\$ 577,764Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	·				819,018
Deferred inflows of resources - pension2,002,999-Deferred inflows of resources - OPEB2,942,269-Total deferred inflows of resources6,425,540-TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018NET POSITION15,558,283-Unrestricted(34,753,910)577,764TOTAL NET POSITION(19,195,627)\$ 577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION(19,195,627)\$ 577,764Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - OPEB2,942,269-Total deferred inflows of resources6,425,540-TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018NET POSITION\$ 50,184,692\$ 819,018Net investment in capital assets15,558,283-Unrestricted(34,753,910)577,764TOTAL NET POSITION(19,195,627)\$ 577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION(2,596,284)Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	Medicare accelerated and advance payments		1,480,272		-
Total deferred inflows of resources6,425,540-TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES\$ 50,184,692\$ 819,018NET POSITION\$ 15,558,283-Unrestricted(34,753,910)577,764TOTAL NET POSITION(19,195,627)\$ 577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION(2,596,284)Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	Deferred inflows of resources - pension		2,002,999		-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES\$50,184,692\$819,018NET POSITION Net investment in capital assets Unrestricted15,558,283(34,753,910)577,764TOTAL NET POSITION Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(19,195,627)\$577,764	Deferred inflows of resources - OPEB		2,942,269		-
NET POSITIONNet investment in capital assetsUnrestrictedUnrestricted(34,753,910)577,764TOTAL NET POSITION(19,195,627)RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITIONAdjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	Total deferred inflows of resources		6,425,540		-
Net investment in capital assets15,558,283-Unrestricted(34,753,910)577,764TOTAL NET POSITION(19,195,627)\$RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITIONAdjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	\$	50,184,692	\$	819,018
Unrestricted(34,753,910)577,764TOTAL NET POSITION(19,195,627)\$577,764RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	NET POSITION				
TOTAL NET POSITION (19,195,627) \$ 577,764 RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. (2,596,284)	Net investment in capital assets		15,558,283		-
RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. (2,596,284)	Unrestricted		(34,753,910)		577,764
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.(2,596,284)	TOTAL NET POSITION		(19,195,627)	\$	577,764
service fund activities related to enterprise funds. (2,596,284)	RECONCILIATION TO GOVERNMENT-WIDE STATEMENT OF NET POSITION				
	Adjustment to reflect the consolidation of internal				
NET POSITION OF BUSINESS-TYPE ACTIVITIES\$ (21,791,911)	service fund activities related to enterprise funds.		(2,596,284)		
	NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$	(21,791,911)		

Pecos County, Texas Statement of Revenues, Expenditures, and Changes in Fund Net Position Proprietary Funds For the Year Ended December 31, 2021

	Business -Type Activities Pecos County Memorial Hospital Fund	Governmental Activities Internal Service Fund	
OPERATING REVENUES Net patient service revenue Other revenue Charges for service	\$ 19,948,545 2,340,279 -	\$- - 7,231,660	
Total operating revenues OPERATING EXPENSES Operating expenses Depreciation Claims Administration - health	22,288,824 30,260,118 1,306,009 - -	7,231,660 - - 5,724,944 1,100,840	
Administration - dental Administration - life Total operating expenses	31,566,127	25,412 18,099 6,869,295	
Operating loss NON-OPERATING REVENUES (EXPENSES) CARES Act provider relief funds Interest earned on investments Interest expense	(9,277,303) 1,358,095 8,110 (64,347)	362,365 - 1,373 -	
Total nonoperating (expenses) revenues Loss before contributions and transfers Capital grants and contributions	1,301,858 (7,975,445) 360,112	1,373 363,738 -	
Transfers in Total transfers Change in net position	5,611,319 5,611,319 (2,004,014)	207,500 207,500 571,238	
Net position - beginning of year NET POSITION, END OF YEAR	(17,191,613) \$ (19,195,627)	6,526 \$ 577,764	
Reconciliation to government-wide statements of net assets: Change in net position Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund. CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$ (2,004,014) 164,418 \$ (1,839,596)		

Pecos County, Texas Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2021

	Business-Type Activities Pecos County Memorial Hospital Fund	Governmental Activities Internal Service Fund	
CASH FLOWS FROM OPERATING ACTIVITIES Receipts from patients and third-party payers Other receipts and payments from operations, net Receipts from participants Operating expenses	\$ 19,874,178 2,340,279 - (28,509,901)	\$ - 7,254,212 (6,637,645)	
Net cash used in operating activities CASH FLOWS FROM INVESTING ACTIVITIES Interest on investments Net cash provided by investing activities	(6,295,444) 	616,567 	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Capital grants and contributions Principal payments of long-term debt and notes payable Interest payments on long-term debt and notes payable Purchase of capital assets	360,112 (214,481) (64,347) (4,490,502)	- - -	
Net cash used in capital and related financing activities CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers in	(4,409,218)	- 207,500	
CARES Act provider relief funds Net cash provided by noncapital financing activities Net change in cash and investments Cash and investments at beginning of year	1,358,095 6,969,414 (3,727,138) 6,183,343		
CASH AND INVESTMENTS AT END OF YEAR	\$ 2,456,205	\$ 942,076	

Pecos County, Texas Statement of Cash Flows – Continued Proprietary Funds For the Year Ended December 31, 2021

	Business-Type Activities Pecos County Memorial Hospital		Governmental Activities Internal Service	
		Fund		Fund
	¢	(0.077.000)	¢	0/00/5
Operating loss	\$	(9,277,303)	\$	362,365
Adjustments to reconcile operating loss				
to net cash used in operating activities:				
Depreciation		1,306,009		-
Provision for bad debt		1,048,992		-
Decreases (increases) to assets and deferred outflow:				
Accounts receivable		(74,367)		22,552
Estimated third-party payor settlements		(377,892)		
Other assets		463,650		-
Deferred ouflows of resources		(1,015,099)		-
Increases and (decreases) to liabilities and deferred inflow:				
Accounts payable and accrued expenses		(432,775)		149,658
Due to other funds		48,411		-
Other post employment benefits		896,154		-
Estimated third-party payor settlements		(13,306)		
Pension liability		1,567,306		-
Health claims payable		-		81,992
Deferred inflows of resources		(435,224)		-
NET CASH USED IN OPERATING ACTIVITIES	\$	(6,295,444)	\$	616,567

Pecos County, Texas Statement of Fiduciary Net Position Fiduciary Funds December 31, 2021

	Custodial Funds		
ASSETS Cash	\$	4,321,944	
Total Assets		4,321,944	
LIABILITIES Due to Other Governments Due to Beneficiaries		93,639 23,156	
Total Liabilities		116,795	
NET POSITION Individuals, organizations, and other governments		4,205,149	
TOTAL NET POSITION	\$	4,205,149	

Pecos County, Texas Statement of Changes in Fiduciary Net Position Fiduciary Funds December 31, 2021

	Custodial Funds	
ADDITIONS Interest Fees for other governments Fees for beneficiaries Held for Others Held for beneficiaries	\$ 3,087 93,810,480 676,858 1,372 15,683	
Total Additions	94,507,480	
DEDUCTIONS Payments to governments Payments to beneficiaries Promotion of Arts Equipment Total Deductions	96,928,721 3,273,835 1,165 1,000 100,204,721	
NET DECREASE IN FIDUCIARY NET POSITION	(5,697,241)	
NET POSITION - BEGINNING OF YEAR, AS ORIGINALLY STATED Cumulative effect of adoption of GASB 84 NET POSITION - BEGINNING OF YEAR, AS RESTATED	- 9,902,390 9,902,390	
NET POSITION - END OF YEAR	\$ 4,205,149	

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Pecos County, Texas Annual Financial Report For the Fiscal Year Ended December 31, 2021 Index

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Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. General Statement

Pecos County, Texas (the County) performs all local government functions within its jurisdiction. 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 and Vernon's Annotated Civil Statutes (V.A.C.S.). 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 County provides the following services to its citizens: public safety, health and welfare, public facilities, judicial and legal, election functions, public transportation through roads and bridges, and general and financial administrative services.

The accounting and reporting policies of the County relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA) in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (FASB), when applicable. The more significant accounting policies of the County are described below.

B. Financial Reporting Entity

GAAP requires that the financial statements present the County (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

In addition, GASB states that certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government or its other component units.

If these certain organizations were excluded, it would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents;
- The primary government, or its component units, are entitled to, or have the ability to otherwise access a majority of the economic resources received or held by the separate organization;
- The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government. It is a matter of professional judgment to determine whether the nature and the significance of a potential component unit's relationship with the primary government warrant inclusion in the reporting entity.

Notes to the Financial Statements

For the year ended December 31, 2021, the County had no blended or discretely presented component units.

C. Government-Wide and Fund Financial Statements

The basic financial statements of the County are presented at two basic levels, the government-wide level and the fund level. These statements focus on the County as a whole at the government-wide level and on major funds at the fund level, whereas financial statements prior to GASB No. 34 focused on reporting by fund-type. The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities for the financial reporting entity of the County. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The government-wide statement of net position reports all financial and capital resources of the County and is presented in an "assets minus liabilities equal net position" format, with net position reported in the order of relative liquidity. Also, assets and liabilities are presented in relative order of liquidity with liabilities which have an average maturity of more than one year separated into the amount due within one year and the amount due in more than one year.

The government-wide statement of activities identifies the relative financial burden of each of the County's functions (General, Judicial, Financial Administration, Public Facilities, Public Safety, Public Service, Adult Probation, Health and Welfare, Cultural and Recreation, Highways and Streets, Conservation and Airport) on the taxpayers by identifying direct expenses and the extent of self-support through program revenues. Direct expenses are clearly identifiable expenses that can be specifically associated with a function. Program revenues are revenues derived directly from the function, or from other sources, which reduce the net cost of the function to be financed from general government revenues.

Program revenues are: 1) charges to customers who purchase, use, or directly benefit from services provided by a function and which are generated by that function, 2) grants and contributions restricted to operating requirements of a function, and 3) grants and contributions restricted to capital requirements of a function. Items such as taxes, investment earnings, and non-specific grants are not included as program revenues but are instead reported as general revenues which normally cover the net cost of a function.

The effect of internal service fund activities in the government-wide statements is eliminated to the extent possible to avoid the effect of "doubling up" internal service fund activity. Internal service funds report activities which provide goods or services to the financial reporting entity on a cost reimbursement basis. Any net profit or loss from these activities is allocated back to the function or segment that benefited from the goods or services provided based upon their proportionate benefit to the extent possible. Any residual assets of internal service funds are reported with governmental activities at the entity-wide level. Transfers are eliminated within the governmental activities.

Fund level financial statements are presented for governmental funds and proprietary funds with a focus on major funds, as defined by GASB Statements. Fund level financial statements are also presented for fiduciary funds, which are excluded from the government-wide financial statements because they do not represent assets which can be used to support the County's programs. Additionally, any fund deemed particularly important by the County may be reported as a major fund. The financial information for each major fund is presented in a separate column, with nonmajor funds aggregated and displayed in a single column.

Notes to the Financial Statements

The fund level statements for proprietary funds contain enterprise and internal service funds.

The focus of fiduciary funds is on net position and changes in net position. These funds report assets held in a trustee or agency capacity by the County for the benefit of others and cannot be used to support County activities.

The government-wide statements and proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Exchange and exchange-like transactions, transactions in which the County gives or receives value and receives or gives equal value, that create revenues, expenses, gains, losses, assets or liabilities are recognized when the exchange occurs.

Governmental Funds

The County reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the County. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Road and Bridge Fund: The Road and Bridge Fund is a special revenue fund of the County. It is used to account for the expenditures of the four different precincts and for the highway and streets expenditures.

Additionally, the County reports the following non-major governmental fund types:

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds: The Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Funds

The County reports the following major proprietary funds:

Pecos County Memorial Hospital Enterprise Fund: The Hospital is operated under a Board of Directors, which is appointed by the elected county commissioners. The County's general fund subsidizes the Hospital as needed with a budgeted portion of the ad valorem tax revenue assessed by the County each year. The Hospital's funds are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable. 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 funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expense.

Separate financial statements for the Hospital may be obtained by contacting the Pecos County Memorial Hospital.

Notes to the Financial Statements

In addition, the County reports the following health self-insurance fund as an internal service fund.

Health Self-Insurance Fund

Internal Service Funds: The County utilizes an Internal Service Fund to account for its health self-insurance plan. The General Fund is contingently liable for liabilities of these funds. Sub-fund accounting is employed to maintain the integrity of the various self-insurance activities of the County. See Note 10 for additional discussion of the County's self-insurance plan.

