

YOAKUM COUNTY, TEXAS

Annual Financial Reports

FOR THE YEAR ENDED DECEMBER 31, 2022



PATTILLO, BROWN & HILL, LLP

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

YOAKUM COUNTY, TEXAS

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YOAKUM COUNTY, TEXAS

Official Roster

December 31, 2022

County Commission

Michael C. Ybarra	County Judge
Woodson Lindsey	Commissioner, Precinct 1
Ray Marion	Commissioner, Precinct 2
Tommy Box	Commissioner, Precinct 3
Tim Addison	Commissioner, Precinct 4

Administrative and Elected Officials

Darla Welch	County Treasurer
Darinda McWhirter	County Auditor
David Bryant	Sheriff
Marc Traweek	Justice of the Peace #1
Troy Scott	Justice of the Peace #2
Summer Lovelace	County Clerk
Sandra Roblez	District Clerk
Ann Saxon	Tax Assessor/Collector
Bill Helwig	County District Attorney



Independent Auditor's Report

To the Honorable County Judge and
Members of the County Commission
Yoakum County, Texas

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of Yoakum County, Texas (the "County") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the County, as of December 31, 2022, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of

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not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Budgetary Comparison Schedule – General Fund, Budgetary Comparison Schedule – Farm/Market Lateral Roads, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of County Pension Contributions and the Schedule of Changes in Total OPEB Liability be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis (the "MD&A") which is required to be presented to supplement the basic financial statements under accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying Schedule of Expenditures of State Awards is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 October 27, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pattillo, Brown & Hill, LLP". The signature is written in a cursive, flowing style.

Pattillo, Brown & Hill, L.L.P.
Albuquerque, New Mexico
October 27, 2023

FINANCIAL SECTION

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF NET POSITION

December 31, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
<i>Current:</i>			
Cash and cash equivalents	\$ 43,503,394	5,707,235	49,210,629
Restricted cash	-	9,652	9,652
Investments	3,158,308	719,263	3,877,571
Taxes receivable, net	18,428,168	-	18,428,168
Due from other governments	38,022	-	38,022
Other receivables, net	35,504	4,064,403	4,099,907
Due to/from other funds	2,203,444	-	2,203,444
Inventory	-	1,051,463	1,051,463
Prepaid expenses	200,159	352,362	552,521
Due from agency funds	-	-	-
<i>Total current assets</i>	<u>67,566,999</u>	<u>11,904,378</u>	<u>79,471,377</u>
<i>Noncurrent assets:</i>			
Investments held in self-insurance trust fund	-	187,671	187,671
Net pension asset	8,233,670	5,489,114	13,722,784
Capital assets, net accumulated depreciation	<u>21,552,954</u>	<u>11,417,721</u>	<u>32,970,675</u>
<i>Total noncurrent assets</i>	<u>29,786,624</u>	<u>17,094,506</u>	<u>46,881,130</u>
 <i>Total assets</i>	 <u>97,353,623</u>	 <u>28,998,884</u>	 <u>126,352,507</u>
DEFERRED OUTFLOWS			
Pension related	2,537,841	1,691,895	4,229,736
OPEB related	<u>6,005,632</u>	<u>4,003,755</u>	<u>10,009,387</u>
<i>Total deferred outflows</i>	<u>8,543,473</u>	<u>5,695,650</u>	<u>14,239,123</u>
<i>Total assets and deferred outflows</i>	<u>\$ 105,897,096</u>	<u>34,694,534</u>	<u>140,591,630</u>

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF NET POSITION

December 31, 2022

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	\$ 43,079	918,316	961,395
Accrued expenses	311,203	1,145,877	1,457,080
Resident trust fund	-	9,855	9,855
Other payable	296,013	-	296,013
Accrued interest	-	-	-
Compensated absences	18,825	-	18,825
Current portion of long-term debt	-	-	-
<i>Total current liabilities</i>	<u>669,120</u>	<u>2,074,048</u>	<u>2,743,168</u>
<i>Noncurrent liabilities:</i>			
Landfill closure and post-closure obligation	59,916	-	59,916
Long-term portion of compensated absences	56,475	-	56,475
Self-funded malpractice insurance reserve	-	120,000	120,000
Net pension liability	-	-	-
Net OPEB liability	<u>36,297,341</u>	<u>24,198,228</u>	<u>60,495,569</u>
<i>Total noncurrent liabilities</i>	<u>36,413,732</u>	<u>24,318,228</u>	<u>60,731,960</u>
<i>Total liabilities</i>	<u>37,082,852</u>	<u>26,392,276</u>	<u>63,475,128</u>
DEFERRED INFLOWS			
Pension related	6,294,978	4,196,652	10,491,630
OPEB related	11,088,491	7,392,328	18,480,819
Unavailable revenue- ARPA	1,692,398	-	1,692,398
Unavailable tax revenue	17,925,591	-	17,925,591
Unavailable revenue - advance tax collections	-	-	-
<i>Total deferred inflows</i>	<u>37,001,458</u>	<u>11,588,980</u>	<u>48,590,438</u>
NET POSITION			
Net investment in capital assets	(14,744,387)	11,417,721	(3,326,666)
Restricted	15,761,851	-	15,761,851
Unrestricted	<u>30,795,322</u>	<u>(14,704,443)</u>	<u>16,090,879</u>
<i>Total net position</i>	<u>31,812,786</u>	<u>(3,286,722)</u>	<u>28,526,064</u>
<i>Total liabilities, deferred inflows, and net position</i>	<u>\$ 105,897,096</u>	<u>34,694,534</u>	<u>140,591,630</u>

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for	Operating	Capital
		Services	Grants and	Grants and
			Contributions	Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,495,350	787,733	148,317	-
Public safety	1,987,200	95,503	76,869	-
Justice system	-	-	-	-
Public works	3,306,626	344,196	1,441,422	-
Health and welfare	798,721	-	-	-
Culture and recreation	2,127,867	-	-	-
Education	-	-	-	-
Interest expense	-	-	-	-
Total Governmental Activities	\$ 12,726,497	1,227,432	1,666,608	-
Business-type activities				
Hospital funds	39,156,522	30,929,457	-	-
Nursing home fund	5,972,012	4,541,635	-	-
Total business-type activities	\$ 45,128,534	35,471,092	-	-

General Revenues:

Property taxes:

 General services

 Debt service

 Penalties and interest

Miscellaneous

Investment earnings

Proceeds from insurance claim

Other revenues and reimbursements

Loss on disposal of assets

Transfers, net

Total general revenues

Change in net position

Net position - beginning

Restatement (Note 17)

Net position - beginning as restated

Ending net position

Net Program (Expense) Revenue and Changes in Net Position		
Primary Government		
Government Activities	Business-Type Activities	Total
(3,559,300)	-	(3,559,300)
(1,814,828)	-	(1,814,828)
-	-	-
(1,521,008)	-	(1,521,008)
(798,721)	-	(798,721)
(2,127,867)	-	(2,127,867)
-	-	-
-	-	-
<u>(9,832,457)</u>	<u>-</u>	<u>(9,832,457)</u>
-	(8,227,065)	(8,227,065)
<u>-</u>	<u>(1,430,377)</u>	<u>(1,430,377)</u>
-	(9,657,442)	(9,657,442)
21,645,958	-	21,645,958
611,287	-	611,287
-	-	-
253,543	-	253,543
973,786	148,834	1,122,620
1,123,699	-	1,123,699
213,175	198,042	411,217
-	(6,113)	(6,113)
<u>(2,321,743)</u>	<u>2,321,743</u>	<u>-</u>
<u>22,499,705</u>	<u>2,662,506</u>	<u>25,162,211</u>
12,667,248	(6,994,936)	5,672,312
19,991,737	3,708,214	23,699,951
<u>(846,199)</u>	<u>-</u>	<u>(846,199)</u>
<u>19,145,538</u>	<u>3,708,214</u>	<u>22,853,752</u>
<u>\$ 31,812,786</u>	<u>(3,286,722)</u>	<u>28,526,064</u>

**STATE OF TEXAS
YOAKUM COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund <u>100</u>	Farm/Market Lateral Roads <u>170</u>	Nonmajor Governmental	Total Governmental
ASSETS				
<i>Current:</i>				
Cash and cash equivalents	\$ 27,701,074	1	15,773,886	43,474,961
Investments	1,731,956	-	1,426,352	3,158,308
Taxes receivable, net	14,001,922	3,085,855	1,340,391	18,428,168
Intergovernmental receivables	36,530	-	1,492	38,022
Other receivables	35,250	-	254	35,504
Due from agency and other funds	2,155,621	463,052	743,539	3,362,212
Prepaid expenses	<u>176,058</u>	<u>-</u>	<u>24,101</u>	<u>200,159</u>
<i>Total current assets</i>	<u>\$ 45,838,411</u>	<u>3,548,908</u>	<u>19,310,015</u>	<u>68,697,334</u>
LIABILITIES AND FUND BALANCE				
<i>Current liabilities:</i>				
Accounts payable	\$ 43,079	-	-	43,079
Accrued payroll liabilities	230,891	-	80,312	311,203
Landfill postclosure liability	59,916	-	-	59,916
Other payable	3,821	-	292,192	296,013
Due to other funds	<u>524,142</u>	<u>463,053</u>	<u>164,073</u>	<u>1,151,268</u>
<i>Total current liabilities</i>	<u>861,849</u>	<u>463,053</u>	<u>536,577</u>	<u>1,861,479</u>
DEFERRED INFLOWS				
Unavailable Revenues- ARPA	-	-	1,692,398	1,692,398
Unavailable tax revenue	13,620,059	3,001,697	1,303,835	17,925,591
Unavailable revenue - advance tax collecti	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows</i>	<u>13,620,059</u>	<u>3,001,697</u>	<u>2,996,233</u>	<u>19,617,989</u>
FUND BALANCE (DEFICIT)				
Nonspendable	176,058	-	-	176,058
Restricted	-	-	15,761,851	15,761,851
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>31,180,445</u>	<u>84,158</u>	<u>15,354</u>	<u>31,279,957</u>
<i>Total fund balance (deficit)</i>	<u>31,356,503</u>	<u>84,158</u>	<u>15,777,205</u>	<u>47,217,866</u>
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	<u>\$ 45,838,411</u>	<u>3,548,908</u>	<u>19,310,015</u>	<u>68,697,334</u>

See Notes to Financial Statements

**STATE OF TEXAS
YOAKUM COUNTY**

GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Fund balances - total governmental funds	\$ 47,217,866
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,552,954
The internal service fund is used by the County to charge the cost of the fund to their primary users - governmental and enterprise funds. The assets and liabilities of the internal service fund are not included in the statement of net position.	20,933
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	2,537,841
Defined OPEB plan deferred outflows are not financial resources and, therefore, are not reported in the funds.	6,005,632
Long-term liabilities, are not due in the current period and, therefore, are not reported in the funds	
Net pension asset	8,233,670
Net OPEB liability	(36,297,341)
Bond and note obligations	-
Accrued Interest	-
Compensated absences	(75,300)
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	(6,294,978)
Defined OPEB plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(11,088,491)</u>
Total net position	\$ <u>31,812,786</u>

