

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**COUNTY OF CONCHO,
TEXAS**

Paint Rock, Texas

**For the Year Ended
September 30, 2021**

FILED

The 8 Day of March.
2020 at 10:24 o'clock A M
Halle I. Small
County Clerk Concho Co. TX.
By

CONCHO COUNTY, TEXAS

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2021

CONCHO COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Independent Auditors' Report	1
	Management's Discussion and Analysis	3
	 <u>Basic Financial Statements</u>	
	Government Wide Statements:	
A-1	Statement of Net Position - Modified Cash Basis	8
B-1	Statement of Activities - Modified Cash Basis	9
	Governmental Fund Financial Statements:	
C-1	Balance Sheet - Modified Cash Basis	11
C-2	Reconciliation for C-1 - Modified Cash Basis	13
C-3	Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis	14
C-4	Reconciliation for C-3 - Modified Cash Basis	16
	Fiduciary Funds:	
E-1	Statement of Net Position Fiduciary Funds - Modified Cash Basis	17
E-2	Statement of Additions, Deductions and Changes in Fiduciary Fund Net Position- Modified Cash Basis	18
	Notes to the Financial Statements	19
	 <u>Required Supplementary Information</u>	
G-1	Budgetary Comparison Schedule - Modified Cash Basis - General Fund	33
G-2	Budgetary Comparison Schedule - Modified Cash Basis - Road and Bridge Fund	34
G-3	Schedule of Changes in Net Pension Liability and Related Ratios	35
G-4	Schedule of Employer Contributions	37
G-5	Notes to Schedules of Contributions	39
	 <u>Combining Statements</u>	
H-1	Combining Balance Sheet - Modified Cash Basis - Nonmajor Governmental Funds	40
H-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds	46
H-3	Combining Statement of Fiduciary Net Position- Custodial Funds- Modified Cash Basis	52
H-4	Combining Statement of Additions, Deductions and Changes in Net Position- Custodial Funds- Modified Cash Basis	53



NEFFENDORF & BLOCKER, P.C.

INDEPENDENT AUDITOR'S REPORT

Honorable Judge and County Commissioners
Concho County, Texas
Paint Rock, TX 76866

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Section I., Note C.; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Concho County, Texas, as of September 30, 2021, and the respective changes in modified cash-basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Section I., Note C.

Basis of Accounting

We draw attention to Section I., Note C. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

The management's discussion and analysis, budgetary comparison information, and net pension liability and contributions information for the Texas County & District Retirement System on pages 3 through 7 and 33 through 39, respectively, are presented to supplement the basic financial statements. We have applied certain limited procedures to this information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Concho's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of Concho County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Concho County's internal control over financial reporting and compliance.

Neffendorf & Blocker, P.C.

Neffendorf & Blocker, P.C.
Fredericksburg, Texas
February 28, 2022

CONCHO COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Our discussion and analysis of Concho County's financial performance provides an overview of the County's financial activities for the year ended September 30, 2021, within the limitations of the County's modified cash basis of accounting. It should be read in conjunction with the County's basic financial statements and independent auditor's report.

FINANCIAL HIGHLIGHTS - MODIFIED CASH BASIS OF ACCOUNTING

- The County's assets exceeded its liabilities at the end of the current year by \$5,048,156 (net position). Of this amount, \$1,049,870 (unrestricted) may be used to meet the County's ongoing obligations.
- The County's total net position increased by \$977,564 or 24% as a result of current year operations. The County's statement of activities shows total revenues of \$4,989,405 and total expenses of \$4,011,841.
- The total fund balance of the General Fund is \$973,381 which is an increase of \$118,611 or 14% compared to the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's financial statements are presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's modified cash basis of accounting.

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities resulting from the use of the modified cash basis of accounting, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the current year while keeping in mind the limitations of the modified cash basis of accounting.

The governmental activities of the County include public transportation through roads and bridges, justice system, public safety, and public health and welfare, as well as general administrative and support services.

The County has no component units.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the current year.

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

Information is presented separately in the governmental fund balance sheet - modified cash basis and in the governmental fund statement of revenues, expenditures, and changes in fund balances - modified cash basis for the General Fund, the Road and Bridge Fund, the Grants Fund, and the Debt Service Fund, all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation.

The County adopts a budget for its General Fund, Road and Bridge Fund, Debt Service Fund and other Special Revenue Funds.

Fiduciary Funds - Fiduciary funds are used to account for resources which are collected by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, or other County funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position - A summary of the County's net position is presented below:

Table I
Concho County, Texas

NET POSITION - MODIFIED CASH BASIS
in thousands

	Governmental Activities	
	September 30,	
	2021	2020
Current and Other Assets	\$ 3,107	\$ 2,904
Net Pension Asset	-	176
Capital Assets	3,172	1,919
Total Assets	\$ 6,279	\$ 4,999
Deferred Outflow Related to Pension Plan	\$ 378	\$ 94
Long-Term Liabilities Outstanding	\$ 1,232	\$ 821
Net Pension Liability	87	-
Other Liabilities	76	50
Total Liabilities	\$ 1,395	\$ 871
Deferred Inflow Related to Pension Plan	\$ 214	\$ 151
Net Position:		
Net Investment in Capital Assets	\$ 1,940	\$ 1,098
Restricted	2,058	1,999
Unrestricted	1,050	974
Total Net Position	\$ 5,048	\$ 4,071

A portion of the County's net position resulting from modified cash basis transactions reflects the County's investment in capital assets (\$1,940,722). These assets are not available for future spending. An additional portion of the County's net position (\$2,057,564) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,049,870) may be used to meet the County's ongoing obligations.

Governmental Activities - Governmental activities increased the County's net position resulting from modified cash basis transactions by \$977,564 and \$575,833 for the fiscal years ended September 30, 2021 and 2020 respectively. Key elements of these increases are as follows: the County's revenues exceeded the revenues by \$177,253, the County acquired assets in the amount of \$2,054,132 and had a gain on the sale of assets of \$896,217. The County also recorded depreciation in the amount of \$493,486.

Table II
Concho County, Texas

CHANGES IN NET POSITION - MODIFIED CASH BASIS
in thousands

	Governmental Activities Year Ended September 30,	
	2021	2020
Revenues:		
Program Revenues		
Charges for Services	\$ 516	\$ 701
Grants and Contributions	691	275
General Revenues		
Maintenance and Operations Taxes	2,507	2,520
Debt Service Taxes	70	111
Sales Tax	174	283
Investment Earnings	12	17
Rents & Royalties	334	334
Other Revenues	685	97
Total Revenue	\$ 4,989	\$ 4,338
Expenses:		
General Government	\$ 1,879	\$ 1,836
Roads and Bridges	711	614
Justice System	310	307
Public Safety	990	891
Public Health and Welfare	104	100
Debt Service	18	14
Total Expenses	\$ 4,012	\$ 3,762
Increase in Net Position	\$ 977	\$ 576
Net Position - Beginning	4,071	3,495
Net Position - Ending	\$ 5,048	\$ 4,071

The cost of all governmental activities this year was \$4,012,551. However, the amount that our taxpayers ultimately financed for these activities through County property taxes was only \$2,576,953 because the other costs were paid by sales tax (\$174,125), capital and operating grants (\$691,296), user charges (\$516,232), payments in lieu of taxes (\$333,900), investment earnings (\$11,932) and other revenue (\$684,967).

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. The unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the current year within the limitations of the County's modified cash basis of accounting.

The County's governmental funds reported combined ending fund balances on the modified cash basis of accounting of \$3,030,945, an increase of \$177,253 or 6% in comparison with the prior year. These fund balances are reported in various governmental funds as follows:

- General Fund \$973,381. All of this balance is unassigned.
- Special Revenue Funds \$2,057,564. The entire balance is restricted for use in each of the Special Revenue Funds.