Fiduciary Fund Type – Custodial Funds

Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide financial statements.

D. Measurement Focus and Basis of Accounting

Nonexchange transactions, transactions in which the County gives or receives value without receiving or giving equal value in exchange, that result in revenues, expenses, gains, losses, assets or liabilities are recognized in accordance with GASB. The treatment of nonexchange transactions is grouped in four classes based upon the principal characteristics of the transaction and reported according to those characteristics. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Capital assets are reported at historical cost and depreciated, except for inexhaustible assets such as land, in accordance with the County's depreciation policy.

Governmental fund financial statements are reported using a current financial resources measurement focus and modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

In the case of property taxes, available means due within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days.

Grant revenues are considered to be available if they are to be received within one year. Expenditures are generally recorded when a liability is incurred. However, expenditures related to general long-term debt, compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, fines, licenses, and interest associated with the current period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. Property taxes are levied on October 1 for the next calendar year. Special assessments due within the current fiscal period are recorded as revenue of the current period.

Notes to the Financial Statements

Governmental fund level revenues which have been accrued based upon the susceptible to accrual concept are:

- General Fund Ad valorem taxes, interest and federal and state grant proceeds, except where such grants are expenditure driven and other requirements related to the grant have not been met.
- Special Revenue Funds Federal and state grant proceeds and interest, except where such grants are expenditure driven and other requirements related to the grant have not been met.
- Debt Service Fund, if applicable Ad valorem taxes and interest.

Proprietary and fiduciary fund activities are accounted for using the economic resources measurement focus and the accrual basis of accounting. This measurement focus includes all assets and liabilities on the balance sheet. Operating statements using this focus present a net total assets view of increases (revenues) and decreases (expenses) in the fund.

Proprietary fund operating statements distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses generally are the result of providing or delivering goods or services in association with the fund's principal ongoing operations.

Transactions resulting in nonoperating revenues and expenses are normally created by such items as cash flows from capital and related financing activities, noncapital financing activities, investing activities, and include most nonexchange and exchange-like revenues.

E. Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank, approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract.

The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. The County's cash deposits at December 31, 2021, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank.

F. Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at December 31, and encumbrances outstanding at that time are cancelled and become available for future appropriation.

Notes to the Financial Statements

G. Property Taxes

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 County is permitted by the Municipal Finance Law of the State of Texas to levy taxes up to \$1.20 per \$100 of appraised valuation for general services, permanent improvements, lateral road, and jury fund purposes other than the payment of principal established by the Attorney General of the State of Texas. The tax rate for the year ended December 31, 2021, including the portion budgeted for the retirement of long-term debt principal and interest for the general fund was \$0.654 per \$100 valuation. The tax rate for the road and bridges fund was \$0.123 per \$100 valuation. The total tax rate for all purposes was \$.777 per \$100 valuation. The County's general obligation refunding bonds require an annual tax levy sufficient to pay principal and interest on the bonds with full allowance being made for delinquent taxes.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

H. Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

I. Inventories

Inventories are stated at the lower cost or market using the first-in, first-out method. Inventories for all funds consist of expendable supplies held for consumption, and are recorded as expenditures or expenses, as appropriate, when consumed rather than when purchased.

J. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. All capital assets are valued at their historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Depreciable capital assets are depreciated using the straight-line method over the asset's estimated useful life as follows:

Buildings	25-50	years
Improvements other than buildings	5-30	years
Machinery and equipment	5-30	years
Leased assets	5-7	years
Infrastructure	15-35	years

Notes to the Financial Statements

K. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows/inflows of resources. Deferred outflow/inflows of resources represent an consumption/acquisition of net position that applies to a future period and so will not be recognized as an outflow/inflow of resources (expense/revenue) until that time. The County recognizes deferred inflows of resources under a modified accrual basis of accounting in the fund statements that qualifies for reporting in this category. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and other revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Fund Balance

The County has adopted the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a governmental funds. Fund balance categories under GASB 54 are Nonspendable and Spendable. Classifications under the Spendable category are Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the County classifies governmental fund balances effective with its financial statements as follows:

1. Nonspendable Fund Balance:

Includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and/or prepaid/deferred items. At December 31, 2021 the County had \$0 nonspendable fund balance.

2. Spendable Fund Balance:

a. Restricted Fund Balance

Includes amounts constrained to use by either (a) externally imposed by creditors, grantors, contributors, or other governments' laws and regulations or (b) imposed by law through constitutional provisions or enabling legislation. Examples include federal and state grant programs, taxes restricted for retirement of long-term debt, and specific bond proceeds. In addition, certain revenues generated by airport property which was given to the County by the FAA are restricted. Pecos County also obtained the mineral rights from the FAA with this property, and its accumulated revenues mentioned above are restricted.

b. Committed Fund Balance

Includes amounts constrained to specific purposes as determined by the governing body by formal action recorded in the minutes of the governing body. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. The commissioners' court must take action to commit funds for a specific purpose prior to the end of the fiscal year, but the amount of the commitment may be determined after the end of the fiscal year. The County has no committed fund balances.

Notes to the Financial Statements

c. Assigned Fund Balance

Includes amounts intended to be used by the County for specific purposes. Pursuant to GASB 54, this intent can be expressed by an official or body to which the governing body delegates that authority. The County has delegated to the County Judge and County Auditor the ability to determine and define the amounts of those components of fund balance that are classified as assigned.

d. Unassigned Fund Balance

Includes the residual classification of the General Fund and includes all amounts not contained in other classifications. By accounting for amounts in other funds, the County has implicitly assigned the funds for the purposes of those particular funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

The County passed a resolution to establish a minimum fund balance policy. The policy states the County shall strive to achieve a yearly fund balance in the general operating fund in which the total fund balance is equal to 25% of the total operating expenditures.

M. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Certain revenues generated by airport property which was given to the County by the FAA are restricted. Pecos County also obtained the mineral rights from the FAA with this property, and its accumulated revenues mentioned above are restricted. A value from the mineral rights has not been reported in these financial statements.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are applied first.

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

O. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omission and natural disasters. During fiscal year 2021, the County purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Notes to the Financial Statements

P. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, the 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 TCDRS. 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 Total Pension Liability is obtained from TCDRS through a report prepared for the District by TCDRS consulting actuary, in compliance with GASB 68.

Q. Other Post-Employment Benefits (OPEB)

The County offers two OPEB plans, a defined benefits group-term life insurance plan administered by TCDRS (TCDRS OPEB) and a single-employer defined benefit other postemployment benefits plan (the Plan) administered by the County. Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to total OPEB liability, and total OPEB expense have been determined on the same basis as they are reported by the plans. For this purpose, the plans recognize benefit payments when due and payable in accordance with the benefit terms.

Information regarding the County's total OPEB liability is obtained through reports prepared by the County by a consulting actuary, in compliance with Government Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions.

R. Implementation of New Accounting Standard

GASB Statement No. 84, *Fiduciary Activities* (GASB 84), establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2018; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 84 to reporting periods beginning after December 15, 2021 financial statements, resulting in a cumulative effect adjustment as of January 1, 2021 of \$9,902,390 to net position in the fiduciary financial statements.

Notes to the Financial Statements

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.

The governmental fund balance sheet includes a reconciliation between fund balance – total government funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The detail of this \$(42,776,952) difference is as follows:

Capital lease obligations	\$ (114,304)
Compensated absences	(1,372,109)
Other post employment benefits	 (41,290,539)
Net adjustment to reduce fund balance – total governmental funds	
to arrive at net position – governmental activities	\$ (42,776,952)

B. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.

The governmental fund balance sheet includes a reconciliation between fund balance – total government funds and net positions – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "certain assets, such as fines and fees receivable, are not available to pay for current-period expenditures and therefore, are deferred in the governmental funds." The detail of this \$1,978,055 difference is as follows:

Unavailable revenue - fines, forfeitures and other revenues	\$ 1,568,546
Unavailable revenue - property tax	 409,509
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 1,978,055

C. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The detail of this \$3,040,074 difference is as follows:

Capital additions	\$ 5,528,924
Depreciation expense	 (2,488,850)
Net adjustment to increase net change in fund balances- total governmental funds to arrive at change in	
net position of governmental activities.	\$ 3,040,074

Notes to the Financial Statements

Another element of that reconciliation states that "some expenses reported in the statement of activities did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The detail of this (\$2,496,912) difference is as follows:

Net change in compensated absences	\$ (9,166)
Net change in capital lease obligations	180,759
Net change in deferred outflows/inflows	1,246,856
Net pension income (expense)	(1,685,218)
Net change in other long term liabilities	(2,113,531)
Net change in TCDRS OPEB	 (116,612)
Net adjustment to decrease net change in fund balances	
total governmental funds to arrive at change in	
net position of governmental activities	\$ (2,496,912)

Lastly, the changes in net position from the internal service fund and internal balances due to internal service fund activity reconciles with governmental activities. Internal balances are from the hospital fund due to the governmental funds supporting the operating loss during the year. The detail of this \$406,818 balance difference is as follows:

Net change in internal service net position The change in internal balances reported in proprietary funds	\$ 571,238 (164,420)
Net adjustment to increase net change in fund balances total governmental funds to arrive at change in net position of governmental activities	\$ 406,818

Note 3. Stewardship, Compliance and Accountability

Deficit Fund Equity

All of the County's major funds held positive fund equity at December 31, 2021. The County held positive fund equity for all special revenue funds as of December 31, 2021.

Notes to the Financial Statements

Note 4. Cash and Investments

The County invests its funds in investments authorized by Texas law in accordance with investment policies approved by the County Commissioners. Both state law and the County's investment policies are subject to change.

Under current Texas law, the County is authorized to invest in: (1) obligations of the United States or its instrumentalities, (2) direct obligations of the state of Texas or its agencies, (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 agency, (6) certificates of deposit that are guaranteed or insured by the Federal Deposit Insurance Corporation or are secured as to principal by obligations described in the preceding clauses 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 clause one, and are placed through a primary government securities dealer or a bank domiciled in the state of Texas, (8) bankers 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 that have a dollar weighted average portfolio maturity of 90 days or less, and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, (11) bonds issued, assumed, or guaranteed by the state of Israel, and (12) a gualified common trust fund or comparable investment device that is owned or administered by a Texas domiciled bank and consists exclusively of obligations as described above. The County may invest in such obligations directly or through government investment pools that invest solely in such obligations.

A. Investment Policies

Under Texas law, County investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."

Under Texas law and County policy, the County is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all County funds must be invested in investments that protect principal, are consistent with the operating requirements of the County, and yield the highest possible rate of return.

Notes to the Financial Statements

Objectives

Funds of the County are invested in accordance with state law, IRS arbitrage regulations, investment policies, and written administrative procedures. The County's objectives in managing its investment portfolios are as follows:

- 1. Safety The first and foremost consideration of any custodian of public funds must be safety of the principal amount involved.
- 2. Liquidity The County must have cash or "near cash" on hand to meet current obligations.
- 3. Legality Any investment should clearly be legal under state law, county investment policy and IRS arbitrage regulations.
- 4. Income While it is certainly desirable to show a high effective rate of return on invested funds, it is important to recognize that it is essential to keep every dollar working every day, even at a reduced rate of return.
- 5. Flexibility This means not only the ability to convert an investment to cash, but also the option to convert a security to a higher rate of interest, a better maturity, or both. In addition, flexibility allows the use of various investment tools available.

During the year ended December 31, 2021 the County invested in money markets with CAT-Government and Agency Securities Portfolio.

Investments owned by the County at December 31, 2021 are shown below:

	 Fair Value	Credit Risk
CAT-Government and Agency Securities Portfolio	\$ 30,675,957	AAAm – S & P
Total	\$ 30,675,957	

Because the County's investments are in external pools, their investments are not exposed to credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Investments in external pools are excluded from disclosure regiments of concentration of credit and from disclosure of interest rate risk.

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value, which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs-other than quoted prices included within Level 1-that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

Notes to the Financial Statements

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

CAT – Government and Agency is measured at amortized cost and is exempt for fair value reporting.

At year-end, the carrying amount of the County's cash and cash equivalents was \$21,573,046(\$14,794,897 in governmental activities, \$2,456,205 in business-type activities and \$4,321,944 in fiduciary funds). The bank balances totaled \$20,674,794 of which \$750,000 was covered by Federal Depository Insurance Corporation (FDIC) and \$34,990,790 was covered by collateral held by the pledging banks' agent for the County in the County's name (or Category 1 above).