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund <u>100</u>	Farm/Market Lateral Roads <u>170</u>	Nonmajor Governmental	Total Governmental
<i>Revenues:</i>				
Taxes	\$ 15,955,609	3,648,553	2,653,083	22,257,245
Intergovernmental	148,317	-	1,518,291	1,666,608
Permits and charges for service	787,733	-	439,699	1,227,432
Interest and other	<u>1,934,881</u>	<u>4,867</u>	<u>589,658</u>	<u>2,529,406</u>
<i>Total revenues</i>	<u>18,826,540</u>	<u>3,653,420</u>	<u>5,200,731</u>	<u>27,680,691</u>
<i>Expenditures:</i>				
Current				
General government	4,096,751	-	-	4,096,751
Public safety	3,676,533	-	167,346	3,843,879
Public works	926,386	-	4,046,440	4,972,826
Health and welfare	235,206	-	-	235,206
Culture and recreation	1,656,531	-	4,747	1,661,278
Capital outlay	367,455	-	1,011,948	1,379,403
Debt service				
Principal	-	-	570,000	570,000
Interest	<u>-</u>	<u>-</u>	<u>5,700</u>	<u>5,700</u>
<i>Total expenditures</i>	<u>10,958,862</u>	<u>-</u>	<u>5,806,181</u>	<u>16,765,043</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>7,867,678</u>	<u>3,653,420</u>	<u>(605,450)</u>	<u>10,915,648</u>
<i>Other financing sources (uses):</i>				
Transfers in	100	-	3,645,325	3,645,425
Transfers out	<u>(2,918,055)</u>	<u>(2,661,312)</u>	<u>(387,801)</u>	<u>(5,967,168)</u>
<i>Total other financing sources (uses)</i>	<u>(2,917,955)</u>	<u>(2,661,312)</u>	<u>3,257,524</u>	<u>(2,321,743)</u>
Net change in fund balances	4,949,723	992,108	2,652,074	8,593,905
Fund balances (deficit)- beginning of year	26,406,780	(907,950)	13,971,330	39,470,160
Restatement (Note 17)	<u>-</u>	<u>-</u>	<u>(846,199)</u>	<u>(846,199)</u>
Fund balances (deficit)- beginning of year as restated	<u>26,406,780</u>	<u>(907,950)</u>	<u>13,125,131</u>	<u>38,623,961</u>
Fund balances (deficit) - end of year	\$ <u>31,356,503</u>	<u>84,158</u>	<u>15,777,205</u>	<u>47,217,866</u>

See Notes to Financial Statements

**STATE OF TEXAS
YOAKUM COUNTY**

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

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

Net change in fund balances - total governmental funds	\$ 8,593,905
Change in net position of internal service fund	4,081
Net pension and OPEB expense	6,371,212

Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Capital expenditures	353,341
Depreciation expense	(3,308,454)

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenue in the funds:

Decrease in accrued compensated absences	21,387
Change in accrued interest	5,700
Change in landfill liability	56,076
Principal payments on notes and bonds	<u>570,000</u>
Change in net position	\$ <u>12,667,248</u>

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2022

	Business Type Activities		
	Hospital Funds	Nursing Home Fund	Total Enterprise Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 5,522,632	184,603	5,707,235
Restricted cash	-	9,652	9,652
Investments	719,263	-	719,263
Accounts receivables, net	3,453,783	399,510	3,853,293
Other receivables	198,138	12,972	211,110
Inventory	1,046,325	5,138	1,051,463
Prepaid expenses	340,426	11,936	352,362
Total current assets	<u>11,280,567</u>	<u>623,811</u>	<u>11,904,378</u>
Noncurrent assets			
Investments held in self-insurance trust fund	187,671	-	187,671
Net pension asset	5,489,114	-	5,489,114
Capital assets, net	6,869,152	4,548,569	11,417,721
Total assets	<u>12,545,937</u>	<u>4,548,569</u>	<u>17,094,506</u>
Deferred outflows of resources:			
Deferred outflows of resources	5,695,650	-	5,695,650
Total assets and deferred outflows of resources	<u>\$ 29,522,154</u>	<u>5,172,380</u>	<u>34,694,534</u>
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	\$ 803,820	114,496	918,316
Accrued expenses	1,032,455	113,422	1,145,877
Resident trust fund	-	9,855	9,855
Due to other funds	-	-	-
Total current liabilities	<u>1,836,275</u>	<u>237,773</u>	<u>2,074,048</u>
Noncurrent liabilities			
Self-funded insurance reserve	120,000	-	120,000
Net OPEB liability	24,198,228	-	24,198,228
Total liabilities	<u>26,154,503</u>	<u>237,773</u>	<u>26,392,276</u>
Deferred inflows of resources:			
Deferred inflows of resources	11,588,980	-	11,588,980
Total deferred inflows of resources	<u>11,588,980</u>	<u>-</u>	<u>11,588,980</u>
Net position			
Net investment in capital assets	6,869,152	4,548,569	11,417,721
Unrestricted	(15,090,481)	386,038	(14,704,443)
Total net position	<u>(8,221,329)</u>	<u>4,934,607</u>	<u>(3,286,722)</u>
Total liabilities, deferred inflows of resources, and net position (deficit)	<u>\$ 29,522,154</u>	<u>5,172,380</u>	<u>34,694,534</u>

Governmental Activities

Internal Service

Fund

28,433

-

-

-

-

-

-

28,433

-

-

-

-

28,433

7,500

7,500

-

-

7,500

-

-

20,933

20,933

28,433

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Business Type Activities		
	Hospital Funds	Nursing Home Fund	Total Enterprise Funds
<i>Operating Revenues</i>			
Charges for services	\$ 30,555,903	3,689,320	34,245,223
Other and miscellaneous	<u>373,554</u>	<u>852,315</u>	<u>1,225,869</u>
<i>Total revenues</i>	<u>30,929,457</u>	<u>4,541,635</u>	<u>35,471,092</u>
<i>Operating Expenses</i>			
Personnel services	21,607,258	1,343,959	22,951,217
Contracted and purchased services	9,814,199	3,237,317	13,051,516
Supplies	6,536,132	1,217,985	7,754,117
Depreciation	<u>1,198,933</u>	<u>172,751</u>	<u>1,371,684</u>
<i>Total operating expenses</i>	<u>39,156,522</u>	<u>5,972,012</u>	<u>45,128,534</u>
<i>Operating income (loss)</i>	<u>(8,227,065)</u>	<u>(1,430,377)</u>	<u>(9,657,442)</u>
<i>Nonoperating revenues (expenses)</i>			
Contributed services	226,420	-	226,420
Gain (Loss) on sale of equipment	(6,113)	-	(6,113)
Noncapital grants and gifts	(28,378)	-	(28,378)
Interest income	<u>148,834</u>	<u>-</u>	<u>148,834</u>
<i>Total non-operating revenues (expenses)</i>	<u>340,763</u>	<u>-</u>	<u>340,763</u>
<i>Income (loss) before contributions and transfers</i>	<u>(7,886,302)</u>	<u>(1,430,377)</u>	<u>(9,316,679)</u>
Transfers in	<u>1,105,310</u>	<u>1,216,433</u>	<u>2,321,743</u>
<i>Change in net position</i>	(6,780,992)	(213,944)	(6,994,936)
Net position - beginning	<u>(1,440,337)</u>	<u>5,148,551</u>	<u>3,708,214</u>
<i>Net position - end of year</i>	<u>\$ (8,221,329)</u>	<u>4,934,607</u>	<u>(3,286,722)</u>

Governmental Activities
Internal Service
Fund

-
34,797
34,797

-
30,716
-
-
30,716

4,081

-
-
-
-
-
4,081

-

4,081

16,852

20,933

**STATE OF TEXAS
YOAKUM COUNTY**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2022

	Business Type Activities		
	Hospital Funds	Nursing Home Fund	Total Enterprise Funds
<i>Cash flows from operating activities</i>			
Receipts from and on behalf of patients	\$ 30,272,767	4,544,775	34,817,542
Payments to suppliers and contractors	(16,725,063)	(463,467)	(17,188,530)
Payments and benefits to and on behalf of employees	(20,380,588)	(5,307,677)	(25,688,265)
Other receipts and payments, net	890,084	-	890,084
<i>Net cash provided (used) by operating activities</i>	<u>(5,942,800)</u>	<u>(1,226,369)</u>	<u>(7,169,169)</u>
<i>Cash flows from capital financing activities</i>			
Purchase of capital assets	<u>(707,389)</u>	<u>-</u>	<u>(707,389)</u>
<i>Net cash used by capital financing activities</i>	<u>(707,389)</u>	<u>-</u>	<u>(707,389)</u>
<i>Cash flows from noncapital financing activities</i>			
Non-capital grants and contributions	(28,378)	-	(28,378)
County transfers	<u>1,105,310</u>	<u>1,216,433</u>	<u>2,321,743</u>
<i>Net cash provided by noncapital financing activities</i>	<u>1,076,932</u>	<u>1,216,433</u>	<u>2,293,365</u>
<i>Cash flows from investing activities</i>			
Purchase of investments	536,560	-	536,560
Interest income	<u>148,834</u>	<u>-</u>	<u>148,834</u>
<i>Net cash provided by investing activities</i>	<u>685,394</u>	<u>-</u>	<u>685,394</u>
<i>Net (decrease) increase in cash and cash equivalents</i>	<u>(4,887,863)</u>	<u>(9,936)</u>	<u>(4,897,799)</u>
Cash and cash equivalents - beginning of year	<u>10,598,166</u>	<u>204,191</u>	<u>10,802,357</u>
Cash and cash equivalents - end of year	<u>\$ 5,710,303</u>	<u>194,255</u>	<u>5,904,558</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</i>			
Operating income (loss)	(8,227,065)	(1,430,377)	(9,657,442)
Noncash items			
Depreciation Expense	1,198,933	172,751	1,371,684
Indigent care contributions	226,420	-	226,420
Provision for uncollectible accounts	(293,580)	42,388	(251,192)
Changes in assets and liabilities			
Receivables	467,833	(39,248)	428,585
Other receivables	(167,279)	-	(167,279)
Inventories	(150,092)	11,993	(138,099)
Prepaid expenses	(300,302)	6,341	(293,961)
Accounts payable	(1,269,850)	(2,894)	(1,272,744)
Accrued expenses	11,804	14,257	26,061
Accrued compensated absences	-	-	-
Other assets and liabilities	<u>2,560,378</u>	<u>(1,580)</u>	<u>2,558,798</u>
<i>Net cash provided (used) by operating activities</i>	<u>\$ (5,942,800)</u>	<u>(1,226,369)</u>	<u>(7,169,169)</u>

See Notes to Financial Statements

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 12,746,027
Receivables	1,931
Due from other funds	<u>2,782,822</u>
<i>Total assets</i>	<u>\$ 15,530,780</u>
LIABILITIES	
Due to other funds	\$ 4,986,266
NET POSITION	
Individuals, organizations and other governments	<u>10,544,514</u>
<i>Total liabilities and net position</i>	<u>\$ 15,530,780</u>

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Property taxes	\$ 51,502,809
Motor vehicle taxes	962,804
Vehicle sales taxes	964,527
Interest	40,681
Other income	<u>2,966,203</u>
<i>Total contributions</i>	<u>56,437,024</u>
DEDUCTIONS	
Distributions:	
Property taxes distributed	46,805,778
Motor vehicle taxes distributed	960,730
Vehicle sales taxes distributed	910,810
Other distributions	<u>2,922,694</u>
<i>Total deductions</i>	<u>51,600,012</u>
Net increase (decrease) in fiduciary net position	4,837,012
Net Position, beginning	<u>5,707,502</u>
Net Position, ending	\$ <u>10,544,514</u>

YOAKUM COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Yoakum County, Texas (County) was created in 1907 under the provisions of the State of Texas. The County functions under the applicable laws and regulations of the State of Texas. The County's powers are exercised through an elected Commissioners Court, which is the governing body of the County. The Commissioners Court consists of the County Judge and four County Commissioners. The County provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to generally accepted accounting principles (GAAP) in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB). The most significant accounting and reporting policies of the County are described in the following notes to the basic financial statements.

In the current year, the County implemented the following:

GASB Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

GASB Statement No. 91- *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 92 – *Omnibus*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

GASB Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

Reporting Entity - The members of the County's Commissioners Court (the Court) are elected by the public, and the Court has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the County is a financial reporting entity as defined by the GASB accounting principles generally accepted in the United States of America require that these financial statements present the County (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria; the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The County has no component units.