GENERAL FUND BUDGET

The final amended budget for the General Fund was \$3,330,292. Variances between the budget and actual results are shown on pages 33 through 34 in the other information section of the audit report.

The County has adopted a budget for the General Fund in the amount of \$3,605,611 for the fiscal year 2022, which is an increase of \$275,319 from the fiscal year 2021.

CAPITAL ASSETS AND DEBT - MODIFIED CASH BASIS

Capital Assets - Financial statement footnote III., C. discloses the County's capital asset activity for the year ended September 30, 2021.

Long-Term Debt - Financial statement footnote III., F. discloses the County's debt activity for the year ended September 30, 2021.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: David Dillard, County Judge, Concho County, Texas, P.O. Box 158, Paint Rock, TX 76866-0158.

BASIC FINANCIAL STATEMENTS

CONCHO COUNTY, TEXAS
STATEMENT OF NET POSITION- MODIFIED CASH BASIS
SEPTEMBER 30, 2021

EXHIBIT A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 1,276,432
Investments - Current	1,806,519
Prepaid Items	23,660
Capital Assets:	
Land	8,508
Buildings, Net	299,679
Improvements other than Buildings, Net	709,393
Machinery and Equipment, Net	2,101,808
Construction in Progress	53,375
Total Assets	<u>6,279,374</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	377,797
Total Deferred Outflows of Resources	<u>377,797</u>
LIABILITIES	
Unearned Revenues	25,666
Capital Leases Payable - Current	182,362
Other Current Liabilities	50,000
Noncurrent Liabilities:	
Due in More Than One Year:	
Capital Leases Payable - Noncurrent	1,049,679
Net Pension Liability	87,229
Total Liabilities	<u>1,394,936</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	214,079
Total Deferred Inflows of Resources	<u>214,079</u>
NET POSITION	
Net Investment in Capital Assets	1,940,722
Restricted for Special Revenue	2,057,564
Unrestricted	1,049,870
Total Net Position	<u>\$ 5,048,156</u>

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

CONCHO COUNTY, TEXAS
STATEMENT OF ACTIVITIES- MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

		Program Revenues	
		Charges for Services	Operating Grants and Contributions
	Expenses		
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
General Government	\$ 1,878,674	\$ 94,658	\$ 468,286
Judicial	310,330	4,254	48,656
Public Safety	989,569	235,179	17,000
Roads and Bridges	710,981	182,141	45,184
Health and Welfare	104,359	-	-
Interest on Debt	17,928	-	-
TOTAL PRIMARY GOVERNMENT	\$ 4,011,841	\$ 516,232	\$ 579,126

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

General Sales and Use Taxes

Payments in Lieu of Taxes

Miscellaneous Revenue

Investment Earnings

Total General Revenues

Change in Net Position

Net Position-- Beginning

Net Position - Ending

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

		Net (Expense) Revenue and Changes in Net Position	
Capital Grants and Contributions		Primary Government Governmental	
\$	40,000	\$	(1,275,730)
	-		(257,420)
	-		(737,390)
	72,170		(411,486)
	-		(104,359)
	-		(17,928)
\$	112,170		(2,804,313)

2,506,575
70,378
174,125
333,900
684,967
11,932
<u>3,781,877</u>
977,564
4,070,592
<u>\$ 5,048,156</u>

CONCHO COUNTY, TEXAS
BALANCE SHEET- GOVERNMENTAL FUNDS-
MODIFIED CASH BASIS
SEPTEMBER 30, 2021

	General Fund	Road and Bridge Fund	Grants Fund
ASSETS			
Cash and Cash Equivalents	\$ 124,476	\$ 658,845	\$ 288,889
Investments - Current	900,000	871,517	-
Due from Other Funds	911	-	-
Prepaid Items	23,660	-	-
Total Assets	\$ 1,049,047	\$ 1,530,362	\$ 288,889
LIABILITIES			
Due to Other Funds	\$ -	\$ -	\$ -
Unearned Revenues	25,666	-	-
Other Current Liabilities	50,000	-	-
Total Liabilities	75,666	-	-
FUND BALANCES			
Restricted for Special Revenue	-	1,530,362	288,889
Unassigned Fund Balance	973,381	-	-
Total Fund Balances	973,381	1,530,362	288,889
Total Liabilities and Fund Balances	\$ 1,049,047	\$ 1,530,362	\$ 288,889

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

Debt Service Fund	Other Funds	Total Governmental Funds
\$ 911	\$ 203,311	\$ 1,276,432
-	35,002	1,806,519
-	-	911
-	-	23,660
<u>\$ 911</u>	<u>\$ 238,313</u>	<u>\$ 3,107,522</u>
\$ 911	\$ -	\$ 911
-	-	25,666
-	-	50,000
<u>911</u>	<u>-</u>	<u>76,577</u>
-	238,313	2,057,564
-	-	973,381
-	238,313	3,030,945
<u>\$ 911</u>	<u>\$ 238,313</u>	<u>\$ 3,107,522</u>

CONCHO COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION- MODIFIED CASH BASIS
 SEPTEMBER 30, 2021

Total Fund Balances - Governmental Funds	\$ 3,030,945
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	1,097,587
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays and debt principal payments is to increase net position.	2,793,020
The County reported their net pension liability in the Government-Wide Statement of Net Position in accordance with GASB Statement No. 68. The items reported as a result of this implementation included a Deferred Resource Outflow of \$377,797, a Net Pension Liability of \$87,229 and a Deferred Resource Inflow of \$214,079. The net effect of these was to increase the ending net position by \$76,489.	76,489
The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(493,486)
Various other reclassifications and eliminations are necessary to convert from the governmental fund statements to the government-wide statements. These include eliminating interfund transactions, reclassifying the proceeds of capital leases as an increase in capital leases payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	(1,456,399)
Net Position of Governmental Activities	\$ 5,048,156

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

CONCHO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS- MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Road and Bridge Fund	Grants Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 2,074,331	\$ 432,244	\$ -
General Sales and Use Taxes	174,125	-	-
Licenses and Permits	9,450	182,276	-
Intergovernmental Revenue and Grants	116,198	29,172	529,915
Charges for Services	59,878	-	-
Fines	218,165	-	-
Investment Earnings	5,519	4,880	-
Rents and Royalties	213,900	120,000	-
Other Revenue	83,423	11,652	-
Total Revenues	2,954,989	780,224	529,915
EXPENDITURES:			
Current:			
General Government	1,450,410	-	248,269
Judicial	285,778	-	-
Public Safety	888,642	-	-
Public Works:			
Roads and Bridges	-	672,288	-
Health and Welfare	95,951	-	-
Debt Service:			
Principal on Debt	58,868	580,020	-
Interest on Debt	8,490	8,562	-
Total Expenditures	2,788,139	1,260,870	248,269
Excess (Deficiency) of Revenues Over (Under) Expenditures	166,850	(480,646)	281,646
OTHER FINANCING SOURCES (USES):			
Sale of Real and Personal Property	843	895,374	-
Proceeds from Capital Leases	19,813	1,130,538	-
Transfers In	-	4,834	1,228
Transfers Out	(10,422)	(9,024)	-
Capital Lease Purchases	(58,473)	(1,639,509)	-
Total Other Financing Sources (Uses)	(48,239)	382,213	1,228
Net Change in Fund Balances	118,611	(98,433)	282,874
Fund Balance - October 1 (Beginning)	854,770	1,628,795	6,015
Fund Balance - September 30 (Ending)	\$ 973,381	\$ 1,530,362	\$ 288,889