Interest Rate Risk – In compliance with the County's investment policy, as of December 31, 2021, the County minimized the interest rate risk, related to the decline in market value of securities due to rising interest rates in the portfolio by: 1) limiting the effective duration of security types not to exceed three years with the exception of securities purchases related to reserve funds, 2) structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity, 3) monitoring credit rating of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act, and 4) investing operating funds primarily in shorter-term securities and government investment pools.

Credit Risk – In compliance with the County's investment policy, as of December 31, 2021, the County minimized credit risk losses due to default of a security issuer or backer, by: 1) limiting investments to the safest types of securities by purchasing investments in ICT Government Securities that were rated AAA, AAA, and Aaa by Standard & Poor's, Fitch and Moody's, respectively, 2) pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the County will do business, and 3) diversifying the investment portfolio so that potential losses on individual securities were minimized.

Note 5. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	R	load and Bridge Fund	1	Nonmajor Funds	Business- type Activities	Internal Service Funds	Total
Receivables: Taxes Patients Other Fines and fees	\$ 22,730,021 - 486,080 8,668,285	\$	3,913,584 - - -	\$	- - 164,701 -	\$ - 15,309,796 1,767,489 -	\$ - - 454,706 -	\$ 26,643,605 15,309,796 2,872,976 8,668,285
Gross receivables Less: allowance for uncollectibles	31,884,386 (9,362,809)		3,913,584 (391,182)		164,701 -	 17,077,285 (13,937,917)	 454,706 -	 53,494,662 (23,691,908)
Net total receivables	\$ 22,521,577	\$	3,522,402	\$	164,701	\$ 3,139,368	\$ 454,706	\$ 29,802,754

Notes to the Financial Statements

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental activities defer revenue recognition in connection with resources that have been received, but not yet earned, such as property tax revenue that is levied for the following fiscal year. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

Other	1,568,546
Property taxes - unavailable	409,509
Other	1,568,546

Note 6. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	BalanceAdditions/12/31/2020Completions				tirements/ ljustments	Balance 12/31/2021	
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$	1,345,948	\$	-	\$ -	\$	1,345,948
Construction-in-progress		550,854		1,510,763	 (40,356)		2,021,261
Total capital assets, not being depreciated		1,896,802		1,510,763	(40,356)		3,367,209
Capital assets, being depreciated:							
Buildings		19,718,470		-	-		19,718,470
Improvements other than buildings		8,304,876		2,131,222	-		10,436,098
Machinery and equipment		20,487,382		1,908,686	(149,589)		22,246,479
Leased assets		713,399		-	-		713,399
Infrastructure		1,764,158		18,609	 -		1,782,767
Total capital assets, being depreciated		50,988,285		4,058,517	(149,589)		54,897,213
Less accumulated depreciation for:							
Buildings		(9,275,194)		(391,017)	-		(9,666,211)
Improvements other than buildings		(5,303,893)		(401,438)	-		(5,705,331)
Machinery and equipment		(15,410,214)		(1,521,755)	149,589		(16,782,380)
Leased assets		(248,182)		(114,651)	-		(362,833)
Infrastructure		(1,117,481)		(59,989)	-		(1,177,470)
Total accumulated depreciation		(31,354,964)		(2,488,850)	 149,589		(33,694,225)
Total capital assets being depreciated, net		19,633,321		1,569,667	 -		21,202,988
Governmental activities capital assets, net	\$	21,530,123	\$	3,080,430	\$ (40,356)	\$	24,570,197

Pecos County, Texas Notes to the Financial Statements

	1	Balance 2/31/2020		ditions/ pletions	ements/ etments	Balance 2/31/2021
Business-type Activities:						
Capital assets, not being depreciated:						
Land	\$	85,649	\$	-	\$ -	\$ 85,649
Total capital assets, not being depreciated		85,649		-	-	85,649
Capital assets, being depreciated:						
Land improvements		735,721		-	-	735,721
Buildings and improvements		25,558,970		3,863,361	-	29,422,331
Equipment		15,108,659		627,141	-	15,735,800
Leased assets		1,394,118		-	-	1,394,118
Capitalized interest		1,746,954	. <u> </u>	-	 -	 1,746,954
Total capital assets, being depreciated		44,544,422		4,490,502	-	49,034,924
Less accumulated depreciation for:						
Land improvements		(664,027)		(11,373)	-	(675,400)
Buildings and improvements		(15,620,285)		(726,078)	-	(16,346,363)
Equipment		(13,960,495)		(292,415)	-	(14,252,910)
Leased assets		(198,620)		(232,469)	-	(431,089)
Capitalized interest		(813,491)		(43,674)	 -	 (857,165)
Total accumulated depreciation		(31,256,918)	(1,306,009)	 -	 (32,562,927)
Total capital assets being depreciated, net		13,287,504		3,184,493	 -	 16,471,997
Business-type activities capital assets, net	\$	13,373,153	\$	3,184,493	\$ -	\$ 16,557,646

Primary Government

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

Governmental activities:	
General government	\$ 780,170
Judicial	62,354
Law enforcement	368,688
Corrections	8,330
Health and welfare	104,731
Fire protection	473,433
Culture and recreation	332,903
Library	15,313
Financial administration	11,120
Building maintenance	25,827
Conservation	3,958
Highway and streets	213,275
Airport	 88,748
Total depreciation expense – governmental activities	\$ 2,488,850
Business-type activities:	
Pecos County Memorial Hospital	\$ 1,306,009
Total depreciation expense - business-type activities	\$ 1,306,009

Notes to the Financial Statements

Note 7. Interfund Receivables and Payables

During the course of the fiscal year, interfund payables and receivables arise. The following were outstanding as of December 31, 2021:

Fund		ceivable	Payable		
General fund	\$	523,537	\$	521,638	
Road and bridge		11,245		-	
Nonmajor governmental funds:					
Courthouse security fund		-		30,000	
Total nonmajor governmental funds		-		30,000	
Enterprise fund:					
Pecos County Memorial Hospital		-		189,144	
Internal Service Fund		206,000			
Total all funds	\$	740,782	\$	740,782	

Note 8. Long-term Debt

The following is a summary of changes in general long-term debt:

		Balance 2/31/2020		Additions	R	etirements	1	Balance 2/31/2021	Du	Amount ue Within une Year
Governmental Activities: Capital lease obligations Compensated absences Net pension liability Other post employment benefits obligation TCDRS OPEB	\$	295,063 1,362,944 2,689,734 39,357,764 619,573	\$	- 486,643 - 1,932,775 116,612	\$	180,759 477,477 (1,685,218) - -	\$	114,304 1,372,110 4,374,952 41,290,539 736,185	\$	44,042 686,055 - -
Total governmental activities	\$	44,325,078	\$	2,536,030	\$	(1,026,982)	\$	47,888,090	\$	730,097
		Balance 2/31/2020		Additions	R	etirements	1	Balance 2/31/2021	Du	ue Within une Year
Business-type Activities: Capital lease obligations	\$	1,213,844	\$							
Compensated absences Net pension liability Other post employment benefits obligation TCDRS OPEB	Ŷ	1,213,644 1,135,853 3,551,754 32,070,500 653,896	ψ	- 522,910 1,567,306 788,513 107,641	\$	214,481 552,921 - -	\$	999,363 1,105,842 5,119,060 32,859,013 761,537	\$	200,606 552,920 - -

Notes to the Financial Statements

Capital Lease Obligations

The County entered into certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the governmental activities column of the statement of net assets. Governmental and business-type activities assets under capital leases, classified as equipment, total \$350,566 and \$963,029 respectively, at December 31, 2021. The outstanding balance of governmental and business-type activities capital lease obligations at December 31, 2021 was \$114,304 and \$999,363, respectively. Capital lease payments for governmental activities of \$74,549 are included in culture and recreation expenditures. The following is a summary of debt service requirements for the Capital Lease Obligations:

Total Year End Requirements	 vernmental	Business-type Activities		
2022 2023 2024 2025 2026 Thereafter	\$ 43,036 43,227 5,068 35,589 - -	\$	252,148 236,352 205,825 184,020 179,456 96,939	
Minimum lease payments Less: Amount representing interest Present value of minimum lease payments	\$ 126,920 (12,616) 114,304	\$	1,154,740 (155,377) 999,363	

Note 9. Compensated Absences

A. Governmental Activities

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, compensatory pay and sick pay are paid upon termination. The amount of sick leave paid is dependent on the number of years of service. The liability for accrued vacation, compensatory pay and sick pay is shown as a long-term obligation. At December 31, 2021 the value of accumulated vacation, compensatory benefits and sick time amounted to \$1,372,110 which is a net increase of \$9,166 from the prior year. The estimated amount that is current is \$686,055.

B. Business-type Activities

As of December 31, 2021, the Hospital has accrued a compensated absences liability of \$1,105,842. As of December 31, 2021, the current portion of this liability is \$552,920.

Notes to the Financial Statements

Note 10. Healthcare Coverage

During the year ended December 31, 2021, employees of Pecos County, Texas were covered by a self-funded health insurance plan (the Plan). The County contributes \$833 per month per employee for coverage. Employees authorize payroll withholdings to pay for a portion of the premium. The Plan is accounted for in the Self-Insurance Health 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 is liable to pay the additional claims.

The County obtained excess loss insurance, which limited annual claims paid from the fund for the year ended December 31, 2021, to \$140,000 for any individual participant.

Estimates of claims payable and of claims incurred but not reported at December 31, 2021, are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended December 31, 2021		-	ear Ended ember 31, 2020
Unpaid claims, beginning of year Incurred claims, (including IBNR) Claim payments	\$	480,094 5,712,265 (5,630,273)	\$	461,842 5,648,113 (5,629,861)
Unpaid claims, end of year	\$	562,086	\$	480,094

Note 11. Retirement Commitments

A. Texas County and District Retirement System

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County 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 559 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more.

Members are vested after eight years of service, but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

Notes to the Financial Statements

Benefits Provided

Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute.

At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefits as of December 31, 2020 include:

Retirees or beneficiaries currently receiving benefits	276
Inactive employees entitle to but not yet receiving benefits	496
Active employees	423
Total	1195

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. The employer contributed using a rate of 7.00%, which was in excess of the actuarially determined rate for the year 2021.

The deposit rate payable by the employee members for calendar year 2020 and 2021 is the rate of 7.00% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date Actuarial Cost Method Asset Valuation Method	December 31, 2020 Entry Age Normal
Smoothing period	5 Years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increase	1.60%
Investment Rate of Return	7.60%
Payroll Growth	3.00%

Notes to the Financial Statements

Mortality rates for depositing members were based on the RP-2000 Active Employee Mortality Table for Males or Females, as appropriate, with a two-year set-forward for males and a four-year setback for females, based on projection scale AA. Mortality rates service retirees, beneficiaries and non-depositing members were based on the RP-2000 Combined Mortality Table, with a projection scale of AA with a one year age set forward for males and no age adjustment for females. Mortality rates for disabled retirees RP-2000 Disabled Mortality Table for Males or Females, as appropriate, with no age adjustment for males and a two year set-forward females, based on projection scale AA.

Family composition for current retirees' beneficiary information is supplied by TCDRS. For the purpose of calculating the Survivor Benefit for current depositing and non-depositing members, male members are assumed to have a female beneficiary who is three years younger. Female members are assumed to have a male beneficiary who is three years older.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the years 2013-2016, except where required by GASB 68.

The long-term expected rate of return on 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.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
	11 5007	1050
US Equities	11.50%	4.25%
Private Equity	25.00%	7.25%
Global Equities	2.50%	4.55%
International Equities-Developed	5.00%	4.25%
International Equities-Emerging	6.00%	4.75%
Investment-grade bonds	3.00%	-0.85%
Strategic credit	9.00%	2.11%
Direct lending	16.00%	6.70%
Distressed debt	4.00%	5.70%
REIT Equities	2.00%	3.45%
Master Limited Partnerships	2.00%	5.10%
Private Real Estate Partnerships	6.00%	4.90%
Hedge Funds	6.00%	1.85%
Cash Equivalents	2.0%	-0.70%
Total	100.0%	

Notes to the Financial Statements

The discount rate used to measure the total pension liability was 7.60%, which is a decrease from the prior year discount rate of 8.10%. 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 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The best estimates of geometric real rates of return for each major asset class included in the TCDRS' target asset allocation as of January 2021 are summarized below.