Government-Wide and Fund Financial Statements - The Statement of Net Position and the Statement of Activities are government-wide financial statements (GWFS). They report information on all of County's non-fiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the County operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the County. Examples include charges for collecting taxes for the surrounding cities/districts and record management services provided by the County Clerk. The "grants and contributions" column includes amounts paid by organizations outside the County to help meet the operational or capital requirements of a given function. Examples include grants for emergency response equipment. If revenues are not considered program revenues, they are considered general revenues used to support all of the County's functions. Taxes are always general revenues.

Interfund activities within governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Net Position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund financial statements (FFS) provide reports on the financial condition and results of operations for three fund categories: governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column for each major fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The County considers all revenues available if they are collectible within 60 days after year-end. Revenues not considered available are recorded as uncollectible receivables.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state are recognized under the "susceptible-to-accrual" concept. In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one type, monies are expended on the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures incurred. In the other type, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

Property taxes are recognized as revenue in the year for which the taxes are levied if they will be collected within 60 days of the end of the fiscal year. Sales tax, fines and forfeitures, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

The proprietary fund types and fiduciary funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. This basis allows the County to accrue unbilled service revenue in the proprietary funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

Governmental funds are used to account for the County's expendable financial resources and related liabilities (except those accounted for in the proprietary funds). The County reports the following major governmental funds:

General Fund - The general fund is the County's primary operating fund. It accounts for financial resources except those required to be accounted for in another fund. The General Fund presented in the financial statements consists of several individual funds: General, Payroll and Disbursement funds.

Farm/Market Lateral Road Fund - The lateral road fund acts as a clearinghouse fund, which receives and then distributes taxes collected to the individual precincts Road and Bridge Funds for maintenance and construction projects within the precincts.

The County reports the following non-major governmental funds:

Special Revenue Funds - The County accounts for resources restricted to, or designated for, specific purposes by the County or a grantor in special revenue funds. Some federal and state financial assistance is accounted for in special revenue funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Debt Service Funds - The County accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in debt service funds.

Capital Projects Funds - The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in capital projects funds. The County at this time has the following capital projects fund, the Nursing Home Construction Fund and the Jail Construction Fund.

Internal Service Fund - The County Administrative account used to account cost and services provided between department funds

Proprietary funds are those through which most of the costs of providing the services are funded through charges for services. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Enterprise Funds - The County's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in enterprise funds. The County has two enterprise funds, the Yoakum County Hospital (the Hospital or hospital fund) and the Shinnery Oaks Community (the Community or nursing home fund), and reports both as major funds.

The Hospital is an organization licensed to operate a 24-bed acute healthcare facility located in Denver City, Texas. It is operated under a six (6) member Board of Directors, which are appointed by the commissioners of the County. The County's General Fund subsidizes the Hospital as needed with a budgeted portion of the ad valorem tax revenue assessed by the County each year.

Under the Indigent Health Care and Treatment Act of the State of Texas, county hospitals are responsible for providing certain levels of health care to county indigents. The Hospital's policies for charity care comply with the Indigent Health Care and Treatment Act.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Community is an organization licensed to operate a 60 bed skilled health care facility located in Denver City, Texas. The Community is organized for providing healthcare and rehabilitation services to the residents of the County and the surrounding area. The Community's primary sources of support are from resident revenues and other ancillary income. The County's General Fund subsidizes the Community as needed with a budgeted portion of the ad valorem tax revenue assessed by the County each year.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County Commissioners. The financial statements of the County may be obtained by writing to the Yoakum County Auditor's Office, P.O. Box 516, Plains, Texas 79355.

Additionally, the County reports the following fund types:

Agency Funds - The County accounts for resources held in a custodial of the County in agency funds. This includes amounts received for County operations but not transferred to the governmental funds.

Other Accounting Policies

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Equity in Pooled Cash and Investments - The County pools the resources of various funds in order to facilitate the management of cash and enhance investment earnings. Records are maintained which reflect each fund's equity in the pooled account. The County's investments are stated at fair value.

Cash Equivalents - Cash equivalents are defined as short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less when purchased which present and insignificant risk of changes in value because of changes in interest rates.

Use of Restricted Cash - When the County incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

Property Taxes Receivable - Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property 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 tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General, Special Revenue and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Proprietary Fund Accounts Receivable - Within the Enterprise Funds, services rendered and billed but not collected as of the close of the fiscal year are accrued and this amount is reflected in the accounts receivable balance. Amounts billed are reflected as accounts receivable net of an allowance for uncollectible accounts.

Inventories - The County reports inventories of supplies at lower of cost, as determined on a first in, first out basis or market including consumable utility maintenance and office items. Supplies are recorded as expenditures when they are consumed, except for certain utility and other supplies.

Capital Assets and Depreciation - Capital assets, including public domain infrastructure (e.g. streets, bridges, sidewalks and other assets that are immovable and of value only to the County) are defined as assets with an initial, individual cost and an estimated useful life in excess of one year. These capital assets are reported in the GWFS and in the proprietary FFS. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated assets are recorded at the estimated fair value on the date of donation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major outlays for capital assets and improvements are capitalized as the projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Depreciation is based on the estimated useful lives, and is calculated by use of the straight-line method applied to cost. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the proprietary FFS. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

The County uses the following schedule to determine the useful lives of capital assets:

Infrastructure/Improvements	5-50 Years
Buildings	5-50 Years
Equipment	3-15 Years

Long Term Debt - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences - It is the County's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. All sick pay and vacation pay is accrued when incurred in the government-wide or proprietary fund financial statements.

Fund Balances/Net Position

Government-Wide Financial Statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted balances, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund classifications can be used.

Fund Financial Statements:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net position of the enterprise funds are classified in two components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Risk Management - The County is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. For the past several years, the County has obtained coverage from outside sources to insure the County against the risk of loss. There were no significant reductions in insurance coverage from coverage in the prior year. Settlement amounts have not exceeded coverage for the current year or past fiscal years.

Commitments and Contingencies - The County participates in federally assisted programs. In connection with grants under these programs, the County is required to comply with specific terms and agreements, as well as applicable federal and state laws and regulations. Such compliance is subject to review and audit by the grantors and their representatives. In the opinion of management, the County has complied with all requirements. However, since such programs are subject to future audit or review, the possibility of disallowed expenditures exists. In the event of such disallowance of claimed expenditures, the County expects the resulting liability to be immaterial.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. Unearned Revenue and Unearned Deferred Revenue are reported in the government- wide Statement of Net Position. Any current taxes levied and collected between October 1 and December 31 are not available for use until January 1, the beginning of the next fiscal year. Therefore, all collections of current taxes during this period and all current taxes receivable as of December 31 are recorded as deferred inflows of resources, unavailable tax revenue – advance collections and unavailable tax revenue, respectively, since the tax revenue has not been earned as of December 31, 2022.

Defined Benefit Pension Plan - The County provides pension benefits to its employees through the County's agent multiple-employer defined benefit pension plan operated by the Texas County & District Retirement System (the Plan). 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 plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Patient Service Revenue - Both the Hospital and the Community have agreements with third-party payers that provide for payments at amounts different from their established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and include estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods, as adjustments become known.

Charity Care - The Hospital provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because they do not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net revenue. The costs of charity care provided under the Hospital's charity care policy was approximately \$3,796,346 for 2022. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges.

Budgetary Data - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. In general, annual appropriated budgets are adopted for the general, special revenue, debt service, and capital projects funds. All annual appropriations lapse at fiscal yearend.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County Commissioners' Court, under budgetary laws established by the Texas legislature, is required to adopt an annual budget for all governmental fund types to cover all the proposed expenditures of the County government, and to levy a tax sufficient, when considered with other revenues and available funds, to provide for these expenditures. Once the budget is approved, no expenditures may be made except in strict compliance with the budget.

Emergency expenditures in case of grave public necessity, to meet unusual and unforeseen conditions, which could not, by reasonable thought and diligent attention, have been included in the original budget, may from time to time be authorized by the Court as amendments to the original budget. The Commissioners' Court is the sole agency having discretionary power to determine existence of such facts as would constitute an emergency justifying a budget amendment.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. Prior to September 15, the County Auditor, as the County's Chief Budgetary Officer, will submit to the Commissioners' Court a proposed operating budget for the fiscal year commencing the following January 1.
- b. After the presentation of the proposed budget and prior to December 1, the Commissioners' Court will conduct a series of hearings with the individual department heads to review and analyze their expenditure reports. These meetings are all open to the public to encourage public comment.
- c. Prior to December 15, the Commissioners' Court will finalize the proposed budget and file it with the County Clerk.
- d. Prior to January 1, two public hearings will be held to receive citizen input, adopt the budget, and set the tax rate for the coming budget year.
- e. All budget amendments are approved by the Commissioners' Court. From time to time, during the period covered by these financial statements, supplemental budget amendments were required and approved by the Commissioners' Court, under the provisions outlined above. Budgeted amounts presented in these financial statements are inclusive of any amendments made during the period January 01, 2022 through December 31, 2022.
- f. Budgets for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governments, using the modified accrual basis of accounting.
- g. By law, appropriations for the total County budget cannot exceed the total resources that will be available for the year as forecasted by the County Auditor.
- h. The level of budgetary control (that is the level at which expenditures may not legally exceed appropriations) is established by organization within an individual fund.

Subsequent Events - Accounting standards require reporting entities to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or were available to be issued. Management has evaluated subsequent events through October 27, 2023, the date the financial statements were issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk for Deposits - State statute requires that public funds in the County's depository institution be secured by eligible securities, as defined by Vernon's Texas Statutes and Codes Annotated (VTCA), Local Government Code Chapter 2257, in an amount not less than the amount on deposit plus any accrued interest less any amount provided for by insurance of the United States or an instrumentality thereof.

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the VTCA, Local Government Code, Chapter 116. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

The County's depository agreement provides that as security for the deposits of the County their bank will pledge to the County securities at 100% of the amount of County funds on deposit including interest accrued to date. Value of the securities comprising the pledge will be set at the lower of par value or estimated market value.

The securities pledged must satisfy the requirements of Article 2560 of the Texas Revised Civil Statutes Annotated. Furthermore, the pledged securities are subject to the approval of the Commissioners Court as to type and value. Substitutions of securities or change of total amounts of securities may be made only by and with proper written authorization by the County. A copy of the safekeeping receipts for securities pledged will be issued to the County at the conclusion of each investment transaction.

At December 31, 2022, the carrying amount of the County's deposits (including restricted and agency amounts) was \$49,220,281. The County's cash deposits during the year ended December 31, 2022 were properly secured at all times by a combination of FDIC insurance and by pledged collateral held by the County's agent bank in the County's name.

Compliance with the Public Funds Investment Act - The County's investment policies are governed by State statutes. 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.

The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County's investment policies further limit State statutes such that eligible investments include the following:

- a. Obligations, including letters of credit, of the United States and/or its agencies and instrumentalities;
- b. Direct obligations of this state and/or its agencies and instrumentalities;
- c. Collateralized mortgage obligations directly issued by a federal agency and/or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
- d. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities;
- e. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
- f. Certificates of deposit if issued by a state or national bank domiciled in this state, savings bank domiciled in this state, or a state or federal credit union domiciled in this state;
- g. Certain repurchase agreements as defined by the policy;
- h. Certain bankers' acceptances as defined by the policy;
- i. Certain no-load money market mutual funds as defined by the policy;
- j. Certain no-load mutual funds as defined by the policy; and
- k. Investment pools.