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

Debt Service Fund	Other Funds	Total Governmental Funds
\$ 70,378	\$ -	\$ 2,576,953
-	-	174,125
-	-	191,726
-	16,011	691,296
-	46,461	106,339
-	-	218,165
1,414	119	11,932
-	-	333,900
-	149	95,224
<u>71,792</u>	<u>62,740</u>	<u>4,399,660</u>
-	144,505	1,843,184
-	-	285,778
-	11,878	900,520
-	16,032	688,320
-	-	95,951
100,000	-	738,888
1,300	-	18,352
<u>101,300</u>	<u>172,415</u>	<u>4,570,993</u>
<u>(29,508)</u>	<u>(109,675)</u>	<u>(171,333)</u>
-	-	896,217
-	-	1,150,351
3,432	9,952	19,446
-	-	(19,446)
-	-	(1,697,982)
<u>3,432</u>	<u>9,952</u>	<u>348,586</u>
<u>(26,076)</u>	<u>(99,723)</u>	<u>177,253</u>
<u>26,076</u>	<u>338,036</u>	<u>2,853,692</u>
<u>\$ -</u>	<u>\$ 238,313</u>	<u>\$ 3,030,945</u>

CONCHO COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES- MODIFIED CASH BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Total Net Change in Fund Balances - Governmental Funds	\$ 177,253
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2021 capital outlays and debt principal payments is to increase the change in net position.	2,793,020
The entries required by GASB 68 did require some expenses on B-1 be adjusted. Total credits to expense were \$270,549 and total debits to expense were \$313,373. The net effect on the change in net position on Exhibit B-1 was a decrease in the amount of \$42,824.	(42,824)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(493,486)
Various other reclassification and eliminations are necessary to convert from the governmental fund statements to the government-wide statements. These include eliminating interfund transactions, reclassifying the proceeds of capital leases, and recognizing the liabilities associated with long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.	(1,456,399)
Change in Net Position of Governmental Activities	\$ 977,564

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

CONCHO COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS- MODIFIED CASH BASIS
SEPTEMBER 30, 2021

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 123,436
Investments - Current	31,217
Total Assets	<u>154,653</u>
LIABILITIES	
Intergovernmental Payable	31,432
Total Liabilities	<u>31,432</u>
NET POSITION	
Restricted for Other Purposes	123,221
Total Net Position	<u><u>\$ 123,221</u></u>

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

CONCHO COUNTY, TEXAS
 STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN FIDUCIARY FUND NET POSITION
 FIDUCIARY FUNDS- MODIFIED CASH BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Custodial Funds
ADDITIONS:	
Other Revenue	\$ 893,938
Total Additions	<u>893,938</u>
DEDUCTIONS:	
Other Operating Costs	<u>894,704</u>
Total Deductions	<u>894,704</u>
 Net Change in Fiduciary Net Position	 (766)
 Total Net Position - October 1 (Beginning)	 -
Prior Period Adjustment	<u>123,987</u>
Total Net Position - September 30 (Ending)	<u><u>\$ 123,221</u></u>

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

CONCHO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Concho, Texas, prepares its basic financial statements on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

1.A. REPORTING ENTITY

The County of Concho, Texas, was organized by an Act of the Texas Legislature in 1879. The County is governed by the Commissioners' Court, a five-member group consisting of an elected County Judge and four County Commissioners elected from individual precincts. Services provided by the County include public transportation through roads and bridges, justice system, public safety, and public health and welfare, as well as general administrative and support services. There are no component units included within the reporting entity.

1.B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities include programs supported primarily by taxes, grants, and other intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges for services - payments from parties that purchase, use or directly benefit from goods, services or privileges provided by a given function or segment of the County and (2) grants and contributions - payments from organizations outside the County that are restricted to meeting the operational or capital requirements of a particular function or segment of the County. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

All interfund transactions between governmental funds are eliminated in the government-wide financial statements. Interfund activities between governmental funds and fiduciary funds remain as interfund receivables and payables on the government-wide statement of net position.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other funds.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as are the fiduciary fund financial statements.

The fund financial statements are reported using the current financial resources measurement focus as applied to the modified cash basis of accounting.

Government funds utilize a current financial resources measurement focus. Current financial assets and liabilities are generally the only items included on their balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. Fund balance is used to measure available spendable financial resources at the end of the period.

Basis of Accounting

The government-wide financial statements and the fund financial statements are presented using the modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position, fund equity, revenues, expenditures, and expenses when they result from cash transactions with a provision for depreciation in the government-wide financial statements. The modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America.

The use of the modified cash basis of accounting results in certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable, expenses for goods or services received but not yet paid, and accrued expenses and liabilities) not being recorded in these financial statements.

The government reports the following major governmental funds:

General Fund - This Fund is the general operating fund of the County. It is used to account for all revenues except those required to be accounted for in other funds.

Road and Bridge Fund - This fund is a special revenue fund and is used to account for revenues for the road and bridge precincts.

Grants Fund - This Fund accounts for grants awarded to the County and the related grant expenditures.

Debt Service Fund - This Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, the government reports the following fund type:

Fiduciary Funds - These Funds are used to account for resources which are collected by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, or other County funds.

1.D. INTERFUND RECEIVABLES AND PAYABLES

Activity between individual funds may result in amounts owed between funds which are classified as Due to and From Other Funds. Other than amounts due to or from fiduciary funds, these balances are eliminated in the statement of net position.

1.E. CAPITAL ASSETS

In the government-wide financial statements, capital assets arising from modified cash basis transactions are reported in the statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15 - 30
Machinery and Equipment	5 - 10

In the fund financial statements, capital assets arising from modified cash basis transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

1.F. LONG-TERM DEBT

Long-term debt arising from modified cash basis transactions to be repaid from governmental resources is reported as liabilities in the government-wide financial statements.

Long-term debt arising from modified cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payments of principal and interest are reported as expenditures.

1.G. COMPENSATED ABSENCES

County employees are entitled to vacation and sick leave based on their length of employment. Vacation does not accumulate or vest. Employees may accumulate up to 480 hours of sick leave. Employees are not paid for unused sick leave upon separation from service and are paid only for the current year's unused vacation.

1.H. NET POSITION ON THE STATEMENT OF NET POSITION

Net position on the statement of net position includes the following:

Net Investment in Capital Assets - This component of net position represents capital assets net of accumulated depreciation.

Restricted Net Position- This consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - This is the difference between assets and liabilities that is not reported as Net Investment in Capital Assets or Restricted for Special Revenue.

1.I. FUND BALANCE

In the fund financial statements, governmental funds report the following classifications of fund balance:

Restricted - Amounts that can be spent only for specific purposes because usage restraints have been imposed by external sources such as creditors (through a debt covenant), grantors, contributors, or laws or regulations of other governments.

Committed - Amounts that can be used only for specific purposes determined by a formal action of the Commissioners' Court, the County's highest level of decision-making authority. Commitments may be modified or rescinded only through formal action by the Commissioners' Court.

Unassigned - Amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund.

The details of the fund balances are included in the governmental funds balance sheet.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commissioners' Court has provided otherwise in its commitment or assignment actions.

1.J. PROPERTY TAX REVENUES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all property located in the County in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Property taxes are recognized as revenues when they are collected.

1.K. INTERFUND TRANSFERS

Permanent relocations of resources between funds of the reporting entity are classified as interfund transfers. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

1.J. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of The Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS'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.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2.A. BUDGET

The County prepares and adopts a budget for governmental funds prior to the beginning of each fiscal year. The County holds public meetings for the purpose of obtaining comments from citizens prior to adopting the budget. Once a budget is approved, it can be amended only by approval of a majority of the members of the Commissioners' Court. The budget was amended during the year.