Changes in the Net Pension Liability

Changes in Net Pension Liability / (Asset)	otal Pension .iability (a)	duciary Net Position (b)	et Pension bility / (Asset) (a) – (b)
Balances at December 31, 2019	\$ 99,091,964	\$ 92,850,476	\$ 6,241,488
Changes for the year:			
Service cost	2,729,086	-	2,729,086
Interest on total pension liability (1)	8,052,460	-	8,052,460
Effect of economic/demographic gains or losses	(447,989)	-	(447,989)
Effect of assumptions changes or inputs	6,420,478	-	6,420,478
Refund of contributions	(572,556)	(572,556)	-
Benefit payments	(4,338,985)	(4,338,985)	-
Administrative expenses	-	(74,226)	74,226
Member contributions	-	1,581,103	(1,581,103)
Net investment income	-	9,590,221	(9,590,221)
Employer contributions	-	2,434,898	(2,434,898)
Other (2)	 -	 (30,485)	 30,485
Balances at December 31, 2020	\$ 110,934,458	\$ 101,440,446	\$ 9,494,012

(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.

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the County as of December 31, 2020, calculated using the discount rate of 7.60%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate.

	, -	1% Decrease in Discount Rate (6.60%)		scount Rate (7.60%)	1% Increase in Discount Rate (8.60%)		
Total pension liability Fiduciary net pension	\$	125,844,151 101,440,445	\$	110,934,458 101,440,446	\$	98,553,495 101,440,445	
Net pension liability / (asset)	\$	24,403,706	\$	9,494,012	\$	(2,886,950)	

Notes to the Financial Statements

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2021, the County recognized pension expense of \$2,824,527 related to the December 31, 2020 valuation. At December 31, 2021, the County reported deferred inflows and outflows of resources related to the Plan from the following sources:

	h	Deferred nflows of esources	Deferred Outflows of Resources		
Differences between expected and actual economic experience Change of assumptions Net difference between projected and actual investment earnings Contributions subsequent to the measurement date	\$	625,607 - 3,380,391 -	\$	- 4,370,710 - 2,510,680	
Total	\$	4,005,998	\$	6,881,390	

Deferred outflows of resources related to the Plan resulting from contributions subsequent to the measurement date of \$2,510,680 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2020 (i.e. recognized in the County's financial statements December 31, 2021). Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pen	sion Expense Amount
2022 2023 2024 2025	\$	906,278 1,783,042 (1,762,650) (561,958)
Total	\$	364,712

B. Texas County and District Retirement System Group Term Life

Plan Description

The County patriciates in the retiree Group Term Life program (GTL) for the Texas Count & District Retirement System (TCDRS), which is a defined benefits group term life insurance plan. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 each year. As the GTL program covers both active and retiree participants, with no segregation of assets, the GTL program is considered to be an unfunded single-employer OPEB plan (i.e., no assets are accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75).

Notes to the Financial Statements

Benefits Provided

The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program. The death benefit for retirees is considered an other post-employment benefit and is a fixed amount of \$5,000.

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	230
Inactive employee entitled to but no yet receiving benefits	136
Active employees	423
Total	789

Contributions

For GASB 75 purposes, the TCDRS GTL plan is not a cost sharing plan as the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions. Employers in the TCDRS GTL program make a combined contribution for both the active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only the contribution associated with retiree covered are included under GASB 75.

The County's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000. Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

The retiree portion of contribution rates to the TCDRS GTL plan for the County was 0.13% in both calendar years 2020 and 2021. The County's contributions to the TCDRS GTL plan for the year ended December 31, 2021 were \$33,898.

Total TCDRS OPEB Liability

The County's total TCDRS OPEB liability (TOL) was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

The discount rate used to measure the TCDRS OPEB liability was 2.12% and was based on the 20 year bond GO index published by bondbuyer.com as of December 31, 2020.

Mortality rates for depositing members were 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for service retirees, beneficiaries, and non-depositing members were 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 100% of the RP-2014 Healthy Annuitant Mortality Table for males and 100% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for disabled retirees were 130% of the RP-2014 Disabled Annuitant Mortality Table for females, both projects with 110% of the MP-2014 Ultimate scale after 2014.

Notes to the Financial Statements

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actual experience study for the period January 1, 2013 through December 31, 2016.

Changes in the TCDRS OPEB Liability

Balance at December 31, 2019	\$ 1,273,469
Changes for the year:	
Service cost	42,130
Interest on total OPEB liability	35,617
Effect of economic/demographic experience	9,250
Effect of assumptions changes or inputs	168,878
Benefit payments	 (31,622)
Net changes	 224,253
Balance as of December 31, 2020	\$ 1,497,722

Sensitivity of the TCDRS OPEB Liability to Changes in the Discount Rate

The following presents the TCDRS OPEB liability of the County, calculated using the discount rate of 2.12%, as well as, what the County's TCDRS OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.12%) or 1 percentage-point higher (3.12%) than the current rate:

	1% Decrease in Discount Rate (1.12%) (2.12%)			1% Increase in Discount Rate (3.12%)			
Total TCDRS OPEB Liability	\$	1,842,034	\$	1,497,722	\$	1,238,762	

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

For the year ended December 31, 2021 the County recognized TCDRS OPEB expense of \$143,874. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to TCDRS OPEB from the following sources:

	 red Outflows Resources	 ed Inflows of esources
Change of assumptions Net difference between expected and actual experience Contributions subsequent to the measurement date	\$ 332,808 7,400 33,898	\$ 58,393 11,323 -
Total	\$ 374,106	\$ 69,716

Notes to the Financial Statements

The \$33,898 as deferred outflows of resources related to TCDRS OPEB resulting from contributions subsequent to the measurement date will reduce the total TCDRS OPEB liability during the year ending December 31, 2020. The other amounts reported as deferred outflows and inflows of resources related to TCDRS OPEB will be recognized in TCDRS OPEB expense as follows:

Year Ended December 31,	
2022 2023	\$ 66,127 66,129
2024	59,015
2025	79,221
2026	-
	\$ 270,492

C. Post-Employment Healthcare Benefits

Plan Description

The County administers a single employer defined benefit other post-employment benefits (OPEB) plan, known as the post-employment healthcare benefits plan (the Plan). The Plan offers medical and dental insurance benefits to eligible retirees and their spouses. The Plan has no plan assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Funding Policy

Local Government Code Section 157.1010 assigns the authority to establish and amend benefit provisions to the commissioners' court. The County is under no legal obligation to pay these premiums, and the decision to provide these benefits is made by the commissioners' court on a year-to-year basis.

At December 31, 2021, retirees pay a \$25 premium, and pay \$50 per month for their spouse's premium. All other costs are paid by the County.

The premium rates are set annually by the Commissioners' Court based on the combination of premiums and prior year costs of the self-funded portion of the plan. The plan is funded as a pay-as-yougo basis. For the year ended, December 31, 2021, the County contributed approximately \$1,327,896 in direct subsidy contributions.

Benefits Provided

Employees are eligible for the TCDRS retirement plan at the earlier of a) age 60 with 8 years of services, b) 30 years of service without regard to age, and c) the sum of age plus service equals 75. Employees hired after January 2, 2017 will not be eligible for retiree medical coverage. Benefits are provided through a self-funded medical plan. A Medicare supplement plan with drug coverage is available once the retiree or spouse reaches age 65. Dental and life insurance benefits are not available to the retiree.

The following tables provides a summary of the number of participants in the Plan as of December 31, 2021:

	Employees Only
Refired plan members	75
Active plan members	55
Total	130

Notes to the Financial Statements

Total Plan OPEB Liability

The County's Plan OPEB liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

The Plan OPEB liability in December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Discount rate	2.12%
Health care cost trend	4.50%
Salary scale	3.50%

The mortality assumption were based on the RPH-2017 table with the MP-2018 projection scale. The termination and retirement rates were based on assumptions used in the current actuarial valuations prepared for the TCDRS plans covering local governments.

Changes in the Plan OPEB Liability

Balance at January 1, 2021	\$ 71,428,264
Changes for the year: Service cost Interest cost	2,862,281 1,556,961
Effect of net differences between expected and actual experience Effect of assumptions changes or inputs Benefit payments	 - - (1,697,954)
Net changes	 2,721,288
Balance as of December 31, 2021	\$ 74,149,552

Sensitivity of the Plan OPEB Liability to Changes in the Discount Rate

The following presents the Plan OPEB liability of the County calculated using the discount rate of 2.12%, as well as, what the County's Plan OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.12%) or 1 percentage-point higher (3.12%) than the current rate:

	 Decrease in scount Rate (1.12%)	Di	scount Rate (2.12%)	3 Increase in scount Rate (3.12%)
Total Plan OPEB Liability	\$ 88,683,774	\$	74,149,552	\$ 62,761,844

Notes to the Financial Statements

Sensitivity of the Plan OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Plan OPEB liability of the County calculated using the healthcare cost trend rate of 4.5%, as well as, what the County's Plan OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower (3.50%) or 1 percentage-point higher (5.50%) than the current rate:

	1%	Decrease in			1%	6 Increase in			
	T	Trend Rate Trend Rate			Trend Rate		Frend Rate	٦	Trend Rate
		(3.50%)		(4.50%)		(5.50%)			
Total Plan OPEB Liability	\$	61,004,102	\$	74,149,552	\$	91,481,719			

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB For the year ended December 31, 2020, the County recognized Plan OPEB expense of \$5,163,929. At December 31, 2021, the County reported \$5,920,150 deferred outflows of resources and \$4,507,214 deferred inflows of resources related to OPEB.

Note 12. Operating Leases

The County's has entered into noncancellable operating leases for various equipment in governmental activities. The future minimum rental commitments for those leases at December 31, 2021 are as follows:

Total Year End Requirements	Governmental Activities	
2022	\$	48,835
2023		44,084
2024		27,686
2025		15,085
2026		9,262
Thereafter		361,751
Present value of minimum future lease payments	\$	506,703

Note 13. Contingent Liabilities

The County participates in several grant programs that are subject to audit by various state and federal agencies. These programs have complex compliance requirements and 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.

In the normal course of business, the County has been named in civil lawsuits. The outcome of these cases cannot presently be determined; however, County management is of the opinion that the settlement of pending litigation will not have a material adverse effect on the County's financial statements.

Notes to the Financial Statements

Note 14. Additional Enterprise Fund Disclosures

Accounts receivable consists of the following at December 31, 2021:

	Pecos County Memorial Hospit	
Gross accounts receivable Less: allowance for bad debts and contractual adjustments	\$	17,077,285 (13,937,917)
Accounts receivable, net of allowance	\$	3,139,368

Net patient revenue. The Hospital had an agreement with third-party payers that provided for payments to the Hospital at amounts different from their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers.

Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The major third-party payers are Medicare, Medicaid, and other commercial insurance carriers and preferred provider organizations.

Note 15. Tax Abatements

The County negotiates property tax abatement agreements on an individual basis. The County has tax abatement agreements with seven entities as of December 31, 2021:

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year			
Construction of wind power project Development of various solar power projects	100% 80%	\$	659,129 3,743,143		
		\$	4,402,272		

Some of the agreements described include provisions where the entities make annual payments in lieu of taxes abated. As of December 31, 2021 payments in lieu of taxes amounted to \$270,000 and is included in general revenues in the Statement of Activities.

Each agreement was negotiated under a state law (Property Tax Abatement Act, Tax Code Chapter 312) allowing localities to abate property taxes for a variety of economic purposes, including business relocation, retention, and expansion for a period not to exceed 10 years. The abatements may be granted to any business located within or promising to relocate to a local government's geographic area. Localities may grant abatements of all or a portion of annual property taxes through a direct reduction of the entity's property tax bill.

Notes to the Financial Statements

The County has not made any commitments as part of the agreements other than to reduce taxes. The County is not subject to any tax abatement agreements entered into by other governmental entities. The county has chosen to disclose information about some of its tax abatement agreements. It established a quantitative threshold of 10 percent of the total dollar amount of taxes abated during the year.

Note 16. New Pronouncements

<u>GASB Statement No. 87.</u> Leases. Statement 87 was issued June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying assets. This standard becomes effective for the County fiscal year 2022. The County has not determined the impact of this statement.

<u>GASB Statement No. 92</u>. Omnibus 2020. Statement 92 was issued January 2020. The primary objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB standards. The statement addresses a variety of topics including Leases (GASB 87) and postemployment benefits. This standard becomes effective for the County fiscal year 2022, the County has not determined the impact of this statement.

<u>GASB Statement No. 95.</u> Postponement of Effective Dates of Certain Authoritative Guidance. Statement 95 was issued May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

Notes to the Financial Statements

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in *each* pronouncement as originally issued. This standard becomes effective at the time the standard was issued. The implementation had no significant effect on the County's financial statements.

<u>GASB Statement No. 96.</u> Subscription -Based Information Technology Arrangements. Statement 96 was issued May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). 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, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. This standard becomes effective for the County fiscal year 2023, The County has not determined the impact of this statement.