The County is in substantial compliance with the requirements of the Public Funds Investment Act and local policies.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

TexPool - During 1986, the 69th Texas Legislature authorized the State Treasurer to incorporate a special-purpose trust company called the Texas Treasury Safekeeping Trust Company. The Trust has direct access to the services of the Federal Reserve Bank and performs other trust company activities. It is specifically authorized to manage, disburse, transfer safe-keep, and invest public funds and securities more efficiently and economically (sec.404.102 et seq., Texas Government Code). The trust created the Texas Local Government Investment Pool (TexPool) as a public funds investment pool. TexPool is established as a trust fund, segregated from all other trustors, investments and activities of the Trust Company. Only local governments having contracted to participate in TexPool have an investment interest in its pool of assets, and participation in the pool is voluntary.

Credit Risk - To limit the risk that an insurer or other counter-party to an investment will not fulfill its obligations, the County limits investments in commercial paper, corporate bonds, and mutual bond funds to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of December 31, 2022, the County's investments were rated AAA or higher by Standard & Poors.

As of December 31, 2022, the County had the following investments (including restricted and agency amounts):

Investment or Investment Type	Amount	Weighted Average Maturity
DWS Government Cash Institutional		
TexPool	\$ 3,272,448	17 days
Certificate of deposit	605,123	365 days
	<u>\$ 3,877,571</u>	

Investments by the County in investment pools are considered unclassified as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

Custodial Credit Risk for Investments - To limit the risk that, in the event of the failure of the counter-party to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the County requires counter-parties to register the securities in the name of the County and hand them over to the County or its designated agent. This includes securities in securities lending transactions. All of the securities are in the County's name and held by the County's agent.

Concentration of Credit Risk - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the County limits investments in a single issuer to less than 5% of its total investments. The County further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental activities and individual major funds than they are in the primary government. Usually this limitation is 20%.

Interest Rate Risk - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the County requires the investment portfolio to have weighted average maturities of one year or less.

NOTE 3 - PROPERTY TAXES

In accordance with state law, all appraisals of County property for tax purposes are made by the countywide appraisal authority, Yoakum County Appraisal District. Assessed values are based upon 100 percent of appraised market value and are reviewed every three years. Taxpayers have the right to challenge the assessed value. The County is subject to a tax rate rollback if the total amount of property taxes imposed in any year, as defined by statute, exceeds the total amount of property taxes imposed in the preceding year, as defined by statute, by 3.5% plus the unused incremental amount from 2021. The County's ad valorem taxes are levied on October 1 but do not become due until January 1 of the following year. Taxes become past due February 1 and become delinquent June 30. The County's taxes become a lien on real property on the due date of January 1.

NOTE 3 - PROPERTY TAXES (CONTINUED)

The tax rates for fiscal per \$100 assessed value in the County:

		Tax year 2022
Total tax assessed	\$	38,040,957
General fund operations		0.7598
Farm/market lateral M&O		0.1675
Road and Bridge		0.0241
Jury		0.0024
Perm Improvement		0.0462
Debt service		0.0000

For financial statement reporting, the net property taxes receivables and advanced collection of taxes are reported as deferred inflow of resources because the collection of the property taxes will fund the operations of the County in the next fiscal year.

Concentration of Risk - During the year, the County collected approximately 53% of its property tax revenue from one oil and gas company operating within the County. This poses a potential risk to the County, which could be adversely affected if a situation arose where this company could or would not pay the assessed taxes.

The amount of property taxes due to the County by fund at December 31, 2022 is as follows:

Fund	Property Tax Receivable		Property Taxes Receivable
	Current	Delinquent	
General fund	\$ 13,620,059	381,863	14,001,922
Road and bridge	431,994	12,112	444,106
Farm/market lateral	3,001,697	84,158	3,085,855
Jury fund	43,253	1,213	44,466
Nursing home debt service	-	-	-
Permanent improvement	828,588	23,231	851,819
	<u>\$ 17,925,591</u>	<u>502,577</u>	<u>18,428,168</u>

Any current taxes levied and collected between October 1 and December 31 are not available for use until January 1, the beginning of the next fiscal year. Availability only affects the recognition of revenue in governmental funds. Therefore, all collections of current taxes during this period and all current taxes receivable as of December 31 are recorded as Unavailable Revenue and Deferred Revenue in the fund statements and the government-wide statements, respectively. Each amounts are listed in the Deferred Inflows section of their respective financial statements.

Deferred Inflows of Resources Unavailable Revenue			
	Advance Tax Collections	Tax Revenue	Total
General fund	\$ -	13,620,059	13,620,059
Road and bridge	-	431,994	431,994
Farm/market lateral	-	3,001,697	3,001,697
Jury fund	-	43,253	43,253
Nursing home debt service	-	-	-
Permanent improvement	-	856,019	856,019
	<u>\$ -</u>	<u>17,925,591</u>	<u>17,925,591</u>

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Reimbursements from one fund to another for expenditures or expenses already made are recorded as expenditures or expenses in the reimbursing fund.

Non-recurring or no- routine transfers of equity between funds are treated as residual equity transfers and are reported as residual equity transfers and are reported as additions to or deductions from the fund balance of governmental funds. All other transfers are treated as operating transfers and are included in the results of operations of the governmental funds.

The County had the following interfund balances as of the end of the year (intra-fund receivables and payables have been eliminated):

Due from	General Fund	Farm/Market Lateral Roads Fund	Other Governmental Funds	Internal Service Funds	Totals
Nonmajor governmental funds	\$ 162	-	66,936	-	67,098
Internal service fund	7,500	-	-	-	7,500
General fund	-	-	-	-	-
Farm/Market lateral roads fund	1	-	463,052	-	463,053
Custodial funds	<u>2,147,958</u>	<u>463,052</u>	<u>213,551</u>	<u>-</u>	<u>2,824,561</u>
	<u>2,155,621</u>	<u>463,052</u>	<u>743,539</u>	<u>-</u>	<u>3,362,212</u>
Due to	General Fund	Farm/Market Lateral Roads Fund	Other Governmental Funds	Internal Service Funds	Totals
Nonmajor governmental funds	27	463,052	-	-	463,079
General fund	-	1	161	7,500	7,662
Custodial funds	<u>524,115</u>	<u>-</u>	<u>163,912</u>	<u>-</u>	<u>688,027</u>
	<u>524,142</u>	<u>463,053</u>	<u>164,073</u>	<u>7,500</u>	<u>1,158,768</u>
Total Due From/To	\$ <u>1,631,479</u>	<u>(1)</u>	<u>579,466</u>	<u>(7,500)</u>	<u>2,203,444</u>
Custodial fund reconciliation:					
Due from other funds	\$		2,782,822		
Due to other funds			<u>4,986,266</u>		
Net due to other funds	\$		<u>2,203,444</u>		

NOTE 4 - INTERFUND BALANCES AND TRANSFERS (CONTINUED)

During the year ended December 31, 2022, the County made the following interfund transfers:

Transfer to	Transfer from	Amount	Purpose
Governmental funds			
Road and bridge – precinct 1	Road and bridge clearing	71,710	Property tax allocation
Road and bridge – precinct 2		71,710	Property tax allocation
Road and bridge – precinct 3		71,710	Property tax allocation
Road and bridge – precinct 4		71,710	Property tax allocation
City streets		100,000	
Road and bridge – precinct 1	Farm/market lateral roads	665,328	Property tax allocation
Road and bridge – precinct 2		665,328	Property tax allocation
Road and bridge – precinct 3		665,328	Property tax allocation
Road and bridge – precinct 4		665,328	Property tax allocation
Yoakum County landfill	General fund	423,124	Subsidize operations
Courthouse Security	General fund	30,000	Subsidize operations
CDA Forfeiture fund	CDA Seizure fund	961	Subsidize operations
Yoakum County Airport	General fund	3,000	Subsidize operations
Nursing Home Debt Service	General fund	140,088	Subsidize operations
General fund	Juvenile Probation State	100	Subsidize operations
Total governmental fund transfers		\$ <u>3,645,425</u>	
Proprietary funds			
Nursing home fund	General fund	\$ 1,216,433	Subsidize operations
Hospital funds		<u>1,105,310</u>	Subsidize operations
Total Proprietary fund transfers		\$ <u>2,321,743</u>	

NOTE 5 - OTHER RECEIVABLES

The Hospital and Community grant credit without collateral to its patients, most of who are local residents, and are insured under third-party payor agreements. They provides allowances for doubtful receivables equal to the estimated collection losses that will be included in collection of all receivables. These estimated losses are based on historical collection experience, coupled with review of the status of the existing receivables. Patient accounts receivables are reported as current assets by the County at December 31, 2022.

The Hospital and Community have agreements with third-party payers that provide for payments at amounts different from its established rates. These payment arrangements include:

Medicare. The Hospital is certified as a Critical Access Hospital (CAH) by Medicare. As a CAH, the Hospital is reimbursed for substantially all inpatient and outpatient services to Medicare beneficiaries based on a reasonable cost methodology. Additionally, as a CAH, the Hospital's licensed beds are limited to 25, and the Hospital's acute average length of stay may not exceed 96 hours. The Hospital is reimbursed for substantially all services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor. The Medicare administrative contractor through December 31, 2022 has audited the Hospital's Medicare cost reports. The Community is also an approved Medicare provider and is paid at contractually established rates.

Medicaid. The state of Texas has converted the Medicaid program to managed care agreements, which are managed by private insurance companies. The Hospital and Community are reimbursed at contractually established rates. A small portion of the Medicaid population is still covered by traditional Medicaid which is cost reimbursed.

NOTE 5 - OTHER RECEIVABLES (CONTINUED)

Approximately 43% of the Hospital and 80% of the Community net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the year ended December 31, 2022. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Hospital and Community have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

	Governmental Activities	Business-type Activities	Total
Fees and refunds receivable	\$ 35,504	35,250	70,754
Patient accounts receivable			
Medicare	-	1,457,505	1,457,505
Medicaid	-	1,022,468	1,022,468
Other third-party payors	-	1,981,193	1,981,193
Self pay	-	2,786,715	2,786,715
Total patient accounts receivable	-	7,072,021	7,072,021
Less allowance for uncollectible	-	(3,330,493)	(3,330,493)
Estimated amounts due from third parties	-	111,765	111,765
	\$ 35,504	4,064,403	4,099,907

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the County for the year ended December 31, 2022 is disclosed below. Governmental activities depreciation of \$3,308,454 is reported as a separate line item on the Statement Activities and is not allocated to the County's governmental functions.

	Adjusted Balance 12/31/21	Additions	Transfers/ Deletions	Ending Balance 12/31/22
Governmental activities:				
Assets not depreciated:				
Land and land improvements	\$ 851,126	-	(29,467)	821,659
Construction in progress	91,318	-	(91,318)	-
Total assets not depreciated	942,444	-	(120,785)	821,659
Depreciable assets:				
Buildings and improvements	19,614,424	426,748	(17,268)	20,023,904
Land improvements	1,599,192	73,350	-	1,672,542
Furniture and equipment	19,919,130	1,287,607	(2,608,385)	18,598,352
Total depreciable assets	41,132,746	1,787,705	(2,625,653)	40,294,798
Less accumulated depreciation	(17,567,123)	(3,308,454)	1,312,074	(19,563,503)
Net depreciable assets	23,565,623	(1,520,749)	(1,313,579)	20,731,295
Net governmental capital assets	\$ 24,508,067	(1,520,749)	(1,434,364)	21,552,954

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	Adjusted Balance 12/31/21	Additions	Transfers/ Deletions	Ending Balance 12/31/22
Business-type activities:				
Assets not depreciated:				
Land	\$ 150,463	-	-	150,463
Construction in progress	531,898	380,847	(692,167)	220,578
Total assets not depreciated	682,361	380,847	(692,167)	371,041
Depreciable assets:				
Buildings and improvements	20,391,574	26,681	(12,063)	20,406,192
Major moveable equipment	13,706,072	1,153,446	(242,772)	14,616,746
Total depreciable assets	34,097,646	1,180,127	(254,835)	35,022,938
Less accumulated depreciation	(22,691,878)	(1,371,684)	99,367	(23,976,257)
Net depreciable assets	11,405,768	(191,557)	(167,531)	11,046,680
Net governmental capital assets	\$ 12,088,129	189,290	(859,698)	11,417,721

Long-Lived Asset Impairment

The County evaluates the recoverability of the carrying value of long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets. No asset impairment was recognized during the year ended December 31, 2022.