Budgets for the General Fund and Special Revenue Funds are adopted on a modified cash basis and cover a one-year period. Appropriations lapse at year end.

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

3.A. DEPOSITS AND INVESTMENTS

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank 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 Coverage ("FDIC") insurance.

At September 30, 2021, the carrying amount of the County's deposits was \$1,399,866 and the bank balance was \$1,520,155. The County's cash deposits held at First State Bank of Paint Rock at September 30, 2021 and during the year ended September 30, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

The County's temporary investments consisted of certificates of deposit at September 30, 2021 and is shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>FDIC Coverage</u>	<u>Pledged Securities</u>
<u>Certificates of Deposit-</u>				
First State Bank of Paint Rock	\$ 1,837,736	\$ 1,837,736	\$ 250,000	\$ 1,587,736

In compliance with the **Public Funds Investment Act**, the County has adopted a deposit and investment policy. That policy does address the following risks:

Custodial Credit Risk - Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits and investments in certificates of deposit may not be returned to it. The County's policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following: The State of Texas requires that a financial institution secure deposits and investments made by state and local governments by pledging securities in excess of the highest cash balance of the government. The County is not exposed to custodial credit risk for its deposits since they are covered by depository insurance and pledged securities held by a third party in the County's name.

Concentration of Credit Risk: The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the total entity investments represent a concentration risk. The County is not exposed to this risk as described in the preceding paragraph.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At September 30, 2021, the County was not significantly exposed to credit risk.

Interest Rate Risk: Not applicable

Foreign Currency Risk: Not applicable

3.B. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

1. The following is a summary of amounts due from and due to other funds:

	<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>
General Fund	\$ 911	\$	Operating Advance
Debt Service Fund		911	Operating Advance
	<u>\$ 911</u>	<u>\$ 911</u>	

All amounts due are expected to be repaid within one year.

3.C. CAPITAL ASSETS

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

Primary Government

	Balance 10/01/20	Additions	Deletions	Balance 09/30/21
<i>Governmental Activities:</i>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	53,375	-	\$ 53,375
Land	8,508	-	-	8,508
Total Capital Assets, Not Being Depreciated	<u>\$ 8,508</u>	<u>\$ 53,375</u>	<u>\$ -</u>	<u>\$ 61,883</u>
Capital Assets, Being Depreciated:				
Buildings	\$ 599,959	\$ 64,733	\$ -	\$ 664,692
Machinery and Equipment	2,675,813	1,862,626	(1,160,474)	3,377,965
Improvements Other Than Buildings	871,764	73,398	-	945,162
Total Capital Assets Being Depreciated	<u>\$ 4,147,536</u>	<u>\$ 2,000,757</u>	<u>\$ (1,160,474)</u>	<u>\$ 4,987,819</u>
Total Capital Assets	<u>\$ 4,408,051</u>	<u>\$ 2,054,132</u>	<u>\$ (1,160,474)</u>	<u>\$ 5,049,702</u>
Less Accumulated Depreciation:				
Buildings	\$ (343,591)	\$ (21,422)	\$ -	\$ (365,013)
Machinery and Equipment	(1,695,167)	(434,992)	854,002	(1,276,157)
Improvements Other Than Buildings	(198,697)	(37,072)	-	(235,769)
Total Accumulated Depreciation	<u>\$ (2,237,455)</u>	<u>\$ (493,486)</u>	<u>\$ 854,002</u>	<u>\$ (1,876,939)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 1,910,081</u>	<u>\$ 1,507,271</u>	<u>\$ (306,472)</u>	<u>\$ 3,110,880</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,918,589</u>	<u>\$ 1,560,646</u>	<u>\$ (306,472)</u>	<u>\$ 3,172,763</u>

Depreciation expense was charged to governmental activities functions as follows:

Governmental Activities:	
General Government	\$ 210,370
Judicial	22,054
Roads and Bridges	179,652
Public Safety	74,006
Health & Welfare	7,404
Total Depreciation Expense -	
Governmental Activities	<u>\$ 493,486</u>

3.D. COMMITMENTS UNDER NONCAPITALIZED LEASES

Commitments under operating lease agreement for equipment provide for minimum future rental payments as of September 30, 2021 as follows:

Year Ending September 30,	
2022	\$ 13,179
2023	12,789
2024	11,920
2025	-
2026	-
Total Minimum Rentals	\$ 37,888

Rental expenditures during the year ended September 30, 2021 were \$22,380.

3.E. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term debt for the year ended September 30, 2021:

	Balance 10/01/20	Additions	Deletions	Balance 09/30/21	Due Within One Year
Unlimited Tax Road Bonds	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
Note Payable- First State Bank of Paint Rock	6,721	-	6,721	-	-
Capital Leases	713,857	1,150,351	632,167	1,232,041	182,362
Subtotal	\$ 820,578	\$ 1,150,351	\$ 738,888	\$ 1,232,041	\$ 182,362
Net Pension Liability/ (Asset)	(175,998)	486,866	223,639	87,229	-
Total Long-Term Liabilities	\$ 644,580	\$ 1,637,217	\$ 962,527	\$ 1,319,270	\$ 182,362

3.F. LONG-TERM DEBT

Capital Lease Obligations	Balance at 9/30/2021	Due Within One Year
First National Bank		
Capital lease obligation for financing four Motorgraders dated August 3, 2020, principal and interest of \$69,980 paid yearly with a final balloon payment of \$461,815, interest rate of 2.85%, final maturity date December 3, 2024	\$ 673,764	\$ 50,776
Capital lease obligation for financing a 930 M Wheel Loader dated November 16, 2020, principal and interest of \$9,888 paid yearly with a final balloon payment of \$90,000, interest rate of 2.75%, final maturity date November 16, 2025	124,195	6,473
Capital lease obligation for financing a CS44B Vibratory Compactor dated January 20, 2021, principal and interest of \$15,555 paid yearly, interest rate of 2.64%, final maturity date January 20, 2026	71,978	13,655
Capital lease obligation for financing a CS44B Vibratory Compactor dated January 20, 2021, principal and interest of \$15,492 paid yearly, interest rate of 2.64%, final maturity date January 20, 2026	71,686	13,600

American National Leasing

Capital lease obligation for financing a 2021 Chevy Silverado dated July 2, 2021, principal and interest of \$4,091 paid yearly with a final balloon payment of \$9,000, interest rate of 2.99%, final maturity date July 2, 2024

19,813 3,499

Capital lease obligation for financing 3 2019 Chevy Crew Cabs dated January 15, 2019, principal and interest of \$14,496 paid yearly with a final balloon payment of \$27,000, interest rate of 3.99%, final maturity date January 15, 2022

39,609 39,609

Capital lease obligations for two 2020 Chevy Tahoes dated July 1, 2020, principal and interest of \$8,184 paid yearly with a final balloon payment of \$18,000, interest rate of 2.99%, final maturity date July 1, 2023

32,638 7,208

CAT Financial

Capital lease obligation for a 930M Wheel Loader dated November 4, 2020, principal and interest of \$9,967 paid yearly with a final balloon payment of \$90,000, interest rate of 2.85%, final maturity date November 4, 2025

114,362 6,414

Southside Bank

Capital lease obligation for election equipment dated September 7, 2018, principal and interest of \$44,678, interest rate of 4.23%, final maturity date September 1, 2023

83,996 41,128

TOTAL CAPITAL LEASES \$ 1,232,041 \$ 182,362

Future minimum lease payments under the leases along with the present value of the minimum lease payments as of September 30, 2021:

Year Ended September 30,	General Long-Term Obligations
2022	\$ 219,334
2023	177,834
2024	142,974
2025	129,883
2026	592,752
2027	90,000
Total Minimum Lease Payments	\$ 1,352,777
Less Amount Representing Interest	120,736
Present Value of Lease Payments	\$ <u>1,232,041</u>

NOTE 4 - OTHER INFORMATION**4.A. DEFINED BENEFIT PENSION PLAN****Plan Description**

A description of the pension plan pursuant to Paragraph 40 of GASB Statement No. 68 is as follows:

- Concho County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- A brief description of benefit terms:
 - All full-and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - The plan provides retirement, disability and survivor benefits.
 - TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to an annuity.
 - There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year but must remain in conformity with the Act.
- Membership information is shown in the chart below.
- The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Concho County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2020 are shown in the Schedule of Employer Contributions.
- The most recent comprehensive annual financial report for TCDRS can be found at the following link, TCDRS.org/Employer.