<u>GASB Statement No. 97.</u> Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an Amendment of GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32. Statement 97 was issued June 2020.

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard becomes effective for the County fiscal year 2022, The County has not determined the impact of this statement.

<u>GASB Statement No. 98.</u> The Annual Comprehensive Financial Report. Statement 98 was issued October 2021. This Statement established the term annual comprehensive financial reporting and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This standard becomes effective for the County fiscal year 2022, the County has not determined the impact of this statement.

The County's management is reviewing the implementation process of these standards by gathering required information.

Note 17. Subsequent Events

On December 10, 2022, an election for the purpose of the creation of the Pecos County Memorial Hospital District and the levy of annual property taxes for hospital purposes at a rate not to exceed seventy-five cents (\$0.75) on each \$100 valuation of all taxable property in the district was held and passed. Effective January 1, 2024, the Pecos County Memorial Hospital will no longer be part of the County.

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Required Supplemental Information

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Texas County District Retirement System Schedule of Changes in the Employer's Net Pension Liability and Related Ratios for the Employees of Pecos County December 31, 2021

	 2020	 2019	 2018	 2017		2016	 2015
TOTAL PENSION LIABILITY	 		 				
Service cost	\$ 2,729,086	\$ 2,853,714	\$ 2,761,370	\$ 2,795,292	\$	2,982,099	\$ 2,973,703
Interest (on the total pension liability)	8,052,460	7,619,004	7,122,503	6,589,054		6,096,181	5,759,225
Effect of plan changes	-	-	623,229	575,901		-	(511,212)
Effect of assumption changes or inputs	6,420,478	-	-	451,947		-	927,974
Effect of economic/demographic (gains) or losses	(447,989)	(307,179)	(225,677)	116,053		(641,945)	(1,264,530)
Benefit payments/refunds of contributions	 (4,911,541)	 (4,476,141)	 (4,023,971)	 (3,800,398)	_	(3,573,519)	 (3,478,337)
Net change in total pension liability	11,842,494	5,689,398	6,257,454	6,727,849		4,862,816	4,406,823
Total pension liability - beginning	 99,088,963	 93,399,565	 87,142,111	 80,414,262		75,551,446	 71,144,623
TOTAL PENSION LIABILITY - ENDING (a)	\$ 110,931,457	\$ 99,088,963	\$ 93,399,565	\$ 87,142,111	\$	80,414,262	\$ 75,551,446
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 2,434,898	\$ 2,362,363	\$ 2,340,070	\$ 2,044,633	\$	2,027,782	\$ 2,169,495
Contributions - employee	1,581,103	1,590,052	1,602,787	1,517,325		1,533,028	1,615,580
Investment income net of investment expenses	9,590,221	13,182,072	(1,527,241)	10,470,307		4,942,678	(109,580)
Benefit payments/refunds of contributions	(4,911,541)	(4,476,141)	(4,023,971)	(3,800,398)		(3,573,519)	(3,478,338)
Administrative expense	(74,226)	(70,756)	(67,471)	(54,487)		(53,803)	(48,039)
Other	 (30,485)	 (4,715)	 8,902	 (3,709)		19,186	 104,409
Net change in plan fiduciary net position	8,589,970	12,582,875	(1,666,924)	10,173,671		4,895,352	253,527
Plan fiduciary net position - beginning	 92,847,475	 80,264,600	 81,931,524	 71,757,853		66,862,501	 66,608,973
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 101,437,445	\$ 92,847,475	\$ 80,264,600	\$ 81,931,524	\$	71,757,853	\$ 66,862,500
NET PENSION LIABILITY - ENDING (a)-(b)	\$ 9,494,012	\$ 6,241,488	\$ 13,134,965	\$ 5,210,587	\$	8,656,409	\$ 8,688,946
Plan fiduciary net position as a percentage of total pension liability	91.44%	93.70%	85.94%	94.02%		89.24%	88.50%
Covered payroll	\$ 22,587,181	\$ 22,715,031	\$ 22,896,963	\$ 21,636,323	\$	21,898,298	\$ 23,079,720
Net pension liability as a percentage of covered payroll	42.03%	27.48%	57.37%	24.08%		39.53%	37.65%

Notes to Schedule:

As of December 31 - Measurement date

Only six 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."
Texas County District Retirement System Schedule of Employer Contributions December 31, 2021

									Year Ended I	Dece				
			2021	_	2020	_	2019	_	2018	_	2017	_	2016	 2015
Actuarially determined contribution Contributions in relation to the actuarially determined	ned contribution	\$	2,434,898 (2,434,898)	\$	2,362,363 (2,362,363)	\$	2,340,070 (2,340,070)	\$	2,044,633 (2,044,633)	\$	2,027,782 (2,027,782)	\$	2,169,494 (2,169,494)	\$ 2,156,748 (2,156,748)
CONTRIBUTION DEFICIENCY (EXCESS)		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$ -
Covered payroll		\$	22,587,181	\$	22,715,031	\$	22,896,963	\$	21,636,323	\$	21,898,298	\$	23,079,720	\$ 22,466,129
Contributions as a percentage of covered payroll			10.8%		10.4%		10.2%		9.5%		9.3%		9.4%	9.6%
Notes to Schedule:														
Valuation date:														
Actuarially determined contribution rates are calc contributions are reported.	ulated as of Decen	nber 3	31, two years	prior	to the end of	the f	iscal year in w	/hich	the					
Methods and assumptions used to determine cont	tribution rates:													
Actuarial Cost method	Entry Age													
Amortization method	Level percentage	of pa	yroll, closed											
Remaining amortization period	20.0 years (based o	on co	ntribution rate	e cal	culated 12/31	/202	0 valuation)							
Asset valuation method	5-year smoothed n	narke	t											
Inflation	2.50%													
Salary increases	Varies by age and	servio	ce. 4.6% aver	age	over career in	clud	ing inflation.							
Investment rate of return	7.50%, net of invest	ment	expenses, in	cludi	ng inflation									
Retirement age	Members who are benefit payments I is 61.													
Mortality	130% of the RP-20 Healthy Annuitant Ultimate scale afte	Mort	ality Table fo											
Changes in Assumptions and Methods Reflected in the	2015: New inflation	, mor	tality, and oth	ner a	ssumptions we	ere re	flected.							
Schedule of Employer Contributions*	2017: New mortality	y assu	imptions were	e refle	ected.									
	2019: New inflation	, moi	rtality and oth	ner a	ssumptions we	ere re	eflected.							
Changes in Plan Provisions Reflected in the Schedule of	2015: No changes	in pla	n provisions v	vere	reflected in th	ne scl	hedule.							
Employer Contributions*	2016: No changes	in pla	n provisions v	vere	reflected in th	ne scl	hedule.							
	2017: New Annuity after 2017.	Purch	nase Rates we	ere re	eflected for be	enefi	ts earned							
	2018: Employer cor	ntribu	tions reflect t	hat c	a 2% flat COLA	was	adopted.							
	2019: Employer cor	ntribu	tions reflect t	hat c	a 2% flat COLA	was	adopted.							
	2020: No changes	in pla	n provisions v	vere	reflected in th	ne Sc	hedule.							

*Only changes that affect the benefit amount that are effective 2015 and later are shown in the notes to the schedule.

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

County Retiree Health Plan Schedule of Changes in Net Plan OPEB Liability and Related Ratios For the Year Ended December 31, 2021

TOTAL PLAN OPEB LIABILITY	 2021	 2020	 2019	 2018
Service cost Interest on total plan OPEB liability Effect of net differences between expected and actual experience Effect of assumptions changes or inputs	\$ 2,862,281 1,556,961	\$ 2,591,666 2,716,980 (10,339,804) 13,632,259	\$ 2,591,666 2,571,963 -	\$ 2,489,593 2,429,849 -
Benefit payments	 (1,697,954)	 (1,697,954)	 (1,555,319)	 - (1,555,319)
Net change in total plan OPEB liability	\$ 2,721,288	6,903,147	3,608,310	3,364,123
Total plan OPEB liability - beginning of year	 71,428,264	 64,525,117	 60,916,807	 57,552,684
Total plan OPEB liability - end of year	 74,149,552	\$ 71,428,264	\$ 64,525,117	\$ 60,916,807
Covered employee payroll	\$ 11,997,011	\$ 11,997,011	\$ 14,198,916	\$ 14,198,916
Net plan OPEB liability as a percentage of covered employee payroll	618.07%	595.38%	454.44%	429.02%

Notes to Schedule:

The Plan is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported to the above schedule.

The County implemented GASB Statement No. 75 in FY 2018. Information in this table has been determined as of the measurement date of December 31, 2017 of the net plan OPEB liability and will ultimately contain information for 10 years.

Texas County District Retirement System's Supplemental Death Benefits Fund Schedule of Changes in Net TCDRS OPEB Liability and Related Ratios For the Year Ended December 31, 2021

TOTAL TCDRS OPEB LIABILITY	 2020	 2019	 2018	 2017
Service cost	\$ 42,130	\$ 28,608	\$ 33,009	\$ 31,405
Interest on total TCDRS OPEB liability (1)	35,617	40,441	36,868	37,335
Effect of assumption changes or inputs (2)	168,878	273,539	(116,785)	46,039
Effect of economic/demographic (gains) or losses	9,250	(11,957)	(4,458)	(3,371)
Benefit payments	 (31,622)	 (29,530)	 (29,766)	 (28,127)
Net change in total TCDRS OPEB liability	224,253	301,101	(81,132)	83,281
Total TCDRS OPEB liability - beginning of year	 1,273,469	 972,368	 1,053,500	 970,219
Total TCDRS OPEB liability - end of year	\$ 1,497,722	\$ 1,273,469	\$ 972,368	\$ 1,053,500
Covered employee payroll	\$ 22,587,181	\$ 22,715,031	\$ 22,896,963	\$ 21,636,323
Net TCDRS OPEB liability as a percentage of covered employee payroll	6.63%	5.61%	4.25%	4.87%

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.

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

fees or interest.

adopted based on the January 1, 2013 -

December 31, 2016 Investigation of Experience.

The County implemented GASB Statement No. 75 in FY 2018. Information in this table has been determined as of the measurement date of December 31, 2017 of the net TCDRS OPEB liability and will ultimately contain information for 10 years.

Pecos County, Texas General Fund

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual For the Year Ended December 31, 2021

		et REVENUES 50 Taxes		Budgeted Amounts					Variance wi Final Budget	
						·		Actual		Positive
Bud	-			Original		Final		Amounts	(r	legative)
7100			\$	26,742,140	\$	28,781,359	\$	28,829,751	\$	48,392
7100	51	ABC Tax	Ψ	20,742,140	Ψ	20,000	Ψ	25,437	Ψ	5,437
7100	53	Fines and forfeitures		20,000		20,000 900		1,007		107
7100	52	Intergovernmental		426,000		426,000		498,356		72,356
7100	55	Charges for services		2,465,650		2,465,650		2,797,065		331,415
7100	82	Payment in lieu of taxes		2,588,534		1,286,543		1,286,543		
7100	81	Proceeds from settlement		8,000		8,000		34,842		26,842
7100	83	Royalties		8,000		8,000		123,340		123,340
7100	63 54	Interest		- 56,000		- 56,000		24,322		
7100	54 80	Other		68,200				24,322 85,682		(31,678)
7100	00					68,200				17,482
		Total revenues		32,375,424		33,112,652		33,706,345		593,693
	E	XPENDITURES								
		Current:								
7020	400	General government		000 222		000 222		202 7/7		E E / /
7230	400	Office of the County Judge		299,333		299,333		293,767		5,566
7230	403	Office of the County Clerk		396,716		396,716		347,945		48,771
7230	405	Veterans' Administration		55,119		55,119		19,033		36,086
7230 7230	401 409	Commissioners' Court Nondepartmental		419,500 8,926,291		468,254 4,979,114		382,650 4,752,194		85,604 226,920
7230	407	Total general government		10,096,959		6,198,536		5,795,589		402,947
				10,070,737		0,170,330		3,773,307		402,747
7242	450	Judicial: Office of the District Clerk		310,388		310,389		306,995		3,394
7242	430	County Court at Law		56,900		56,900		34,564		22,336
7242	420	83rd District Court		175,074		175,074		167,530		7,544
7242	435	112th District Court		241,503		269,468		268,987		481
7242	430	Office of the 83rd District Attorney		241,505		267,400		256,345		11,482
7242	437	Office of the 112th District Attorney		300,988		300,988		236,545		55,463
7242	450	Justice of the Peace #1		227,474		227,474		243,323		7,419
7242	453	Justice of the Peace #3		114,440		114,440		110,976		3,464
7242	454	Justice of the Peace #4		48,427		48,427		45,546		2,881
7242	456	Justice of the Peace #6		121,915		121,915		118,667		3,248
7242	475	Office of the County Attorney		427,395		427,395		408,116		19,279
7242	465	County Law Library		5,000		5,000		2,065		2,935
		Total judicial		2,297,331		2,325,297		2,185,371		139,926
		Financial Administration:		2,277,001		2,020,277		2,100,071		137,720
7247	495	Office of the County Auditor		453,974		465,628		461,732		3,896
7247	497	Office of the County Treasurer		150,838		152,049		150,575		1,474
7247	499	Office of the Tax Assessor Collector		481,956		481,956		462,731		19,225
· - · ·	503	Data processing		497,500		497,500		413,274		84,226
7247	000					,	_	110/2/1		