NOTE 7 - BONDS AND NOTES PAYABLE**Governmental Activities**

The County has entered into a line of credit with a local financial institution to cover the closure and post closure costs associated with the county landfill. The County did not draw on this line of credit in 2022.

Bond indebtedness of the County is reflected in the Government-Wide Statement of Net Position. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. In 2006 Certificates of Obligation (COO) were issued to finance construction of the jail and in 2012 General Obligation Bonds (GOB) were issued for the construction of a nursing home. Debt service on the bonds consists of semi-annual interest payments and annual principal payments. Interest rates range from 1% to 4% and are secured by the property tax collections of the County. This debt was paid in full as of February 15, 2022.

A summary of activity in general long-term debt for the year ended December 31, 2022 in the governmental funds is as follows:

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Bank of New York - GOB	\$ 570,000	-	570,000	-
	\$ 570,000	-	570,000	-

	Interest Rate	Original Amount	Maturity	Due Within One Year
Bank of New York - GOB	1% to 2%	\$ 5,000,000	February 2022	-
				\$ -

NOTE 8 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its landfill location when it stops accepting waste and to perform certain maintenance and monitoring functions at the location for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as operating expenses and increases the corresponding long term liability in each period based on landfill County used as each balance sheet date.

The \$59,916 included in the landfill closure and post closure care liability at December 31, 2022 represents the cumulative amount expensed by the County to date for its landfill that is registered under Texas Commission on Environmental Quality, less any amounts previously paid. Approximately 10 percent of the estimated capacity has been used, with \$59,916 of the estimated \$599,160 closing costs to be recognized over the remaining closure period. The volume amount of used capacity and estimated remaining life of the landfill is evaluated annually. Post closure care costs are based on prior estimates and have been adjusted for inflation. Actual costs may differ due to inflation, deflation, changes in technology, or other regulatory changes.

The County is required by state and federal laws and regulations to provide assurance that financial resources will be available for landfill closure, post closure care, and remediation or containment of environmental hazards. The County is in compliance with these requirements by securing a designated line of credit with a local financial institution as a mechanism for providing assurance. The County expects to finance costs through normal operations.

		Balance			Balance
		12/31/21	Additions	Reductions	12/31/22
Landfill closure costs	\$	<u>57,501</u>	<u>2,415</u>	<u>-</u>	<u>59,916</u>

NOTE 9 - DEFINED BENEFIT PENSION PLAN

Plan Description

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

a. Yoakum County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.

b. A brief description of benefit terms:

a. 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.

b. The plan provides retirement, disability and survivor benefits.

c. TCERS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCERS 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 150%) and is then converted to an annuity.

d. 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. One is not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the funding valuation. Each year, the County may elect an ad-hoc COLA for its retirees.

e. Benefit terms are established under the TCERS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.

c. Membership information is shown in the chart below.

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Yoakum 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 2021 are shown in the Schedule of Employer Contributions.

e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Employees covered by benefit terms.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Beneficiaries currently receiving benefits	220
Inactive employees entitled to but not yet receiving benefits	321
Active employees	334
	<u>875</u>

The employer has elected the annually determined rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both the employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed the actuarially determined rate of 8.44% for the year ended December 31, 2022. The County has elected to contribute 12%. The contribution rate payable by the employee members 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 option available in the TCDRS Act.

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the County reported an asset of \$13,722,784 for its net pension asset. The net pension asset was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date. The County's net pension asset was based on the County's long-term contributions to the pension plan relative to the projected contributions of all participating entities of the TCDRS, actuarially determined.

For the year ended December 31, 2022, the County recognized pension income of approximately \$1,323,719. At December 31, 2022, the County reported deferred outflows and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between actual and expected experience	\$ 164,920	346,967
Net difference between expected and actual earnings	-	9,923,195
Economic/demographic (gain) or loss	-	-
Change in assumptions	1,983,179	221,468
Contributions made subsequent to measurement date	<u>2,081,637</u>	<u>-</u>
Total	\$ <u>4,229,736</u>	<u>10,491,630</u>

An amount of \$2,081,637 is reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

<u>Year ended December 31:</u>	<u>Amount</u>
2022	\$ (1,355,331)
2023	(2,521,803)
2024	(2,373,078)
2025	(2,093,322)
2026	-
Thereafter	-
	<u>\$ (8,343,533)</u>

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2021</u>
Inflation	2.50%
Salary increases (average)	4.7%
Long-term assumed investment rate of return	7.50%

The annual salary increases rates assumed for individual members vary by length 3.00% and a merit, promotion, and longevity component that on average approximates 1.7% per year for a career employee.

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

The actuarial cost method was Entry Age Normal, as required by GASB 68. Straight-line amortization over Expected Working Life with a 5 year smoothing period, and a non-asymptotic recognition method with no corridor were utilized in the actuarial calculations.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

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 assumption and information shown in the table below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2022 information for a 10 year time horizon. Note that the valuation assumption for long-term expected return is re-assessed at a minimum of ever four years, and is set based on a long time horizon. The most recent analysis was performed in 2021.

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US equities	11.5%	3.80%
Private equity	25.0	6.80
Global equities	2.5	4.10
International equities - developed	5.0	3.80
International equities - emerging	6.0	4.30
Investment – grade bonds	3.0	-0.85
Strategic credit	9.0	1.77
Direct lending	16.0	6.25
Distressed debt	4.0	4.50
REIT equities	2.0	3.10
Master limited partnerships	2.0	3.85
Private real estate partnerships	6.0	5.10
Hedge funds	6.0	1.55
Cash equivalents	2.0	-1.05
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.6% at December 31, 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension 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.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate

The following presents the net pension (asset)/liability of the County, calculated using the discount rate of 8.1 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1 percent) or 1-percentage-point higher (9.1 percent) than the current rate:

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
Net pension liability (asset) \$	(4,061,445)	(13,722,784)	(21,833,207)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**Changes in the Net Pension (Asset) Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/20	\$ 72,028,579	73,200,237	(1,171,658)
Changes of the year:			
Service cost	2,034,904	-	2,034,904
Interest	5,483,052	-	5,483,052
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	(520,451)	-	(520,451)
Changes of assumptions	(332,202)	-	(332,202)
Benefit payments, including refunds of member contributions	(3,907,683)	(3,907,683)	-
Contributions - employer	-	2,058,093	(2,058,093)
Contributions - employee	-	1,200,554	(1,200,554)
Net investment income	-	16,003,895	(16,003,895)
Administrative expense	-	(47,884)	47,884
Other	-	1771	(1771)
Net changes	2,757,620	15,308,746	(12,551,126)
Balances at 12/31/21	\$ 74,786,199	88,508,983	(13,722,784)

NOTE 10 - EMPLOYEE HEALTH CARE COVERAGE

The County has a self-funded plan for benefits of comprehensive major medical, dental, and vision care. The Texas Association of Counties Pool (Blue Cross Blue Shield of Texas) serves as the third party insurance carrier and administrator. The fund services all claims for risk of loss of group health to which the County is exposed. All departments, with the exception of the Adult Probation department, which is required to use the State's health insurance plan, participate in the fund. The fund allocates the cost of providing claims servicing, claims payments, and reinsurance costs by charging a premium to each department based on number and level of employees participating in the program. The County contributes a set amount per pay period per employee as agreed upon by the County Commissioners. This charge considers recent trends in actual claims experience of the County and makes provisions for catastrophic losses. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The fund's liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

The contract between Yoakum County and the third party administrator is renewable annually and terms of coverage and contribution costs are included in the contractual provisions.

In accordance with state statute, Yoakum County was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Blue Cross/Blue Shield of Texas, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$40,000. Other counties and/or their employees contributed to the self-insurance pool which was operated under contractual provisions of Article 4413(32c), Interlocal Cooperation Act.

NOTE 11 – OTHER POST RETIREMENT BENEFITS**Plan Participants**

Full-time employees of the County who meet the County's requirements eligible to participate in the retiree health care plan.

NOTE 11 – OTHER POST RETIREMENT BENEFITS (CONTINUED)

Normal Retirement Benefits

Employees of Yoakum County that are hired, elected, or appointed prior to January 1, 2003 will retain health insurance benefits upon retirement (pursuant to pension service requirements for retirement) for both employee or official and his/her spouse with the premiums being paid by Yoakum County.

An employee or official hired, elected, or appointed after December 31, 2002 who chooses to retire before the age of 60 must elect to retain and pay for his/her and the spouse's health insurance premiums until the retiree reaches the age of 60; the County will pay the premiums after the age of 60 for both the retiree and spouse if the insurance is retained upon retirement. An employee retiring with dependent children will have the option to pay at their own expense, the difference in premium for family health coverage versus employee/spouse coverage. When the employee turns 65, the dependent health coverage ceases.

Vested Termination Benefit

Members terminating before normal retirement conditions are not eligible for retiree health care.

Death-in-Service Retirement Benefits

The County does not provide death-in-service benefits to a surviving spouse of a TCDRS Employee.

Dental Coverage

The County does not provide dental coverage to retirees.

Life Insurance Coverage

The County provides a \$5,000 life insurance policy to all county retirees.

Benefits for Spouses of Retired Employees

The spouse of a retiree hired prior to January 1, 2003 will be provided health insurance at a cost of \$50 per month. The spouse of a retiree hired after December 31, 2002 will be provided health insurance at a cost of \$50 per month if the retiree is over the age of 60, or if the health insurance was retained by the employee and his/her spouse until the retiree reached the age of 60.

The following table provides a summary of the number of County participants in the plan as of December 31, 2021:

Inactive plan members or beneficiaries currently receiving benefits	142
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	277
	<u>419</u>

The County is not required to make contributions to the plan on behalf for retirees and funds the plan on a projected pay-as-you-go financing method.

Total OPEB Liability

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

Actuarial assumptions

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

Actuarial Cost Method	Individual Entry-Age
Inflation	2.5% per year
Healthcare cost trend rate	Pre-65: Initial rate of 7.0% declining to an ultimate rate of 4.15% after 13 years; Post-65: Initial rate of 5.30% to an ultimate rate of 4.15% after 12 years.
Discount rate	1.84% as of December 31, 2021
Salary increases	0.40% to 5.25%, not including wage inflation of 3.00%

NOTE 11 – OTHER POST RETIREMENT BENEFITS (CONTINUED)

The gender-distinct Pub-2010 Healthy Retiree Tables are used with rates for males multiplied by 135% and rates for females multiplied by 120%. For healthy retirees, the valuation employs fully generational mortality projections based on 100% of the ultimate rates of Scale MP-2021.

The rates of post retirement mortality for disabled retirees:

The gender-distinct Pub-2010 Healthy Retiree Tables are used with rates for males multiplied by 160% and rates for females multiplied by 125%. For disabled retirees, the valuation employs fully generational mortality projections based on 100% of the ultimate rates of Scale MP-2021.

The rates of mortality for active members:

The gender-distinct Pub-2010 Healthy Retiree Tables are used with rates for males multiplied by 135% and rates for females multiplied by 120%. For active members, the valuation employs fully generational mortality projections based on 100% of the ultimate rates of Scale MP-2021.

Discount rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For purposes of the most recent OPEB valuation, the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 2.00% as of the prior measurement date.