Members covered by benefit terms.

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	32
Inactive employees entitled to but not yet receiving benefits	63
Active employees	<u>48</u>
	143

Contributions

TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employee in the system fund its plan independently. A combination of three elements fund each employer's plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced employers may reduce future benefit accruals and immediately reduce costs.

The contribution rate payable by the employee members for calendar year 2020 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County's contributions to TCDRS for the year ended September 30, 2021 were \$122,852 and were equal to the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal ⁽¹⁾
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smooth Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and .5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost of Living Adjustments	Cost-of-Living Adjustments for Concho County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of: a) age 60; b) earliest retirement eligibility.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	RP-2014 Mortality Tables

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (Net) Index	2.50%	4.55%
International Equities – Developed	MSCI World Ex USA (Net) Index	5.00%	4.25%
International Equities – Emerging	MSCI Emerging Markets (Net) index	6.00%	4.75%
Investment – Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

(1) Target asset allocation adopted at the March 2021 TC/DRS Board meeting

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2021 capital market assumptions.

(3) Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pensions plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Increase/(Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Balances as of December 31, 2019	\$ 5,582,513	\$ 5,758,511	\$ (175,998)
Changes for the Year:			
Service Cost	187,691		187,691
Interest on Total Pension Liability (1)	457,535		457,535
Effect of Plan Changes (2)	-		-
Effects of Economic/Demographic Gains or Losses	71,893		71,893
Effect of Assumptions Changes or Inputs	358,756		358,756
Refund of Contributions	(12,339)	(12,339)	-
Benefit Payments	(235,747)	(235,747)	-
Administrative Expenses		(4,627)	4,627
Member Contributions		104,885	(104,885)
Net Investment Income		594,841	(594,841)
Employer Contributions		119,869	(119,869)
Other (3)		(2,320)	2,320
Balances as of December 31, 2020	\$ 6,410,302	\$ 6,323,073	\$ 87,229

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

(2) No plan changes valued.

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

Sensitivity Analysis

The following presents the net pension liability of the county/district, calculated using the discount rate of 7.60%, as well as what the Concho County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	6.60%	7.60%	8.60%
Total Pension Liability	\$ 7,239,127	\$ 6,410,302	\$ 5,717,158
Fiduciary Net Position	6,323,073	6,323,073	6,323,073
Net Pension Liability/(Asset)	\$ 916,054	\$ 87,229	\$ (605,915)

Pension Expense / (Income)

Pension Expense/(Income)	January 1, 2020 to December 31, 2020
Service Cost	\$ 187,691
Interest on Total Pension Liability ⁽¹⁾	457,535
Effect of Plan Changes	-
Administrative Expenses	4,627
Member Contributions	(104,885)
Expected Investment Return Net of Investment Expenses	(465,237)
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	26,068
Recognition of Assumption Changes or Inputs	119,585
Recognition of Investment Gains or Losses	(62,115)
Other ⁽²⁾	2,320
Pension Expense/(Income)	\$ 165,589

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

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

As of December 31, 2020, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 4,049	\$ 47,929
Changes of assumptions	-	239,171
Net difference between projected and actual earnings	210,030	-
Contributions made subsequent to measurement date ⁽³⁾	N/A	90,697

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year Ended December 31	
2021	\$ 72,115
2022	136,278
2023	(109,452)
2024	(25,920)
2025	-
Thereafter ⁽⁴⁾	-

⁽³⁾ Eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end.

⁽⁴⁾ Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

4.C. TAX ABATEMENT AGREEMENTS

The Governmental Accounting Standards Board issued Statement 77, *Tax Abatement Disclosures* (GASB 77). The standard requires local governments for the first time to disclose information about tax abatement agreements for reporting periods beginning after December 15, 2015. Tax abatements result from agreements entered into by the reporting government, as well as those that are initiated by other governments, which reduce the reporting government's tax revenues.

In April of 2016, the County created the Concho County Reinvestment Zone, Cactus Flats No. 1 pursuant to Chapter 312 of the Texas Property Code. The County entered into a tax abatement agreement with RES Cactus Flats Wind Energy, LLC in May, 2016. The period in which taxes are abated will begin on the Commencement Date and will terminate on December 31 of the tenth (10th) year following the Commencement Date, unless sooner terminated in accordance with the terms of this agreement. As consideration for the abatement granted by the County, the owner agrees to make an annual payment in lieu of taxes (PILOT) which must be paid to the County by December 1. The amount of the annual PILOT will be obtained by multiplying the number of megawatts of installed rated electrical generating capacity by \$2,250. The County received \$333,900 in PILOT revenue for the fiscal year ended September 30, 2021.

In July of 2018, the County created the Concho County Reinvestment Zone No. 2, Maverick Creek pursuant to Chapter 312 of the Texas Property Code. The County entered into a tax abatement agreement with RES Maverick Creek Wind, LLC in August, 2018. The period in which taxes are abated will begin on the Commencement Date and will terminate on December 31 of the tenth (10th) year following the Commencement Date, unless sooner terminated in accordance with the terms of this agreement. As consideration for the abatement granted by the County, the owner agrees to make an annual payment in lieu of taxes (PILOT) which must be paid to the County by December 1. The amount of the annual PILOT will be obtained by multiplying the number of megawatts of installed rated electrical generating capacity by \$2,275. The County anticipates receiving its first annual PILOT payment by December 1, 2021.

In December of 2018, the County created the Concho County Reinvestment No.3, Galloway pursuant to Chapter 312 of the Texas Property Code. The County entered into a tax abatement agreement with 225DD 8me, LLC in December, 2018. The period in which taxes are abated will begin on the Commencement Date and will terminate on December 31 of the tenth (10th) year following the Commencement Date, unless sooner terminated in accordance with the terms of this agreement. As consideration for the abatement granted by the County, the owner agrees to make an annual payment in lieu of taxes (PILOT) which must be paid to the County by December 1. The amount of the annual PILOT will be obtained by multiplying the number of megawatts of installed rated electrical generating capacity by \$1,100. The County anticipates receiving its first annual PILOT payment by December 1, 2021.

In August of 2019, the County created the Concho County Reinvestment Zone, No. 5, Sundagger pursuant to Chapter 312 of the Texas Property Code. The County entered into a tax abatement agreement with Solar 2, LLC in August, 2019. The period in which taxes are abated will begin on the Commencement Date and will terminate on December 31 of the tenth (10th) year following the Commencement Date, unless sooner terminated in accordance with the terms of this agreement. As consideration for the abatement granted by the County, the owner agrees to make an annual payment in lieu of taxes (PILOT) which must be paid to the County by December 1. The amount of the annual PILOT will be obtained by multiplying the number of megawatts of installed rated electrical generating capacity by \$1,037. The County anticipates receiving its first annual PILOT payment by December 1, 2021.