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual – Continued For the Year Ended December 31, 2021

						Variance with
			Budgeted A	mounts		Final Budget -
			Original	Final	Actual Amounts	Positive
		Levu opforoomente	Original	rinai	Amounts	(Negative)
7238	551	Law enforcement:	28,328	28,328	27,723	605
7238	553	Constable Precinct #1 Constable Precinct #3				756
7238	553 554		31,431 29,530	31,431 9,060	30,675	736 9,060
		Constable Precinct #4		.,	-	
7238	556	Constable Precinct #6	29,290	29,290	28,627	663
7238	561	Public Safety Department	3,800	3,822	3,822	-
7238	560	Office of the Sheriff	2,285,203	2,676,722	2,667,587	9,135
		Total law enforcement	2,407,582	2,778,653	2,758,434	20,219
		Corrections:				
7245	512	Correctional facility	904,763	1,056,856	1,056,853	3
7245	570	Adult probation	46,986	46,986	46,735	251
7245	572	Juvenile probation	336,863	336,863	199,372	137,491
		Total corrections	1,288,612	1,440,705	1,302,960	137,745
		Health and welfare:				
7235	632	Sanitation department	75,705	87,816	87,160	656
7235	540	EMS	2,656,833	2,998,809	2,892,770	106,039
7235	640	Social services	130,000	106,161	106,161	-
7235	630	Health - Memorial Hospital	5,640,000	6,818,634	1,177,771	5,640,863
7235	631	Emergency Management/Homeland Security	119,217	122,610	122,565	45
		Total health and welfare	8,621,755	10,134,030	4,386,427	5,747,603
7237		Fire protection	453,850	658,137	591,178	66,959
		Culture and recreation:				
7233	660	Recreation	145,075	145,075	143,075	2,000
7233	659	Fort Stockton Golf Course	645,880	745,748	745,738	10
7233	658	Iraan Golf Course	323,546	323,546	315,708	7,838
7233	661	Park #1	276,845	1,141,935	1,101,795	40,140
7233	662	Park #2	570,041	741,358	704,758	36,600
7233	663	Park #3	368,385	406,080	405,762	318
7233	664	Park #4	303,539	1,602,559	1,582,896	19,663
7233	696	Historical Commission	21,091	21,091	8,789	12,302
		Total culture and recreation	2,654,402	5,127,392	5,008,521	118,871

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual – Continued For the Year Ended December 31, 2021

				Budgeted	d Amo	ounts			riance with al Budget -
			_	Original		Final	 Actual Amounts	(Positive Negative)
		Libraries:							
7249	650	Fort Stockton library		355,413		355,413	345,241		10,172
7249	651	Imperial library		61,069		61,762	60,624		1,138
7249	652	Iraan library		109,385		109,385	 109,079		306
		Total libraries		525,867		526,560	514,944		11,616
7248		Building maintenance		429,291		810,729	804,418		6,311
7240		Utilities		750,000		750,000	625,651		124,349
7239		Conservation		172,508		172,508	163,043		9,465
		Public service:							
7246	490	Elections		156,471		156,471	113,103		43,368
7246	590	Pecos County Water		214,157		221,821	197,004		24,817
7246	695	Miscellaneous		218,718		219,718	 204,447		15,271
		Total public service		589,346		598,010	514,554		83,456
7250		Airport		665,995		1,202,788	 691,431		511,357
		Total expenditures		32,537,766		34,320,478	 26,830,833		7,489,645
		Excess of revenues over expenditures		(162,342)		(1,207,826)	6,875,512		8,083,338
	С	THER FINANCING SOURCES (USES)							
7300 00		Sale of assets		-		-	28,159		28,159
7300	50	Transfers from other funds		1,175,000		1,687,543	1,087,543		(600,000)
7300	60	Transfers to other funds		(1,175,000)		(1,927,055)	 (6,938,374)		(5,011,319)
		Total other financing sources (uses)		-		(239,512)	 (5,822,672)		(5,583,160)
		Net change in fund balances		(162,342)		(1,447,338)	1,052,840		2,500,178
	F	und balances - beginning of year		29,303,190		29,303,190	 29,303,190		-
	F	UND BALANCES - END OF YEAR	\$	29,140,848	\$	27,855,852	\$ 30,356,030	\$	2,500,178

Pecos County, Texas Road and Bridge Fund

Road and Bridge Fund Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual For the Year Ended December 31, 2021

	Budgetec	d Amounts		Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				(neganve)
Taxes	\$ 3,509,900	\$ 3,509,900	\$ 3,791,628	\$ 281,728
Intergovernmental	121,000	121,000	98,158	(22,842)
Fees of office	565,000	565,000	561,474	(3,526)
Miscellaneous	329,750	125,000	311,117	186,117
Total revenues	4,525,650	4,320,900	4,762,377	441,477
EXPENDITURES				
Highways and streets				
Precinct #1:				
Salaries and benefits	504,841	496,821	489,237	7,584
Supplies	7,000	7,046	6,724	322
Fuel	50,000	50,000	47,030	2,970
Uniforms	1,800	1,800	1,447	353
Communications	2,600	2,600	2,181	419
Travel	2,500	2,500	1,131	1,369
Registration fees	1,000	1,000	390	610
Repairs and maintenance	33,500	40,346	36,840	3,506
Lease expenditures	1,500	484	180	304
Contract services	-	1,016	1,016	-
Equipment	-	1,129	1,129	-
Road improvements	5,000	5,000	4,500	500
Total Precinct #1	609,741	609,742	591,805	17,937
Precinct #2:				
Salaries and benefits	457,283	467,636	467,633	3
Supplies	7,200	8,035	8,006	29
Fuel	45,000	24,020	23,953	67
Uniforms	1,300	1,029	1,029	-
Communications	3,000	3,000	2,782	218
Travel	3,000	3,108	3,106	2
Registration fees	700	525	450	75
Repairs and maintenance	17,300	24,633	24,329	304
Lease expenditures	1,300	1,300	1,271	29
Contract services	1,000	1,016	1,016	-
Equipment	-	2,782	2,782	-
Road improvements	5,000	5,000	4,690	310
Total Precinct #2	542,083	542,084	541,047	1,037

Pecos County, Texas Road and Bridge Fund

Road and Bridge Fund Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual – Continued For the Year Ended December 31, 2021

	Budgeted A	mounts	Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Precinct #3:				
Salaries and benefits	501,953	482,488	462,625	19,863
Supplies	22,000	27,951	27,951	-
Fuel	55,000	49,261	49,169	92
Uniforms	1,000	1,000	949	51
Communications	8,000	8,032	7,835	197
Travel	2,000	1,350	1,207	143
Registration fees	1,000	1,000	440	560
Repairs and maintenance	57,000	59,012	58,521	491
Dues and subscriptions	300	300	96	204
Contract services	-	1,016	1,016	-
Equipment	-	11,314	11,314	-
Road improvements	5,000	5,849	5,596	253
Total Precinct #3	653,253	648,573	626,719	21,854
Precinct #4:				
Salaries and benefits	614,748	581,096	555,268	25,828
Supplies	18,000	25,928	25,284	644
Fuel	65,000	75,714	75,713	1
Uniforms	1,500	1,495	1,345	150
Communications	3,000	3,600	3,448	152
Travel	2,000	1,286	381	905
Registration fees	750	750	475	275
Repairs and maintenance	47,000	65,062	64,512	550
Lease expenditures	2,000	2,000	1,502	498
Contract services	3,000	3,000	1,928	1,072
Equipment	-	2,068	2,068	-
Road improvements	5,000		-	
Total Precinct #4	761,998	761,999	731,924	30,075

Road and Bridge Fund Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual – Continued For the Year Ended December 31, 2021

	Budgetee	d Amounts		Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
General:				
Employee insurance	499,500	499,500	469,155	30,345
Lateral roads #1	10,250	10,250	5,628	4,622
Lateral roads #2	10,250	10,250	9,664	586
Lateral roads #3	10,250	-	-	-
Lateral roads #4	10,250	10,250	10,250	-
Road improvements	500,000	514,009	482,639	31,370
Contract services	120,000	120,000	63,471	56,529
Total general	1,160,500	1,164,259	1,040,807	123,452
Total highways and streets	3,727,575	3,726,657	3,532,302	194,355
Capital Outlay:				
General	716,175	375,622	372,922	(2,700)
Precinct #1	-	32,760	32,760	-
Precinct #2	-	32,760	29,715	(3,045)
Precinct #3	-	159,366	159,366	-
Precinct #4		136,006	136,006	
Total capital outlay	716,175	736,514	730,769	(5,745)
Total expenditures	4,443,750	4,463,171	4,263,071	200,100
Deficiency of revenues over expenditures	81,900	(142,271)	499,306	641,577
Transfers from other funds		32,012	32,012	
Total other financing sources (uses)		32,012	32,012	
Net change in fund balance	81,900	(110,259)	531,318	641,577
und balances - beginning of year	368,929	368,929	368,929	
JND BALANCES - END OF YEAR	\$ 450,829	\$ 258,670	\$ 900,247	\$ 641,577

Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual

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

- A. In the event the Commissioners' Court increases property taxes three percent or less, no public hearing is required. If the Court increases taxes more than three but less than eight percent, then a public hearing is required prior to final adoption. If the Court increases taxes more than eight percent, a public hearing is required and taxes are subject to a rollback petition and election.
- B. Public hearings are conducted at the Pecos County Courthouse to obtain taxpayer comments.
- C. Prior to January 1, the budget is legally enacted through adoption of an order by the 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.
- E. Budgets for the various funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
- F. Expenditures in excess of appropriations are required by state statutes to be reported down to the departmental level.
- G. The budgeted amounts presented in these statements are as originally adopted, or as amended by, the Commissioners' Court during the year ended December 31, 2021.
- H. The Schedules of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual General Fund and Road and Bridge Fund present a comparison of budgetary data to actual results.

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Supplementary Information

Pecos County, Texas Combining Balance Sheet Nonmajor Governmental Funds December 31, 2021

	 Special Revenue Funds	P	Capital rojects Fund	Total Nonmajor Funds		
ASSETS						
Cash and cash equivalents Receivables (net of allowances for uncollectibles)	\$ 3,777,152	\$	7,756	\$	3,784,908	
Other	 164,702		-		164,702	
TOTAL ASSETS	\$ 3,941,854	\$	7,756	\$	3,949,610	
LIABILITIES						
Accounts payable	\$ 233,043	\$	-	\$	233,043	
Due to other funds	30,000		-		30,000	
Unearned revenue	 1,536,716				1,536,716	
Total liabilities	1,799,759		-		1,799,759	
FUND BALANCES						
Restricted						
Federal and state grants	422,878		-		422,878	
Legislation	1,719,217		-		1,719,217	
Assigned						
Capital projects funds	 -		7,756		7,756	
Total fund balances	 2,142,095		7,756		2,149,851	
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,941,854	\$	7,756	\$	3,949,610	

Pecos County, Texas Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended December 31, 2021

	Special Revenue Funds	Pi	Capital rojects Fund	1	Total Nonmajor Funds
REVENUES					
Fines and forfeitures	\$ 64,510	\$	-	\$	64,510
Intergovernmental	1,721,458		-		1,721,458
Charges for services	715,652		-		715,652
Interest	1,334		-		1,334
Other	 10,813		-		10,813
Total revenues	2,513,767		-		2,513,767
EXPENDITURES					
Judicial	78,421		-		78,421
Law enforcement			-		
Corrections	1,076,682		-		1,076,682
Health and welfare	205,969		-		205,969
Public service	807,532		-		807,532
Capital outlay	 54,925		-		54,925
Total expenditures	 2,223,529		-		2,223,529
Excess of expenditures					
(over) under revenues	290,238		-		290,238
OTHER FINANCING SOURCES (USES)					
Transfers in	(5,288)		-		(5,288)
Transfers (out)	5,288		-		5,288
Total other financing sources (uses)	 -		-		-
Net change in fund balances	290,238		-		290,238
Fund balances - beginning of year	 1,851,857		7,756		1,859,613
FUND BALANCES, end of year	\$ 2,142,095	\$	7,756	\$	2,149,851