		Total OPEB Liability
Changes in the OPEB liability		
Balance at December 31, 2021	\$	70,341,453
Changes for the year		
Service cost		4,006,421
Interest		1,432,863
Difference between expected and actual experience		(9,196,628)
Changes of assumptions		(4,685,562)
Benefit payments		(1,402,978)
Net changes		(9,845,884)
Balance at December 31, 2022	\$	60,495,569

The following represents the total OPEB liability of the County, calculated using the discount rate of 1.84%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

	1% Decrease in Discount Rate (0.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
County's Total OPEB Liability	\$ 71,757,398	60,495,569	51,608,919

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rate

The following represents the total OPEB liability of the County, calculated using the assumed healthcare cost trend rate, as well as what the County's total OPEB liability would be if it were using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
County's Total OPEB Liability	\$ 50,556,576	60,495,569	73,467,967

NOTE 11 – OTHER POST RETIREMENT BENEFITS (CONTINUED)

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

For the year ended December 31, 2022 the County recognized total OPEB expense of \$3,557,112.

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows	Deferred Inflows
Differences between actual and expected experience	\$	-	13,122,039
Change in assumptions		8,552,703	5,358,780
Contributions made subsequent to measurement date		1,456,685	
Total	\$	<u>10,009,388</u>	<u>18,480,819</u>

\$1,456,685 reported as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability as of December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:		Amount
2023	\$	(1,966,810)
2024		(2,444,726)
2025		(2,280,160)
2026		(1,093,996)
2027		(2,142,424)
Thereafter		-
	\$	<u>(9,928,116)</u>

NOTE 12 – MEDICAL MALPRACTICE CLAIMS

The Hospital and the Community are units of government covered by the Texas Tort Claims Act which, by statute, limits its liability to \$100,000 per individual and \$300,000 aggregate per claim. The Hospital is self-insured for amounts not covered under statute. Losses from asserted and unasserted claims incorporate the Hospital's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. It is reasonably possible that the Hospital's estimate of losses will change by a material amount in the near term.

Activity in the Hospital's accrued medical malpractice claims liability during 2022 is summarized as follows:

Balance at beginning of the year	\$	120,000
Current year change in estimates		
for claims incurred in prior years		-
Balance at end of year	\$	<u>120,000</u>

NOTE 13 - AGREEMENTS FOR MANAGEMENT SERVICES

In September 2018, the County entered into a contract with 24 Karat Ventures, LLC to manage the operation of the Community. The contract effective November 1, 2018 is for 3 years and 24 Karat Ventures receives a management fee of 5% of resident collections, with a minimum monthly management fee of \$13,000. Total management fees expense recorded as of December 31, 2022 is \$200,000

NOTE 14 - MEDICAID SUPPLEMENTAL PAYMENT PROGRAMS

During fiscal year 2010, the Hospital entered into an affiliation agreement with the Service Organization of West Texas (SOWT), a group established to improve the level of health care provided to the indigent population of the Hospital by strategically allocating the available community health care resources and the burden of providing services. This agreement is intended to increase funding for the Medicaid population and to access federal funding for the indigent population through the Texas Medicaid supplemental payment programs. Under these programs, the Hospital contributes certain government funds to the state of Texas. SOWT funds certain costs of care to the Medicaid and Non-Medicaid indigent in the County and surrounding areas. These services were valued at approximately \$906,074 for the year ended December 31, 2022.

On December 12, 2011, the United States Department of Health and Human Services approved a Medicaid Section 1115(a) demonstration project entitled "Texas Health Transformation Quality Improvement Program" (the Waiver). The Waiver expanded existing Medicaid managed care programs and established two funding pools that assist providers with uncompensated care costs (UC Pool) and promote health system transformation (DSRIP Pool). The revenue from the two funding pools is recognized as earned throughout the related demonstration year. Total revenue recognized from these programs was approximately \$1,632,665 for the year ended December 31, 2022 and is included as supplemental Medicaid funding in the accompanying statements of revenues, expenses and changes in net position.

The Waiver is effective from December 12, 2011 to December 31, 2017. On December 31, 2017, the Texas Health and Human Services Commission (HHSC) announced CMS has agreed to extend the Waiver through September 30, 2022.

The programs described above are subject to review and scrutiny by both the Texas Legislature and the CMS and the programs could be modified or terminated based on new legislation or regulation in future periods.

NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at December 31, 2022.

GASB Statement No. 94, Public- Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for reporting periods beginning after June 15, 2022

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Effective for reporting periods beginning after June 15, 2022

GASB Statement No. 99, Omnibus 2022. Requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34 and terminology updates related to GASB 53 and 63 are effective upon issuance, April 2022. The requirements related to leases, PPPs, and SBITAs, are effective for reporting periods beginning after June 15, 2022. Requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 100, Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62. Effective for reporting periods beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, Compensated Absences. Effective for reporting periods beginning after December 15, 2023, and all reporting periods thereafter.

The County will implement the new GASB pronouncements in the fiscal year no later than the required effective date.

NOTE 16 – COVID-19

The COVID-19 pandemic developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have had an adverse affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our staff and County residents (including social distancing and working from home).

NOTE 16 – COVID-19 (CONTINUED)

The County has received financial assistance from both the State of Texas and the Federal government through various grant programs designed to limit the spread of the virus and to provide vaccines for county residents.

The County's evaluation of the effects of these events is ongoing as of the date the accompanying financial statements were issued. The extent of the impact will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

NOTE 17 –RESTATEMENT TO PRIOR PERIOD

The objective of a net position restatement is to accurately reflect prior period’s net position and improve relevancy , usefulness, and transparency of the financial information Due to an erroneous entry related to GASB 33 and classification of ARPA funding received by the County but not eligible for recognition.

The effect of the restatement is as follows:

Fund 385 American Rescue Plan Fund	
Unreserved Fund Balance (Unadjusted)	(848,089)
Restatement	<u>846,199</u>
Unreserved Fund Balance (Adjusted)	<u>(1,890)</u>

REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
YOAKUM COUNTY**

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 12,700,023	12,700,023	15,948,328	3,248,305
Intergovernmental:	221,534	221,534	199,738	(21,796)
Charges for services	572,620	572,620	566,673	(5,947)
Licenses, fees and permits	16,700	16,700	16,603	(97)
Fines and forfeitures	151,650	151,650	136,949	(14,701)
Interest	250,000	250,000	645,727	395,727
Other	96,000	127,165	1,312,522	1,185,357
<i>Total revenues</i>	<u>14,008,527</u>	<u>14,039,692</u>	<u>18,826,540</u>	<u>4,786,848</u>
Expenditures				
Current				
County judge	254,926	258,035	127,320	130,715
Commissioners' court	35,260	35,260	20,627	14,633
County clerk	397,230	404,961	399,335	5,626
Human resources	91,474	96,008	87,767	8,241
Veteran services	12,858	12,858	-	12,858
Administrative and general	1,608,041	1,604,522	1,475,483	129,039
Judicial	142,707	142,707	47,297	95,410
District judge	105,353	105,353	92,613	12,740
District clerk	302,950	307,065	294,248	12,817
Justice of the peace #1	214,927	215,130	199,496	15,634
Justice of the peace #2	296,527	311,527	295,976	15,551
Criminal district attorney	427,052	431,767	376,880	54,887
County auditor	387,255	394,078	378,228	15,850
County treasurer	239,331	242,531	233,695	8,836
Tax assessor/collector	487,155	495,046	482,225	12,821
Maintenance	891,221	974,353	836,690	137,663
County sheriff	2,286,547	2,441,251	2,344,071	97,180
Juvenile probation	202,404	197,955	140,298	57,657
Health and sanitation	308,805	308,805	267,595	41,210
Welfare	15,000	15,000	-	15,000
Plains library	200,775	206,153	200,602	5,551
Denver city library	290,713	296,388	268,984	27,404
Parks and recreation	1,361,521	1,389,028	1,186,945	202,083
County agricultural agent	119,610	119,610	89,696	29,914
Elections	48,945	48,945	46,561	2,384
Non departmental	3,324,198	3,052,190	711,740	2,340,450
Capital outlay	835,250	812,674	354,924	457,750
<i>Total expenditures</i>	<u>14,888,035</u>	<u>14,919,200</u>	<u>10,958,862</u>	<u>3,960,338</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(879,508)</u>	<u>(879,508)</u>	<u>7,867,678</u>	<u>8,747,186</u>
Other financing sources (uses):				
Transfers	(1,742,442)	(1,742,442)	(2,917,955)	(1,175,513)
<i>Total other financing sources (uses)</i>	<u>(1,742,442)</u>	<u>(1,742,442)</u>	<u>(2,917,955)</u>	<u>(1,175,513)</u>
Net changes in fund balances	<u>(2,621,950)</u>	<u>(2,621,950)</u>	<u>4,949,723</u>	<u>7,571,673</u>
Fund balance - beginning of year	<u>26,406,780</u>	<u>26,406,780</u>	<u>26,406,780</u>	
Fund balance, end of year	<u>\$ 23,784,830</u>	<u>23,784,830</u>	<u>31,356,503</u>	

**STATE OF NEW MEXICO
YOAKUM COUNTY**

FARM/MARKET LATERAL ROADS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,910,548	2,910,548	3,648,553	738,005
Interest and other	<u>14,996</u>	<u>14,996</u>	<u>4,867</u>	<u>(10,129)</u>
<i>Total revenues</i>	<u>2,925,544</u>	<u>2,925,544</u>	<u>3,653,420</u>	<u>(10,129)</u>
Expenditures				
Current				
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,925,544</u>	<u>2,925,544</u>	<u>3,653,420</u>	<u>727,876</u>
Other financing sources (uses):				
Transfers	<u>(2,925,544)</u>	<u>(2,925,544)</u>	<u>(2,661,312)</u>	<u>264,232</u>
<i>Total other financing sources (uses)</i>	<u>(2,925,544)</u>	<u>(2,925,544)</u>	<u>(2,661,312)</u>	<u>264,232</u>
Net changes in fund balances	-	-	992,108	<u>992,108</u>
Fund balance - beginning of year	<u>(907,950)</u>	<u>(907,950)</u>	<u>(907,950)</u>	
Fund balance, end of year	<u>\$ (907,950)</u>	<u>(907,950)</u>	<u>84,158</u>	