In August of 2018, the County created the Concho County Reinvestment Zone, No. 4, Galloway pursuant to Chapter 312 of the Texas Property Tax Code. The County entered into a tax abatement agreement with 224WB 8me, LLC in August, 2019. The period in which taxes are abated will begin on the Commencement Date and will terminate on December 31 of the tenth (10th) year following the Commencement Date, unless sooner terminated in accordance with the terms of this agreement. As consideration for the abatement granted by the County, the owner agrees to make an annual payment in lieu of taxes (PILOT) which must be paid to the County by December 1. The amount of the annual PILOT will be obtained by multiplying the number of megawatts of installed rated electrical generating capacity by \$1,106. The County anticipates receiving its first annual PILOT payment by December 1, 2021.

In August of 2019, the County created the Concho Reinvestment Zone, No. 6, West of Eden pursuant to Chapter 312 of the Texas Property Tax Code. The County entered into a tax abatement agreement with Solar 1, LLC in August, 2019. The period in which taxes are abated will begin on the Commencement Date and will terminate on December 31 of the tenth (10th) year following the Commencement Date, unless sooner terminated in accordance with the terms of this agreement. As consideration for the abatement granted by the County, the owner agrees to make an annual payment in lieu of taxes (PILOT) which must be paid to the County by December 1. The amount of the annual PILOT will be obtained by multiplying the number of megawatts of installed rated electrical generating capacity by \$1,048. The County anticipates receiving its first annual PILOT payment by December 1, 2021.

The Chief Appraiser of the Appraisal District shall annually determine the Certified Appraised Value of all real and personal property making up the Facilities without regard to the abatement granted by this Agreement and the Certified Appraised Value of such property after applying the abatement granted by this Agreement. The Chief Appraiser shall then record both values in the appraisal records. The value of the Facilities without regard to the abatement shall be used to compute the amount of abated taxes that are required to be recaptured and paid to the County in the event recapture of such taxes is required by this Agreement or applicable law.

4.D. UNEARNED REVENUES

State salary supplements for FY 2022 received before year end (\$25,666) are shown as unearned revenue in the accompanying financial statements.

4.E. OTHER CURRENT LIABILITIES

In accordance with the road use agreement with the County, Maverick Creek Wind, LLC deposited \$50,000 in an escrow account with the County Treasurer. The funds are available to be applied to any costs incurred by the County for the repair of roads, bridges, culverts or other road infrastructure due to damages by the project. The amount deposited in the escrow account is shown as unearned revenues until the construction is completed or the funds are used for repairs. Any remaining balance will be refunded to Maverick Creek Wind, LLC.

4.F. PREPAID EXPENSE

The County purchased a Chevrolet Tahoe from Lake County Chevrolet through a purchase agreement with American National Leasing Company. Due to the auto industries supply chain disruptions, the County vehicle will not be delivered until after year-end. The down payment of \$23,660 is shown as a prepaid expense in the accompanying financial statements.

4.G. SUBSEQUENT EVENTS

The County's management has evaluated subsequent events through February 28, 2022, the date which the financial statements were available for issue.

REQUIRED SUPPLEMENTARY INFORMATION

CONCHO COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND- MODIFIED CASH BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 2,131,220	\$ 2,131,220	\$ 2,074,331	\$ (56,889)
General Sales and Use Taxes	160,000	160,000	174,125	14,125
Licenses and Permits	16,600	16,600	9,450	(7,150)
Intergovernmental Revenue and Grants	60,533	60,533	116,198	55,665
Charges for Services	125,000	125,000	59,878	(65,122)
Fines	231,000	231,000	218,165	(12,835)
Forfeits	250	250	-	(250)
Investment Earnings	3,350	3,350	5,519	2,169
Rents and Royalties	213,900	213,900	213,900	-
Other Revenue	37,900	37,900	83,423	45,523
Total Revenues	2,979,753	2,979,753	2,954,989	(24,764)
EXPENDITURES:				
Current:				
General Government	1,715,073	1,715,073	1,450,410	264,663
Judicial	440,426	440,426	285,778	154,648
Public Safety	900,216	900,216	888,642	11,574
Health and Welfare	98,121	98,121	95,951	2,170
Debt Service:				
Principal on Debt	106,510	106,510	58,868	47,642
Interest on Debt	8,490	8,490	8,490	-
Total Expenditures	3,268,836	3,268,836	2,788,139	480,697
Excess (Deficiency) of Revenues Over (Under) Expenditures	(289,083)	(289,083)	166,850	455,933
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	843	843
Proceeds from Capital Leases	-	-	19,813	19,813
Transfers In	61,456	61,456	-	(61,456)
Transfers Out	-	-	(10,422)	(10,422)
Capital Lease Purchases	-	-	(58,473)	(58,473)
Total Other Financing Sources (Uses)	61,456	61,456	(48,239)	(109,695)
Net Change	(227,627)	(227,627)	118,611	346,238
Fund Balance - October 1 (Beginning)	854,770	854,770	854,770	-
Fund Balance - September 30 (Ending)	\$ 627,143	\$ 627,143	\$ 973,381	\$ 346,238

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

CONCHO COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - ROAD AND BRIDGE FUND- MODIFIED CASH BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Property Taxes	\$ 443,904	\$ 443,904	\$ 432,244	\$ (11,660)
Licenses and Permits	168,000	168,000	182,276	14,276
Intergovernmental Revenue and Grants	180,397	180,397	29,172	(151,225)
Investment Earnings	2,500	2,500	4,880	2,380
Rents and Royalties	120,000	120,000	120,000	-
Other Revenue	12,000	12,000	11,652	(348)
Total Revenues	926,801	926,801	780,224	(146,577)
EXPENDITURES:				
Public Works	855,540	855,540	672,288	183,252
Debt Service:				
Principal on Debt	557,400	557,400	580,020	(22,620)
Interest on Debt	-	-	8,562	(8,562)
Total Expenditures	1,412,940	1,412,940	1,260,870	152,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	(486,139)	(486,139)	(480,646)	5,493
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	895,374	895,374
Proceeds from Capital Leases	-	-	1,130,538	1,130,538
Transfers In	-	-	4,834	4,834
Transfers Out	-	-	(9,024)	(9,024)
Capital Lease Purchases	-	-	(1,639,509)	(1,639,509)
Total Other Financing Sources (Uses)	-	-	382,213	382,213
Change in Fund Balance	(486,139)	(486,139)	(98,433)	387,706
Fund Balance - October 1 (Beginning)	1,628,795	1,628,795	1,628,795	-
Fund Balance - September 30 (Ending)	\$ 1,142,656	\$ 1,142,656	\$ 1,530,362	\$ 387,706

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

CONCHO COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
A. Total Pension Liability			
Service Cost	\$ 187,691	\$ 166,217	\$ 168,408
Interest (on the Total Pension Liability)	457,535	429,051	401,907
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	71,893	(12,147)	18,461
Changes of Assumptions	358,756	-	-
Benefit Payments, Including Refunds of Employee Contributions	(248,086)	(257,625)	(245,545)
Net Change in Total Pension Liability	\$ 827,789	\$ 325,496	\$ 343,231
Total Pension Liability - Beginning	5,582,513	5,257,016	4,913,785
Total Pension Liability - Ending	\$ 6,410,302	\$ 5,582,512	\$ 5,257,016
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 119,869	\$ 111,503	\$ 103,917
Contributions - Employee	104,885	97,564	90,926
Net Investment Income	594,841	819,914	(96,409)
Benefit Payments, Including Refunds of Employee Contributions	(248,086)	(257,625)	(245,545)
Administrative Expense	(4,627)	(4,388)	(4,010)
Other	(2,320)	(940)	(994)
Net Change in Plan Fiduciary Net Position	\$ 564,562	\$ 766,028	\$ (152,115)
Plan Fiduciary Net Position - Beginning	5,758,511	4,992,482	5,144,597
Plan Fiduciary Net Position - Ending	\$ 6,323,073	\$ 5,758,510	\$ 4,992,482
C. Net Pension Liability (Asset)	\$ 87,229	\$ (175,998)	\$ 264,534
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.64%	103.15%	94.97%
E. Covered Payroll	\$ 1,498,361	\$ 1,393,776	\$ 1,298,938
F. Net Pension Liability (Asset) as a Percentage of Covered Payroll	5.82%	(12.63%)	20.37%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