Pecos County, Texas Special Revenue Funds Combining Balance Sheet December 31, 2021

		250	251		255 256		265		266
	ıL	venile	Title	J	uvenile			Co	mmunity
	Pr	obation Fees	IV-E Fund		obation JPC A-R	Su	Basic pervision		rrections rogram
ASSETS									
Cash	\$	30,863	\$ 38,182	\$	38,270	\$	233,603	\$	17,225
Receivables, net of allowance Other		45	 -		-		-		-
TOTAL ASSETS	\$	30,908	\$ 38,182	\$	38,270	\$	233,603	\$	17,225
LIABILITIES									
Accounts payable	\$	-	\$ -	\$	750	\$	3,592	\$	-
Due to other funds		-	-		-		-		-
Unearned revenue		-	 -		-		-		-
Total liabilities		-	-		750		3,592		-
FUND BALANCES									
Restricted:									
Federal and state grants		-	38,182		37,520		230,011		17,225
Legislation		30,908	 -		-	<u>.</u>			-
Total fund balances		30,908	 38,182		37,520		230,011		17,225
TOTAL LIABILITIES AND FUND BALANCE	\$	30,908	\$ 38,182	\$	38,270	\$	233,603	\$	17,225

		270	280	281		282		283		284
 	CSCD	Adult	County	County Clerk		District Clerk	F	Court Record	R	rict Court Record
lensive pervision	retrial vision	obation Fees	ecords nagement	lecords nagement	F	Records Fund	Pre	servation Fund	Tec	chnology Fund
\$ 92,318	\$ 8,313	\$ 39,631	\$ 81,854	\$ 463,337	\$	54,892	\$	31,666	\$	32,397
 -	 -	 -	 155	 -		7,948		160		225
\$ 92,318	\$ 8,313	\$ 39,631	\$ 82,009	\$ 463,337	\$	62,840	\$	31,826	\$	32,622
\$ 692 -	\$ -	\$ -	\$ -	\$ -	\$	-	\$	-	\$	-
 692	 -	 -	 -	 -		_		-		-
91,626 -	8,313 -	 - 39,631	 - 82,009	 - 463,337		- 62,840		- 31,826		- 32,622
 91,626	8,313	 39,631	 82,009	 463,337		62,840		31,826		32,622
\$ 92,318	\$ 8,313	\$ 39,631	\$ 82,009	\$ 463,337	\$	62,840	\$	31,826	\$	32,622

Pecos County, Texas Special Revenue Funds Combining Balance Sheet – Continued December 31, 2021

		285	286		287 County		288		370
		JP	County Clerk	·	Clerk Vital	Sp	ecialty	Co	urthouse
	Teo	chnology Fund	 Archival Fund	\$	tatistics Fund		Court Fund	S	ecurity Fund
ASSETS									
Cash	\$	52,891	\$ 439,434	\$	14,263	\$	1,878	\$	9,919
Receivables, net of allowance Other		-	 -		-		-		96
TOTAL ASSETS	\$	52,891	\$ 439,434	\$	14,263	\$	1,878	\$	10,015
LIABILITIES									
Accounts payable Due to other funds Unearned revenue	\$	2,810 - -	\$ - -	\$	- - -	\$	- -	\$	- 30,000 -
Total liabilities		2,810	-		-		-		30,000
FUND BALANCES Restricted: Federal and state grants		-	-		-		-		-
Legislation		50,081	 439,434		14,263		1,878		(19,985)
Total fund balances		50,081	 439,434		14,263		1,878		(19,985)
TOTAL LIABILITIES AND FUND BALANCE	\$	52,891	\$ 439,434	\$	14,263	\$	1,878	\$	10,015

	427	Te J Re	429 exas egional lvisory	Te J Re	130 exas gional visory		431 Border	c	440 BPU Contract	Ston	442 negarden	High I	443 Intensity Drug ificking
	C Grant 21/2022		ouncil ond		uncil und	Se	curity III Fund	#	2537908 Fund		14/BP Fund		Area ⁻ und
\$	(2,225)	\$	-	\$	30	\$	(12,739)	\$	(47,994)	\$	(8,314)	\$	-
1	2,225		-		-		12,739		47,994	,	8,314		
\$	-	\$	-	\$	30	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-		30 -	\$	-	\$	-		-	\$	-
	-		-		-		-		-		-		-
	-		-		30		-		-		-		-
	-		-		-		-		-		-		-
	-		-	·			-		-				-
\$	-	\$	-	\$	30	\$	-	\$	-	\$	-	\$	-

Pecos County, Texas Special Revenue Funds Combining Balance Sheet – Continued December 31, 2021

	446	448	В	449 order curity II	500 County Itorney	A	505 County Attorney Pre-Trial
	S Treasury ovid Funds	.BSP/16 Fund		Grant 534301	t Check Fund	Int	ervention Fund
ASSETS							
Cash	\$ 1,536,716	\$ (72,277)	\$	-	\$ 9,388	\$	275,070
Receivables, net of allowance Other	 -	 81,219		-	 		3,096
TOTAL ASSETS	\$ 1,536,716	\$ 8,942	\$	-	\$ 9,388	\$	278,166
LIABILITIES							
Accounts payable	\$ -	\$ 8,941	\$	-	\$ 1,256	\$	2,623
Due to other funds	-	-		-	-		-
Unearned revenue	 1,536,716	 -		-	 -		-
Total liabilities	1,536,716	8,941		-	1,256		2,623
FUND BALANCES Restricted:							
Federal and state grants	-	1		-	-		-
Legislation	 -	 -		-	 8,132		275,543
Total fund balances	 -	 1	1	-	 8,132		275,543
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,536,716	\$ 8,942	\$	-	\$ 9,388	\$	278,166

	510	For	511 feiture	530 d District ttorney		540 ard District Attorney	560 th District	112 1	561 n District	
Disc	Sheriff cretionary Fund	Re	nared venue [:] und	Hot Check Funds	F	Drug orfeiture Fund	ttorney cretionary Fund	Hot	orney Check und	 Total
\$	49,380	\$	728	\$ 25,120	\$	309,536	\$ 33,488	\$	309	\$ 3,777,152
	486		-	-		-	-		-	164,702
\$	49,866	\$	728	\$ 25,120	\$	309,536	\$ 33,488	\$	309	\$ 3,941,854
\$	- - -	\$	- - -	\$ - - -	\$	212,349 - -	\$ - - -	\$	- - -	\$ 233,043 30,000 1,536,716
	-		-	-		212,349	-		-	1,799,759
	-		-	-		-	-		-	422,878
	49,866		728	 25,120		97,187	 33,488		309	 1,719,217
	49,866		728	 25,120		97,187	 33,488		309	 2,142,095
\$	49,866	\$	728	\$ 25,120	\$	309,536	\$ 33,488	\$	309	\$ 3,941,854

Special Revenue Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balance For the Year Ended December 31, 2021

	250	251	255 256		265		266
	venile obation Fees	Title IV-E Fund	Juvenile Probation TJPC A-R	Su	Basic pervision	Co	mmunity rrections rogram
REVENUES			 				
Fines and forfeitures	\$ -	\$ -	\$ -	\$	-	\$	-
Intergovernmental	-	-	91,192		203,974		57,546
Charges for services Interest	2,839	- 79	-		440,176 579		-
Other	-	- 19	-		579 10,813		-
Total revenues	 2,839	 79	 91,192		655,542		57,546
EXPENDITURES							
Judicial	-	-	-		-		-
Law enforcement	-	-	-		-		-
Corrections	-	1,693	86,279		567,037		68,412
Health and welfare	-	-	-		-		-
Public service	-	-	-		-		-
Capital outlay	 -	 -	 		-		-
Total expenditures	 -	 1,693	 86,279		567,037		68,412
Excess (deficiency) of revenues over (under) expenditures	2,839	(1,614)	4,913		88,505		(10,866)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-		-		-
Transfers (out)	 -	 -	 -		5,288		-
Total other financing sources (uses)	 -	 -	 -		5,288		-
Net change in fund balances	2,839	(1,614)	4,913		93,793		(10,866)
Fund balances - beginning of year	 28,069	 39,796	 32,607		136,218		28,091
FUND BALANCES - END OF YEAR	\$ 30,908	\$ 38,182	\$ 37,520	\$	230,011	\$	17,225

	267		268	270		280		281		282		283		284
	ntensive pervision	I	CSCD Pretrial Division	Adult obation Fees	R	County ecords agement	F	County Clerk Records nagement		District Clerk Records Fund	R Pres	Court ecord servation Fund	R Tec	rict Court ecord hnology Fund
\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	\$	-
	268,461		30,324	- 7,611		- 2,848		- 44,038		- 56,935		- 2,639		- 3,382
	-		-	- /,011		2,040		44,030		- 30,733		2,037		3,302
	-		-	-		-		-		-		-		-
	268,461		30,324	7,611		2,848		44,038		56,935		2,639		3,382
	-		-	-		-		-		2,158		-		-
	-		-	-		-		-		-		-		-
	308,653		32,500	-		-		-		-		-		-
	-		-	-		-		-		-		-		-
	-		-	-		-		-		-		-		-
	308,653		32,500	 -		-		-		2,158		-		-
	(40,192)		(2,176)	7,611		2,848		44,038		54,777		2,639		3,382
	(5,288)		-	-		-		-		-		-		-
	-		-	 -		-		-		-		-		-
	(5,288)		-	 -		-		-		-		-		-
	(45,480)		(2,176)	7,611		2,848		44,038		54,777		2,639		3,382
	137,106		10,489	32,020		79,161		419,299		8,063		29,187		29,240
\$	91,626	\$	8,313	\$ 39,631	\$	82,009	\$	463,337	\$	62,840	\$	31,826	\$	32,622
<u> </u>		<u> </u>							<u> </u>		<u> </u>		· ·	

Pecos County, Texas Special Revenue Funds

Special Revenue Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Continued For the Year Ended December 31, 2021

	285 JP hnology Fund	286 County Clerk Archival Fund	287 County Clerk Vital Statistics Fund	 288 pecialty Court Fund	S	370 urthouse ecurity Fund
REVENUES						
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$	-
Intergovernmental	- 1,632	-	- 1,327	- 1,515		- 8,239
Charges for services Interest	1,632	42,347	1,327	1,515		8,239
Other	 -	 -	 -	 -		-
Total revenues	 1,632	 42,347	 1,327	 1,515		8,239
EXPENDITURES						
Judicial	-	-	-	-		-
Law enforcement	-	-	-	-		-
Corrections	8,921	-	-	-		3,187
Health and welfare	-	-	-	-		-
Public service	-	-	-	-		-
Capital outlay	 -	 -	 -	 -		-
Total expenditures	 8,921	 -	 -	 -		3,187
Excess (deficiency) of revenues over (under) expenditures	(7,289)	42,347	1,327	1,515		5,052
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-		-
Transfers (out)	 -	 -	 -	 -		-
Total other financing sources (uses)	 -	 -	 -	-	1	-
Net change in fund balances	(7,289)	42,347	1,327	1,515		5,052
Fund balances - beginning of year	 57,370	 397,087	 12,936	 363		(25,037)
FUND BALANCES - END OF YEAR	\$ 50,081	\$ 439,434	\$ 14,263	\$ 1,878	\$	(19,985)

JRAC	427 C Grant 1/2022	JR A C	429 Texas degional dvisory council Grant	J F A C	430 Texas Regional dvisory Council Grant	B Sec	431 order curity III Fund	#2	440 BPU ontract 2537908 Fund	Loca Se LBS	442 Il Border curity SP - 13 Jund	Trc	443 Intensity Drug Ifficking Area Fund
\$	- 2,225 - -	\$	- 98,162 - -	\$	- 154,463 - -	\$	- 542,751 - -	\$	- 75,197 - -	\$	- 8,314 - -	\$	- 70,716 - -
	2,225		- 98,162		154,463		542,751		75,197	75,197 8,314			70,716
	- - - 2,225		- - 43,237		- - - 154,463		- - - -		- - - - 75 107		- - 6,044		- - - -
	- - 2,225		- 54,925 98,162		154,463		542,751 - 542,751		75,197 - 75,197		2,270 - 8,314		70,716 - 70,716
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