**STATE OF TEXAS
YOAKUM COUNTY**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

YEAR ENDED DECEMBER 31, 2022

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 2,034,904	1,709,751	1,647,444	1,666,019	1,664,232	1,794,323	1,651,217	1,625,361
Interest (on total pension liability)	5,483,052	5,222,024	4,974,727	4,787,726	4,510,469	4,262,067	4,034,107	3,781,757
Effects of plan change	(520,451)	283,069	93,537	-	-	-	(313,979)	-
Difference between expected and actual experience	-	-	-	(533,111)	166,903	(573,007)	(151,993)	169,636
Change in assumptions	(332,202)	3,966,357	-	-	424,799	-	710,538	-
Benefit payments, including refunds of employee contributions	<u>(3,907,683)</u>	<u>(3,751,576)</u>	<u>(3,699,350)</u>	<u>(3,491,515)</u>	<u>(3,204,611)</u>	<u>(3,197,976)</u>	<u>(2,792,530)</u>	<u>(2,549,057)</u>
Net change in total pension liability	2,757,620	7,429,625	3,016,358	2,429,119	3,561,792	2,285,407	3,137,360	3,027,697
Total pension liability - beginning	<u>72,028,579</u>	<u>64,598,954</u>	<u>61,582,596</u>	<u>59,153,477</u>	<u>55,591,685</u>	<u>53,306,278</u>	<u>50,168,918</u>	<u>47,141,221</u>
Total pension liability - ending (a)	<u>\$ 74,786,199</u>	<u>72,028,579</u>	<u>64,598,954</u>	<u>61,582,596</u>	<u>59,153,477</u>	<u>55,591,685</u>	<u>53,306,278</u>	<u>50,168,918</u>
Plan fiduciary net position								
Contributions - employer	\$ 2,058,093	3,994,980	2,823,096	1,773,491	1,730,230	1,766,707	1,619,006	1,652,615
Contributions - employee	1,200,554	1,163,738	1,063,473	1,034,539	1,009,304	997,056	977,555	983,241
Net investment income	16,003,895	6,725,370	9,157,194	(1,080,454)	7,393,364	3,523,998	170,612	3,050,643
Benefit payments, including refunds of employee contributions	(3,907,683)	(3,751,576)	(3,699,350)	(3,491,515)	(3,204,611)	(3,197,976)	(2,792,530)	(2,549,057)
Administrative expense	(47,884)	(53,562)	(49,588)	(44,789)	(38,297)	(38,410)	(34,320)	(35,472)
Other	<u>1,771</u>	<u>48,118</u>	<u>15,417</u>	<u>(14,577)</u>	<u>(6,594)</u>	<u>(78,548)</u>	<u>148,913</u>	<u>55,837</u>
Net change in plan fiduciary net position	15,308,746	8,127,068	9,310,242	(1,823,305)	6,883,396	2,972,827	89,236	3,157,807
Plan fiduciary net position - beginning	<u>73,200,237</u>	<u>65,073,169</u>	<u>55,762,927</u>	<u>57,586,232</u>	<u>50,702,836</u>	<u>47,730,009</u>	<u>47,640,773</u>	<u>44,482,960</u>
Plan fiduciary net positions - ending (b)	<u>\$ 88,508,983</u>	<u>73,200,237</u>	<u>65,073,169</u>	<u>55,762,927</u>	<u>57,586,232</u>	<u>50,702,836</u>	<u>47,730,009</u>	<u>47,640,767</u>
Net pension liability/(asset), ending (a)-(b)	(13,722,784)	(1,171,658)	(474,215)	5,819,669	1,567,245	4,888,849	5,576,269	2,528,151
Plan fiduciary net position as a percentage of total pension liability	118.35%	101.63%	90.55%	90.55%	97.35%	91.21%	89.54%	94.96%
Covered employee payroll	\$ 17,150,777	16,624,830	15,192,471	14,779,131	14,418,630	14,243,659	13,965,075	13,471,245
County's net pension liability as a percentage of covered employee payroll	-80.01%	-7.05%	-3.12%	39.38%	10.87%	34.32%	39.93%	18.77%

NOTE: The County implemented GASB Statement No. 68 in fiscal year 2015. Information in this table has been determined as of the measurement date (December 31, 2017) of the net pension liability and will ultimately contain information for ten years. However, until a full ten-year trend is available, only the years available will be included.

**STATE OF TEXAS
YOAKUM COUNTY**

SCHEDULE OF CONTRIBUTIONS

YEAR ENDED DECEMBER 31, 2022

	Actuarially Determined Contribution	Employer Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
12/31/2021	\$ 812,947	2,058,093	(1,245,146)	17,150,777	12.0%
12/31/2020	1,152,101	3,994,980	(2,842,879)	16,624,830	24.0%
12/31/2019	1,212,359	2,823,096	(1,610,737)	15,192,471	18.6%
12/31/2018	1,228,146	1,773,491	(545,345)	14,779,131	12.0%
12/31/2017	1,216,932	1,730,230	(513,298)	14,418,630	12.0%
12/31/2016	1,297,597	1,766,707	(469,110)	14,243,659	12.4%
12/31/2015	1,294,562	1,619,006	(324,444)	13,965,075	11.6%
12/31/2014	1,289,198	1,652,615	(363,417)	13,471,245	12.3%
12/31/2013	1,238,519	1,561,177	(322,658)	12,996,006	12.0%
12/31/2012	1,160,243	1,492,272	(332,030)	12,435,612	12.0%
12/31/2011	1,115,819	1,455,415	(339,596)	12,128,470	12.0%

Notes to Schedule of Contributions

Valuation date: actuarially determined contribution rates are calculated as of 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 normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation
Investment Rate of Return	7.50%, net of 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	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: new inflation, mortality and other assumptions were reflected. 2017: new mortality assumptions were reflected. 2019: new inflation, mortality and other assumptions were reflected.
	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
Changes in Plan Provisions Reflected in the Schedule*	2020: no changes in plan provisions were reflected in the schedule
	2021: no changes in plan provisions were reflected in the schedule

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

**STATE OF TEXAS
YOAKUM COUNTY**

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATINGS

YEAR ENDED DECEMBER 31, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 4,006,421	3,404,885	3,283,398	3,562,556	3,079,139
Interest (on the total OPEB liability)	1,432,863	1,644,625	2,299,848	2,053,331	2,038,550
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(9,196,628)	(128,504)	(10,600,023)	(57,472)	-
Change of assumptions	(4,685,562)	8,072,880	4,273,409	(3,950,557)	4,618,658
Benefit payments	(1,402,978)	(1,509,096)	(1,497,555)	(1,526,334)	(1,371,926)
Net change in total OPEB liability	(9,845,884)	11,484,790	(2,240,923)	81,524	8,364,421
Total OPEB liability - beginning	70,341,453	58,856,663	61,097,586	61,016,062	52,651,641
Total OPEB liability - ending (a)	\$ 60,495,569	70,341,453	58,856,663	61,097,586	61,016,062
Covered payroll	16,222,507	10,912,744	14,206,155	12,149,445	13,052,157
County's total OPEB liability as a percentage	372.91%	644.58%	414.30%	502.88%	467.48%

Note: The County implemented GASB Statement No. 75 in FY 2018. Information in this table has been determined as of the measurement date (December 31) of the total OPEB liability and will ultimately contain information for ten years.

FYE20 - the health care trend rates were updated to reflect the repeal of the excise tax on high-cost employer health plans and to better reflect the plan's anticipated experience.

Changes of assumptions reflect the effect of changes in the discount rate each period.
The following are the discount rates used in each period:

FYE	Discount Rate
2022	1.84%
2021	2.00%
2020	2.75%
2019	3.71%
2018	3.31%
2017	3.81%

OTHER SUPPLEMENTARY INFORMATION

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	Road and Bridge Precinct 1 <u>151</u>	Road and Bridge Precinct 2 <u>152</u>	Road and Bridge Precinct 3 <u>153</u>	Road and Bridge Precinct 4 <u>154</u>
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 2,477,016	2,929,154	1,841,410	1,993,050
Investments	489,205	495,637	141,943	261,058
Taxes receivable, net	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	254	-
Due from agency and other funds	132,850	132,850	132,850	132,850
Prepaid expenses	<u>6,025</u>	<u>5,897</u>	<u>4,934</u>	<u>4,912</u>
<i>Total current assets</i>	<u>\$ 3,105,096</u>	<u>3,563,538</u>	<u>2,121,391</u>	<u>2,391,870</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
<i>Current liabilities:</i>				
Accrued payroll liabilities	\$ 16,965	19,376	13,506	16,459
Other payable	-	-	-	-
Due to other funds	<u>12,105</u>	<u>11,008</u>	<u>21,792</u>	<u>7,501</u>
<i>Total current liabilities</i>	<u>29,070</u>	<u>30,384</u>	<u>35,298</u>	<u>23,960</u>
<i>Deferred inflows:</i>				
Unavailable revenue - ARPA	-	-	-	-
Unavailable revenue - tax revenue	-	-	-	-
Unavailable revenue - advance tax collections	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances (deficit)</i>				
Restricted	3,076,026	3,533,154	2,086,093	2,367,910
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balance (deficit)</i>	<u>3,076,026</u>	<u>3,533,154</u>	<u>2,086,093</u>	<u>2,367,910</u>
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	<u>\$ 3,105,096</u>	<u>3,563,538</u>	<u>2,121,391</u>	<u>2,391,870</u>

City Streets 155	Road and Bridge 160	Lateral Road 180	Jury 200	County Clerk Records Management 210	County Clerk Records Archives 211
273,131	1	1	1,071,805	156,313	187,666
-	-	-	37,436	-	-
-	444,106	-	44,466	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	66,935	-	6,744	3,005	2,984
-	-	-	-	-	-
<u>273,131</u>	<u>511,042</u>	<u>1</u>	<u>1,160,451</u>	<u>159,318</u>	<u>190,650</u>
-	-	-	4,488	-	-
-	-	-	-	-	-
-	66,937	-	-	10	10
-	66,937	-	4,488	10	10
-	-	-	-	-	-
-	431,994	-	43,253	-	-
-	-	-	-	-	-
-	431,994	-	43,253	-	-
273,131	-	1	1,112,710	159,308	190,640
-	12,111	-	-	-	-
<u>273,131</u>	<u>12,111</u>	<u>1</u>	<u>1,112,710</u>	<u>159,308</u>	<u>190,640</u>
<u>273,131</u>	<u>511,042</u>	<u>1</u>	<u>1,160,451</u>	<u>159,318</u>	<u>190,650</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	District Clerk Records Management 212	Family Protection 213	Child Abuse Prevention 214	District Clerk Records Archives 215
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 7,151	2,489	357	6,651
Investments	-	-	-	-
Taxes receivable, net	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	-	-
Due from agency and other funds	3	30	-	-
Prepaid expenses	-	-	-	-
<i>Total current assets</i>	<u>\$ 7,154</u>	<u>2,519</u>	<u>357</u>	<u>6,651</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
<i>Current liabilities:</i>				
Accrued payroll liabilities	\$ -	-	-	-
Other payable	-	-	-	-
Due to other funds	-	-	-	-
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows:</i>				
Unavailable revenue - ARPA	-	-	-	-
Unavailable revenue - tax revenue	-	-	-	-
Unavailable revenue - advance tax collections	-	-	-	-
<i>Total deferred inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances (deficit)</i>				
Restricted	7,154	2,519	357	6,651
Unassigned	-	-	-	-
<i>Total fund balance (deficit)</i>	<u>7,154</u>	<u>2,519</u>	<u>357</u>	<u>6,651</u>
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	<u>\$ 7,154</u>	<u>2,519</u>	<u>357</u>	<u>6,651</u>

County and District Court Technology 216	Justice Court Technology JP1 217	Justice Court Technology JP2 218	Special Funds Pooled Cash 219	Courthouse Security 220	Justice Court Building Security 221
3,401	32,490	7,904	292,192	81,866	705
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4	154	74	-	333	69
-	-	-	-	-	-
<u>3,405</u>	<u>32,644</u>	<u>7,978</u>	<u>292,192</u>	<u>82,199</u>	<u>774</u>
-	-	-	-	-	-
-	-	-	292,192	-	-
-	-	-	-	1,415	-
-	-	-	292,192	1,415	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,405	32,644	7,978	-	80,784	774
-	-	-	-	-	-
<u>3,405</u>	<u>32,644</u>	<u>7,978</u>	<u>-</u>	<u>80,784</u>	<u>774</u>
<u>3,405</u>	<u>32,644</u>	<u>7,978</u>	<u>292,192</u>	<u>82,199</u>	<u>774</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	Justice Court Support <u>222</u>	Specialty Court Fund <u>225</u>	Court Facility Fee <u>227</u>	Language Access <u>228</u>
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 2,101	\$ 1,321	1,173	662
Investments	-	-	-	-
Taxes receivable, net	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	-	-
Due from agency and other funds	225	22	106	43
Prepaid expenses	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total current assets</i>	\$ <u>2,326</u>	\$ <u>1,343</u>	<u>1,279</u>	<u>705</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
<i>Current liabilities:</i>				
Accrued payroll liabilities	\$ -	-	-	-
Other payable	-	-	-	-
Due to other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows:</i>				
Unavailable revenue - ARPA	-	-	-	-
Unavailable revenue - tax revenue	-	-	-	-
Unavailable revenue - advance tax collections	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total deferred inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances (deficit)</i>				
Restricted	2,326	1,343	1,279	705
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total fund balance (deficit)</i>	<u>2,326</u>	<u>1,343</u>	<u>1,279</u>	<u>705</u>
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	\$ <u>2,326</u>	\$ <u>1,343</u>	<u>1,279</u>	<u>705</u>