FY 2018 Plan Year 2017		FY 2017 Plan Year 2016		FY 2016 Plan Year 2015		FY 2015 Plan Year 2014	
\$	183,487	\$	190,487	\$	169,832	\$	160,491
	388,118		366,263		341,747		312,465
	-		-		(23,767)		-
	(147,490)		(125,284)		(53,577)		8,867
	30,541		-		48,265		-
	(292,228)		(212,828)		(144,401)		(129,696)
\$	162,428	\$	218,638	\$	338,099	\$	352,127
	4,751,357		4,532,719		4,194,620		3,842,493
\$	4,913,785	\$	4,751,357	\$	4,532,719	\$	4,194,620
\$	98,844	\$	100,247	\$	94,587	\$	92,006
	89,276		93,053		88,283		85,888
	667,700		321,988		(63,878)		270,078
	(292,228)		(212,828)		(144,401)		(129,696)
	(3,421)		(3,495)		(3,129)		(3,230)
	(1,427)		(48,926)		16,236		6,104
\$	558,744	\$	250,039	\$	(12,302)	\$	321,150
	4,585,854		4,335,813		4,348,116		4,026,966
\$	5,144,598	\$	4,585,852	\$	4,335,814	\$	4,348,116
\$	(230,813)	\$	165,505	\$	196,905	\$	(153,496)
	104.70%		96.52%		95.66%		103.66%
\$	1,275,369	\$	1,329,335	\$	1,261,181	\$	1,218,399
	(18.10%)		12.45%		15.61%		(12.60%)

CONCHO COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2021

	2021	2020	2019
Actuarially Determined Contribution	\$ 112,677	\$ 98,958	\$ 102,486
Contributions in Relation to the Actuarially Determined Contributions	119,869	111,503	103,917
Contribution Deficiency (Excess)	\$ (7,192)	\$ (12,545)	\$ (1,431)
Covered Employee Payroll	\$ 1,498,361	\$ 1,393,776	\$ 1,298,938
Contributions as a Percentage of Covered Employee Payroll	8.00%	8.00%	8.00%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

	2018	2017	2016	2015	2014	2013	2012
\$	98,203	\$ 95,047	\$ 92,318	\$ 90,283	\$ 83,619	\$ 83,967	75,938
	98,844	100,247	94,587	(92,006)	85,009	83,967	77,399
\$	(641)	\$ (5,200)	\$ (2,269)	\$ (1,723)	\$ (1,390)	- \$	(1,461)
\$	1,275,369	\$ 1,329,335	\$ 1,261,181	\$ 1,218,399	\$ 1,158,160	\$ 1,144,000	1,080,193
	7.80%	7.50%	7.50%	7.60%	7.30%	7.30%	7.20%

CONCHO COUNTY, TEXAS
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2021

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

Methods and assumptions used to determine contribution rates:

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

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

CONCHO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS- MODIFIED CASH BASIS
SEPTEMBER 30, 2021

	SRB Bond Fund	Sheriff Seizure- Forfeiture	Sheriff Federal Seizure	Lateral Road Fund
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 11,483	\$ 481
Investments - Current	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,483</u>	<u>\$ 481</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted for Special Revenue	-	-	11,483	481
Total Fund Balances	<u>-</u>	<u>-</u>	<u>11,483</u>	<u>481</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,483</u>	<u>\$ 481</u>

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

COMBINING STATEMENTS

County Clerk Records Management	Law Library Fund	LEOSE- Sheriff Fund	LEOSE- Constable Fund	Subdivision Fund	County Attorney Hot Check	Vital Statistics Fund	Technology- County Clerk
\$ 64,620	\$ 1,216	\$ 2,805	\$ 5,474	\$ 2,192	\$ 6,539	\$ 4,412	\$ -
-	-	-	-	-	-	-	-
<u>\$ 64,620</u>	<u>\$ 1,216</u>	<u>\$ 2,805</u>	<u>\$ 5,474</u>	<u>\$ 2,192</u>	<u>\$ 6,539</u>	<u>\$ 4,412</u>	<u>\$ -</u>
64,620	1,216	2,805	5,474	2,192	6,539	4,412	-
<u>64,620</u>	<u>1,216</u>	<u>2,805</u>	<u>5,474</u>	<u>2,192</u>	<u>6,539</u>	<u>4,412</u>	<u>-</u>
<u>\$ 64,620</u>	<u>\$ 1,216</u>	<u>\$ 2,805</u>	<u>\$ 5,474</u>	<u>\$ 2,192</u>	<u>\$ 6,539</u>	<u>\$ 4,412</u>	<u>\$ -</u>

CONCHO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS- MODIFIED CASH BASIS
SEPTEMBER 30, 2021

	Technology- District Clerk	Technology- Justice of the Peace	Family Protective Fund	Probate Judge Continuing Education
ASSETS				
Cash and Cash Equivalents	\$ 1,550	\$ 22,612	\$ 8,508	\$ 9,798
Investments - Current	-	-	-	-
Total Assets	<u>\$ 1,550</u>	<u>\$ 22,612</u>	<u>\$ 8,508</u>	<u>\$ 9,798</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted for Special Revenue	1,550	22,612	8,508	9,798
Total Fund Balances	<u>1,550</u>	<u>22,612</u>	<u>8,508</u>	<u>9,798</u>
Total Liabilities and Fund Balances	<u>\$ 1,550</u>	<u>\$ 22,612</u>	<u>\$ 8,508</u>	<u>\$ 9,798</u>

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

County Court Records Preservation	District Cler Records Management	Courthouse Security Fund	Clerk- Tech Digital Imaging Fund	Elections Admin Fund	County Records Management	District Clerk Records Preservation	County Clerk Records Preservation
\$ 350	\$ 796	\$ -	\$ 7,251	\$ 9,928	\$ 22,140	\$ 9,449	\$ 1,370
-	-	-	-	-	-	-	-
<u>\$ 350</u>	<u>\$ 796</u>	<u>\$ -</u>	<u>\$ 7,251</u>	<u>\$ 9,928</u>	<u>\$ 22,140</u>	<u>\$ 9,449</u>	<u>\$ 1,370</u>
350	796	-	7,251	9,928	22,140	9,449	1,370
<u>350</u>	<u>796</u>	<u>-</u>	<u>7,251</u>	<u>9,928</u>	<u>22,140</u>	<u>9,449</u>	<u>1,370</u>
<u>\$ 350</u>	<u>\$ 796</u>	<u>\$ -</u>	<u>\$ 7,251</u>	<u>\$ 9,928</u>	<u>\$ 22,140</u>	<u>\$ 9,449</u>	<u>\$ 1,370</u>

CONCHO COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS- MODIFIED CASH BASIS
 SEPTEMBER 30, 2021