Pecos County, Texas Special Revenue Funds

Special Revenue Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Continued For the Year Ended December 31, 2021

		l46 easury	I	448 BSP/16	Se	449 order curity II Grant	A	500 County ttorney t Check	A F	505 County Attorney Pre-Trial ervention
	Covid	d Funds		Fund	#2	534301		Fund		Fund
REVENUES										
Fines and forfeitures	\$	-	\$	-	\$	-	\$	-	\$	-
Intergovernmental		-		113,599		-		- 491		- 99,633
Charges for services Interest		-		-		-		471		77,000
Other		-		-		-		-		-
Total revenues		-		113,599		-		491		99,633
EXPENDITURES										
Judicial		-		-		-		2,566		44,824
Law enforcement		-		-		-		-		-
Corrections		-		-		-		-		-
Health and welfare		-		-		-		-		-
Public service		-		113,598		-		-		-
Capital outlay		-		-		-		-		-
Total expenditures		-		113,598		-		2,566		44,824
Excess (deficiency) of revenues over (under) expenditures		-		1		-		(2,075)		54,809
OTHER FINANCING SOURCES (USES)										
Transfers in		-		-		-		-		-
Transfers (out)		-		-		-		-		-
Total other financing sources (uses)		-		-		-	_	-		-
Net change in fund balances		-		1		-		(2,075)		54,809
Fund balances - beginning of year		-		-		-		10,207		220,734
FUND BALANCES - END OF YEAR	\$	-	\$	1	\$	-	\$	8,132	\$	275,543

Disc	510 heriff's retionary Fund	S Re	511 orfeiture hared evenue Fund	A	530 d District ttorney Hot Check Funds	A Fo	540 d District ttorney Drug orfeiture Funds	A Disc	560 th District ttorney cretionary Fund	112 11 Att Hot	561 n District orney Check und	 Total
\$	- 4,534 - -	\$	- - -	\$	- - - 51	\$	64,510 - - 559	\$	- - - 66	\$	- - -	\$ 64,510 1,721,458 715,652 1,334
	4,534		-		- 51		- 65,069		- 66		-	 10,813 2,513,767
	-		-		-		28,873		-		-	78,421
	-		-		-		-		-		-	- 1,076,682 205,969
	-		3,000		-		-		-		-	 807,532 54,925
	-		3,000		-		28,873				-	 2,223,529
	4,534		(3,000)		51		36,196		66		-	290,238
	-		-		-		-		-		-	 (5,288) 5,288
	-		-		-		-		-		-	 -
	4,534		(3,000)		51		36,196		66		-	290,238
	45,332		3,728		25,069		60,991		33,422		309	 1,851,857
\$	49,866	\$	728	\$	25,120	\$	97,187	\$	33,488	\$	309	\$ 2,142,095

Pecos County, Texas Fiduciary Funds – Custodial Funds Combining Statement of Net Position December 31, 2021

	Pecos Cou Golf Cour		Bon	d Fund		nian Basin Probation		uvenile obation		rict Clerk Account	trict Clerk ust Fund
ASSETS Cash	¢ 121	800	¢	66,983	¢	116,795	¢	185	¢	14,365	\$ 392,581
TOTAL ASSETS		800	-¥	66,983	_¥	116,795	¥ 	185	_Ψ	14,365	 392,581
LIABILITIES Accounts Payable Due to other governments		-		-		- 93,639		-		-	 -
Due to beneficiaries TOTAL LIABILITIES		 		-		23,156 116,795		-		-	 -
NET POSITION Individuals, organizations, and other governments	12,	800		66,983		-		185		14,365	 392,581
TOTAL NET POSITION	\$ 12,4	800	\$	66,983	\$	-	\$	185	\$	14,365	\$ 392,581

Tax Assessor Collector	Edward Petsch Arts Fund	Sheriff Bond Account	Jail Commissary Account	Trish King Bond Account	County Clerk	County Clerk Trust	Precint # 3 (Iraan Brave Bank)	Pecos County Treasurer JP #6	Total
\$ 3,177,169 3,177,169	\$ 215,926 215,926	\$ 44,808 44,808	\$ 15,586	\$ 73,938 73,938	\$ 7,314 7,314	\$ 181,299 181,299	\$ 384 	\$ 1,811 1,811	\$ 4,321,944 4,321,944
-	- -	- -	- -	- -	- -	- -	- -	- -	- 93,639 23,156
-	-	-	-	-		-	-		116,795
3,177,169 \$3,177,169	215,926 \$ 215,926	44,808 \$ 44,808	15,586 \$ 15,586	73,938 \$ 73,938	7,314 \$7,314	181,299 \$ 181,299	384 \$ 384	1,811 \$ 1,811	4,205,149 \$ 4,205,149

Pecos County, Texas Fiduciary Funds – Custodial Funds Combining Statement of Revenues, Expenses and Changes in Net Position December 31, 2021

	s County Course	Bon	d Fund	nian Basin Probation	venile obation	rict Clerk Account	trict Clerk ust Fund
ADDITIONS							
Interest	\$ 16	\$	-	\$ 216	\$ -	\$ 22	\$ 79
Fees for Governments	141,192		-	910,251	2,762	211,956	-
Fees for Beneficiaries	-		-	68,297	-	-	312,304
Held for others	-		-	-	1,372	-	-
Held for Beneficiaries	 -		-	 -	 -	 -	 -
Total additions	141,208		-	978,764	4,134	211,978	312,383
DEDUCTIONS							
Payments to Governments	141,388		-	950,035	2,852	203,464	-
Payments to Beneficiaries	-		-	90,423	1,372	-	3,063,614
Promotion of Arts	-		-	-	-	-	-
Equipment	-		-	 -	 -	 -	 -
Total deductions	 141,388		-	 1,040,458	 4,224	 203,464	 3,063,614
NET INCREASE (DECREASE)							
IN FIDUCIARY NET POSITION	(180)		-	(61,694)	(90)	8,514	(2,751,231)
NET POSITION - BEGINNING OF YEAR,							
AS ORIGINALLY STATED	-		-	-	-	-	-
Cumulative effect of adoption of GASB 84	 12,980		66,983	 61,694	 275	 5,851	 3,143,812
NET POSITION - BEGINNING OF YEAR,							
AS RESTATED	 12,980		66,983	 61,694	 275	 5,851	 3,143,812
NET POSITION - END OF YEAR	\$ 12,800	\$	66,983	\$ -	\$ 185	\$ 14,365	\$ 392,581

Tax Assessor Collector	Edward Petsch Arts Fund	Sheriff Bond Account	Jail Commissary Account	Trish King Bond Account	County Clerk	Precint # 3 County Clerk (Iraan Brave Trust Bank)		Pecos County Treasurer JP #6	Total	
\$ 2,357	\$ 396	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$ 3,087	
92,324,652	-	-	-	-	41,004	-	125,364	53,300	93,810,480	
-	-	15,005	99,953	-	-	181,299 -		-	676,858	
-	-	-	-	-	-		-	-	1,372	
		-	-	15,683	-		-		15,683	
92,327,009	396	15,005	99,953	15,683	41,004	181,299	125,364	53,300	94,507,480	
95,415,125	-	-	-	-	38,646	-	125,630	51,581	96,928,721	
-	-	12,005	93,523	12,898	-	-	-	-	3,273,835	
-	1,165	-	-	-	-	-	-	-	1,165	
	1,000					. <u> </u>			1,000	
95,415,125	2,165	12,005	93,523	12,898	38,646		125,630	51,581	100,204,721	
(3,088,116)	(1,769)	3,000	6,430	2,785	2,358	181,299	(266)	1,719	(5,697,241)	
-	-	-	-	-	-	-	-	-	-	
6,265,285	217,695	41,808	9,156	71,153	4,956		650	92	9,902,390	
6,265,285	217,695	41,808	9,156	71,153	4,956		650	92	9,902,390	
\$ 3,177,169	\$ 215,926	\$ 44,808	\$ 15,586	\$ 73,938	\$ 7,314	\$ 181,299	\$ 384	\$ 1,811	\$ 4,205,149	

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Internal Control and Compliance

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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 Judge and Members of the Commissioners Court Pecos County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pecos County, Texas (the County), as of and for the fiscal year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 21, 2023. Our report includes a reference to other auditors who audited the financial statements of the Pecos County Memorial Hospital, an enterprise fund of the County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Pecos County Memorial Hospital were not audited in accordance with Government Auditing Standards.

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 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 this limitation during our audit, we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

The Honorable Judge and Members of the Commissioners Court Pecos County, Texas

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Weaver and Sidnell L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas July 21, 2023



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

To the Honorable Judge and Members of the Commissioners Court Pecos County, Texas

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Pecos County, Texas (the County)'s compliance with the types of compliance requirements identified as subject to audit in the State of Texas Uniform Grant Management Standards (UGMS) that could have a direct and material effect on the County's major state program for the year ended December 31, 2021. The County's major state program is 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 its major state program for the year ended December 31, 2021.

Basis for Opinion on Each Major 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 audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of the State of Texas Uniform Grant Management Standards (UGMS). Our responsibilities under those standards and UGMS 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 the major 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 state programs.

To the Honorable Judge and Members of the Commissioners Court Pecos 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 and UGMS 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 the major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards and UGMS, 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 UGMS 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.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance requirement of a 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 in internal control over compliance is a deficiency or a combination of the 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 of deficiencies, in internal control over compliance is a deficiency, or a combination of the 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 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.

To the Honorable Judge and Members of the Commissioners Court Pecos County, Texas

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

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

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

Weaver and Siduell L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas July 21, 2023

Pecos County, Texas Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended December 31, 2021

Federal /Pass-through Grantor Program Title	Federal Assistance Listing Number	Grant Identifying Number	Total Grant Expenditures		
FEDERAL AWARDS					
<u>United States Department of Homeland Security (DHS)</u> Passed Through Operation Stonegarden Homeland Security Grant Program	97.067	3209403	\$	184,314	
Total Passed Through Operation Stonegarden				184,314	
Total United States Department of Homeland Security (DHS)				184,314	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$	184,314	
STATE AWARDS					
Texas J Regional Advisory Council Texas J Regional Advisory Council Grant Texas J Regional Advisory Council Grant		FY 2021-2022 FY 2020-2021	\$	2,225 98,162	
Total Texas J Regional Advisory Council				100,387	
<u>Texas Office of the Governor</u> Border Prosecution Unit Program Border Prosecution Unit Program Border Prosecution Unit Program		2537909 4374701 2537909		8,314 75,197 154,463	
Total Texas Office of the Governor				237,974	
Texas Department of Transportation County Transportation Infrastructure Fund Grant Program		CTIF-02-186		488,476	
Total Texas Department of Transportation				488,476	
TOTAL EXPENDITURES OF STATE AWARDS				826,837	
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			\$	1,011,151	

Notes to the Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended December 31, 2021

Note 1. General

The accompanying schedule of expenditures of federal and state awards presents the activity of all applicable federal and state awards of Pecos County, Texas (the County). The County's reporting entity is defined in Note 1 to the County's financial statements. Federal and state awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included in the respective schedule.

Note 2. Basis of Accounting

The accompanying schedule of expenditures of federal and state awards is presented using the modified accrual basis of accounting. Expenditures are recognized when the related fund liability is incurred. Grants are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as deferred revenue until earned.

Note 3. Relationship to Financial Reports

Grant expenditure reports as of December 31, 2021, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

Note 4. Indirect Cost Rate

The County has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for federal awards.

Pecos County, Texas Schedule of Findings and Questioned Costs For the Fiscal Year Ended December 31, 2021

I. Summary of the Auditor's Results

Financial Statements							
Type of auditor's report issued:	Unmodified						
Internal control over financial reporting: Material weakness(es) identified?	Yes X_No						
Significant deficiencies identified that are not considered to be material weaknesses?	Yes X None Reported						
Noncompliance material to financial statements noted?	Yes X_No						
<u>State Awards</u>							
Internal control over major programs: • Material weakness(es) identified? • Significant deficiencies identified that are not considered to be material weakness(es)?	Yes X No Yes X None Reported						
Type of auditor's report issued on compliance for major programs:	Unmodified						
Any audit findings disclosed that are required to be reported in accordance with State of Texas UGMS Identification of major programs:	Yes X_No						
Federal Assistance Listing Number(s)	Name of Program or Cluster						
N/A - State	County Transportation Infrastructure Fund Grant Program						
Dollar threshold used to distinguish between type A and type B programs:	<u>State</u> \$ 300,000						
Auditee qualified as low-risk auditee? State	Yes X No						

Schedule of Findings and Questioned Costs - Continued For the Fiscal Year Ended December 31, 2021

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

None

III. Findings and Questioned Costs for State Awards

None

IV. Schedule of Prior Audit Findings and Questioned Costs

None