	CAD Courthouse Security Fund	Probate Guardianship Held	Court Records Management Preservation	County Records Preservation
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 796	\$ 1,264	\$ 790
Investments - Current	35,002	-	-	-
Total Assets	<u>\$ 35,002</u>	<u>\$ 796</u>	<u>\$ 1,264</u>	<u>\$ 790</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted for Special Revenue	35,002	796	1,264	790
Total Fund Balances	<u>35,002</u>	<u>796</u>	<u>1,264</u>	<u>790</u>
Total Liabilities and Fund Balances	<u>\$ 35,002</u>	<u>\$ 796</u>	<u>\$ 1,264</u>	<u>\$ 790</u>

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

Pretrial Intervention Program	Sheriff Impound Fund	Sheriff- Estrays	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 5,992	\$ 1,373	\$ 122	\$ 203,311	\$ 203,311
-	-	-	35,002	35,002
<u>\$ 5,992</u>	<u>\$ 1,373</u>	<u>\$ 122</u>	<u>\$ 238,313</u>	<u>\$ 238,313</u>
5,992	1,373	122	238,313	238,313
<u>5,992</u>	<u>1,373</u>	<u>122</u>	<u>238,313</u>	<u>238,313</u>
<u>\$ 5,992</u>	<u>\$ 1,373</u>	<u>\$ 122</u>	<u>\$ 238,313</u>	<u>\$ 238,313</u>

CONCHO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS- MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SRB Bond Fund	Sheriff Seizure- Forfeiture	Sheriff Federal Seizure	Lateral Road Fund
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ 16,011
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Other Revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	16,011
EXPENDITURES:				
General Government	-	-	100,498	-
Public Safety	-	-	-	-
Roads and Bridges	-	-	-	16,032
Total Expenditures	-	-	100,498	16,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(100,498)	(21)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	(100,498)	(21)
Fund Balance - October 1 (Beginning)	-	-	111,981	502
Fund Balance - September 30 (Ending)	\$ -	\$ -	\$ 11,483	\$ 481

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

County Clerk Records Management	Law Library Fund	LEOSE- Sheriff Fund	LEOSE- Constable Fund	Subdivision Fund	County Attorney Hot Check	Vital Statistics Fund	Technology- County Clerk
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
8,394	840	1,187	643	185	-	267	26
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
8,394	840	1,187	643	185	-	267	26
2,778	570	1,268	3,345	-	-	-	1,256
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,778	570	1,268	3,345	-	-	-	1,256
5,616	270	(81)	(2,702)	185	-	267	(1,230)
-	-	-	-	-	-	-	1,216
-	-	-	-	-	-	-	1,216
5,616	270	(81)	(2,702)	185	-	267	(14)
59,004	946	2,886	8,176	2,007	6,539	4,145	14
\$ 64,620	\$ 1,216	\$ 2,805	\$ 5,474	\$ 2,192	\$ 6,539	\$ 4,412	-

CONCHO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS- MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Technology- District Clerk	Technology- Justice of the Peace	Family Protective Fund	Probate Judge Continuing Education
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -
Charges for Services	360	4,583	61	323
Investment Earnings	-	-	-	-
Other Revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	360	4,583	61	323
EXPENDITURES:				
General Government	821	7,644	-	-
Public Safety	-	-	-	-
Roads and Bridges	-	-	-	-
Total Expenditures	821	7,644	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(461)	(3,061)	61	323
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(461)	(3,061)	61	323
Fund Balance - October 1 (Beginning)	2,011	25,673	8,447	9,475
Fund Balance - September 30 (Ending)	\$ 1,550	\$ 22,612	\$ 8,508	\$ 9,798

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

County Court Records Preservation	District Cler Records Management	Courthouse Security Fund	Clerk- Tech Digital Imaging Fund	Elections Admin Fund	County Records Management	District Clerk Records Preservation	County Clerk Records Preservation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
265	292	6,530	2,166	-	8,363	-	-
-	-	119	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
265	292	6,649	2,166	-	8,363	-	-
-	-	22,057	2,285	-	1,983	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	22,057	2,285	-	1,983	-	-
265	292	(15,408)	(119)	-	6,380	-	-
-	-	8,736	-	-	-	-	-
-	-	8,736	-	-	-	-	-
265	292	(6,672)	(119)	-	6,380	-	-
85	504	6,672	7,370	9,928	15,760	9,449	1,370
\$ 350	\$ 796	\$ -	\$ 7,251	\$ 9,928	\$ 22,140	\$ 9,449	\$ 1,370

CONCHO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS- MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	CAD Courthouse Security Fund	Probate Guardianship Held	Court Records Management Preservation	County Records Preservation
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	225	542	162
Investment Earnings	-	-	-	-
Other Revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	225	542	162
EXPENDITURES:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Roads and Bridges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	225	542	162
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	225	542	162
Fund Balance - October 1 (Beginning)	35,002	571	722	628
Fund Balance - September 30 (Ending)	\$ 35,002	\$ 796	\$ 1,264	\$ 790

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

Pretrial Intervention Program	Sheriff Impound Fund	Sheriff- Estrays	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 16,011	\$ 16,011
400	10,647	-	46,461	46,461
-	-	-	119	119
\$ -	\$ -	\$ 149	\$ 149	\$ 149
400	10,647	149	62,740	62,740
-	-	-	144,505	144,505
-	11,851	27	11,878	11,878
-	-	-	16,032	16,032
-	11,851	27	172,415	172,415
400	(1,204)	122	(109,675)	(109,675)
-	-	-	9,952	9,952
-	-	-	9,952	9,952
400	(1,204)	122	(99,723)	(99,723)
5,592	2,577	-	338,036	338,036
\$ 5,992	\$ 1,373	\$ 122	\$ 238,313	\$ 238,313

CONCHO COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS- MODIFIED CASH BASIS
 SEPTEMBER 30, 2021

	State Fund	Historical Commission Fund	CCP Fund	Officials Fee Accounts	Total Custodial Funds
ASSETS					
Cash and Cash Equivalents	\$ 48,522	\$ 6,306	\$ 20	\$ 68,588	\$ 123,436
Investments - Current	-	-	-	31,217	31,217
Total Assets	<u>\$ 48,522</u>	<u>\$ 6,306</u>	<u>\$ 20</u>	<u>\$ 99,805</u>	<u>\$ 154,653</u>
LIABILITIES					
Intergovernmental Payable	\$ 31,432	\$ -	\$ -	\$ -	\$ 31,432
Total Liabilities	<u>\$ 31,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,432</u>
NET POSITION					
Restricted for Other Purposes	17,090	6,306	20	99,805	123,221
Total Net Position	<u>\$ 17,090</u>	<u>\$ 6,306</u>	<u>\$ 20</u>	<u>\$ 99,805</u>	<u>\$ 123,221</u>

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

CONCHO COUNTY, TEXAS
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
 CUSTODIAL FUNDS- MODIFIED CASH BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	State Fund	Historical Commission Fund	CCP Fund	Officials Fee Accounts	Total Custodial Funds
ADDITIONS:					
Other Revenue	\$ 125,085	\$ 44	\$ 121	\$ 768,688	\$ 893,938
Total Additions	125,085	44	121	768,688	893,938
DEDUCTIONS:					
Other Operating Costs	138,508	-	211	755,985	894,704
Total Deductions	138,508	-	211	755,985	894,704
Change in Net Position	(13,423)	44	(90)	12,703	(766)
Net October 1 (Beginning)	-	-	-	-	-
Prior Period Adjustment	30,513	6,262	110	87,102	123,987
Net Position - September 30 (Ending)	\$ 17,090	\$ 6,306	\$ 20	\$ 99,805	\$ 123,221

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