Criminal District Attorney	Pretrial Diversion	Truancy Prevention and Diversion	Jail Commissary	Law Library	Probate Education
230	232	233	235	260	270
7,503	18,023	11,062	45,251	573	1,271
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	266	2,020	186	-
-	-	-	-	-	-
<u>7,503</u>	<u>18,023</u>	<u>11,328</u>	<u>47,271</u>	<u>759</u>	<u>1,271</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	830	-	-
-	-	-	830	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,503	18,023	11,328	46,441	759	1,271
-	-	-	-	-	-
<u>7,503</u>	<u>18,023</u>	<u>11,328</u>	<u>46,441</u>	<u>759</u>	<u>1,271</u>
<u>7,503</u>	<u>18,023</u>	<u>11,328</u>	<u>47,271</u>	<u>759</u>	<u>1,271</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	Abandoned Vehicles <u>277</u>	Special Video <u>280</u>	TAC Special Inventory <u>295</u>	Yoakum County Forfeiture <u>300</u>
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 341	6,642	1,553	8
Investments	-	-	-	-
Taxes receivable, net	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	-	-
Due from agency and other funds	-	-	226	-
Prepaid expenses	-	-	-	-
	<u>341</u>	<u>6,642</u>	<u>1,779</u>	<u>8</u>
<i>Total current assets</i>	<u>\$ 341</u>	<u>6,642</u>	<u>1,779</u>	<u>8</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
<i>Current liabilities:</i>				
Accrued payroll liabilities	\$ -	-	-	-
Other payable	-	-	-	-
Due to other funds	-	-	200	-
	<u>-</u>	<u>-</u>	<u>200</u>	<u>-</u>
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>200</u>	<u>-</u>
<i>Deferred inflows:</i>				
Unavailable revenue - ARPA	-	-	-	-
Unavailable revenue - tax revenue	-	-	-	-
Unavailable revenue - advance tax collections	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances (deficit)</i>				
Restricted	341	6,642	1,579	8
Unassigned	-	-	-	-
	<u>341</u>	<u>6,642</u>	<u>1,579</u>	<u>8</u>
<i>Total fund balance (deficit)</i>	<u>341</u>	<u>6,642</u>	<u>1,579</u>	<u>8</u>
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	<u>\$ 341</u>	<u>6,642</u>	<u>1,779</u>	<u>8</u>

Sheriff's Office Seizure Fund	Sheriff's Office Forfeiture Fund	CDA Forfeiture Fund	CDA Seizure Fund	YC Records Management	Court Records Preservation
304	305	306	307	320	321
7,197	4,723	5,243	346	17,366	5,841
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	166	-
-	-	-	-	-	-
<u>7,197</u>	<u>4,723</u>	<u>5,243</u>	<u>346</u>	<u>17,532</u>	<u>5,841</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,197	4,723	5,243	346	17,532	5,841
-	-	-	-	-	-
<u>7,197</u>	<u>4,723</u>	<u>5,243</u>	<u>346</u>	<u>17,532</u>	<u>5,841</u>
<u>7,197</u>	<u>4,723</u>	<u>5,243</u>	<u>346</u>	<u>17,532</u>	<u>5,841</u>

STATE OF TEXAS

YOAKUM COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	Yoakum County Airport	Yoakum County Landfill	HAVA Grant Fund	American Rescue Plan
	<u>340</u>	<u>360</u>	<u>380</u>	<u>385</u>
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 537	788,589	30,024	1,724,905
Investments	-	-	-	-
Taxes receivable, net	-	-	-	-
Intergovernmental receivables	1,492	-	-	-
Other receivables	-	-	-	-
Due from agency and other funds	-	-	-	-
Prepaid expenses	-	2,333	-	-
	<u>-</u>	<u>2,333</u>	<u>-</u>	<u>-</u>
<i>Total current assets</i>	\$ <u>2,029</u>	<u>790,922</u>	<u>30,024</u>	<u>1,724,905</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
<i>Current liabilities:</i>				
Accrued payroll liabilities	\$ -	9,518	-	-
Other payable	-	-	-	-
Due to other funds	270	3,234	-	-
	<u>270</u>	<u>3,234</u>	<u>-</u>	<u>-</u>
<i>Total current liabilities</i>	<u>270</u>	<u>12,752</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows:</i>				
Unavailable revenue - ARPA	-	-	-	1,692,398
Unavailable revenue - tax revenue	-	-	-	-
Unavailable revenue - advance tax collections	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,692,398</u>
<i>Fund balances (deficit)</i>				
Restricted	1,759	778,170	30,024	32,507
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balance (deficit)</i>	<u>1,759</u>	<u>778,170</u>	<u>30,024</u>	<u>32,507</u>
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	\$ <u>2,029</u>	<u>790,922</u>	<u>30,024</u>	<u>1,724,905</u>

Library Grants	Nursing Home Debt	Permanent Improvement	Total Non-Major
390	620	700	Funds
76	3,243	1,723,559	15,773,886
-	-	1,073	1,426,352
-	-	851,819	1,340,391
-	-	-	1,492
-	-	-	254
-	161	128,383	743,539
-	-	-	24,101
<u>76</u>	<u>3,404</u>	<u>2,704,834</u>	<u>19,310,015</u>
-	-	-	80,312
-	-	-	292,192
-	161	38,600	164,073
-	161	38,600	536,577
-	-	-	1,692,398
-	-	828,588	1,303,835
-	-	-	-
-	-	828,588	2,996,233
76	-	1,837,646	15,761,851
-	3,243	-	15,354
<u>76</u>	<u>3,243</u>	<u>1,837,646</u>	<u>15,777,205</u>
<u>76</u>	<u>3,404</u>	<u>2,704,834</u>	<u>19,310,015</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Road and Bridge Precinct 1	Road and Bridge Precinct 2	Road and Bridge Precinct 3	Road and Bridge Precinct 4
	151	152	153	154
Revenues				
Taxes	\$ 110,863	110,863	110,863	110,863
Intergovernmental	273,387	446,831	338,380	364,360
Permits and charges for service	11,913	15,521	17,305	10,913
Interest and other	<u>78,059</u>	<u>114,253</u>	<u>152,941</u>	<u>110,087</u>
<i>Total revenues</i>	<u>474,222</u>	<u>687,468</u>	<u>619,489</u>	<u>596,223</u>
Expenditures				
Current				
Public safety	-	-	-	-
Public works	919,514	828,113	904,963	971,537
Culture and recreation	-	-	-	-
Capital outlay	-	156,324	30,314	-
Debt service				
Principal	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>919,514</u>	<u>984,437</u>	<u>935,277</u>	<u>971,537</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(445,292)</u>	<u>(296,969)</u>	<u>(315,788)</u>	<u>(375,314)</u>
Other financing sources (uses):				
Transfers in	737,038	737,038	737,038	737,038
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>737,038</u>	<u>737,038</u>	<u>737,038</u>	<u>737,038</u>
Net changes in fund balances	291,746	440,069	421,250	361,724
Fund balances (deficit) - beginning of year	<u>2,784,280</u>	<u>3,093,085</u>	<u>1,664,843</u>	<u>2,006,186</u>
Restatement (Note 17)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - beginning of year as restated	<u>2,784,280</u>	<u>3,093,085</u>	<u>1,664,843</u>	<u>2,006,186</u>
Fund balances (deficit) - end of year	<u>\$ 3,076,026</u>	<u>3,533,154</u>	<u>2,086,093</u>	<u>2,367,910</u>

City Streets	Road and Bridge	Lateral Road	Jury	County Clerk Records Management	County Clerk Records Archives
155	160	180	200	210	211
-	530,036	-	47,870	-	-
-	-	16,151	69,912	-	-
-	-	-	532	30,760	30,433
<u>5,041</u>	<u>810</u>	<u>34</u>	<u>20,078</u>	<u>2,753</u>	<u>3,480</u>
<u>5,041</u>	<u>530,846</u>	<u>16,185</u>	<u>138,392</u>	<u>33,513</u>	<u>33,913</u>
-	-	-	118,357	24,608	-
-	-	16,185	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>16,185</u>	<u>118,357</u>	<u>24,608</u>	<u>-</u>
<u>5,041</u>	<u>530,846</u>	<u>-</u>	<u>20,035</u>	<u>8,905</u>	<u>33,913</u>
100,000	-	-	-	-	-
<u>-</u>	<u>(386,840)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>100,000</u>	<u>(386,840)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
105,041	144,006	-	20,035	8,905	33,913
<u>168,090</u>	<u>(131,895)</u>	<u>1</u>	<u>1,092,675</u>	<u>150,403</u>	<u>156,727</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>168,090</u>	<u>(131,895)</u>	<u>1</u>	<u>1,092,675</u>	<u>150,403</u>	<u>156,727</u>
<u>273,131</u>	<u>12,111</u>	<u>1</u>	<u>1,112,710</u>	<u>159,308</u>	<u>190,640</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	District Clerk Records Management 212	Family Protection 213	Child Abuse Prevention 214	District Clerk Records Archives 215
Revenues				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Permits and charges for service	105	375	-	34
Interest and other	<u>139</u>	<u>47</u>	<u>6</u>	<u>129</u>
<i>Total revenues</i>	<u>244</u>	<u>422</u>	<u>6</u>	<u>163</u>
Expenditures				
Current				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>244</u>	<u>422</u>	<u>6</u>	<u>163</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	244	422	6	163
Fund balances (deficit) - beginning of year	<u>6,910</u>	<u>2,097</u>	<u>351</u>	<u>6,488</u>
Restatement (Note 17)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - beginning of year as restated	<u>6,910</u>	<u>2,097</u>	<u>351</u>	<u>6,488</u>
Fund balances (deficit) - end of year	<u>\$ 7,154</u>	<u>2,519</u>	<u>357</u>	<u>6,651</u>

County and District Court Technology	Justice Court Technology JP1	Justice Court Technology JP2	Special Funds Pooled Cash	Courthouse Security	Justice Court Building Security
216	217	218	219	220	221
-	-	-	-	-	-
-	-	-	-	-	-
76	1,434	1,595	-	4,538	920
<u>66</u>	<u>624</u>	<u>151</u>	<u>-</u>	<u>1,537</u>	<u>23</u>
<u>142</u>	<u>2,058</u>	<u>1,746</u>	<u>-</u>	<u>6,075</u>	<u>943</u>
-	-	2,547	-	3,709	833
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,500	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>2,547</u>	<u>-</u>	<u>5,209</u>	<u>833</u>
<u>142</u>	<u>2,058</u>	<u>(801)</u>	<u>-</u>	<u>866</u>	<u>110</u>
-	-	-	-	30,000	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
142	2,058	(801)	-	30,866	110
<u>3,263</u>	<u>30,586</u>	<u>8,779</u>	<u>-</u>	<u>49,918</u>	<u>664</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,263</u>	<u>30,586</u>	<u>8,779</u>	<u>-</u>	<u>49,918</u>	<u>664</u>
<u>3,405</u>	<u>32,644</u>	<u>7,978</u>	<u>-</u>	<u>80,784</u>	<u>774</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Justice Court Support <u>222</u>	Specialty Court Fund <u>225</u>	Court Facility Fee <u>227</u>	Language Access <u>228</u>
Revenues				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Permits and charges for service	2,300	695	1,265	696
Interest and other	<u>26</u>	<u>21</u>	<u>14</u>	<u>9</u>
<i>Total revenues</i>	<u>2,326</u>	<u>716</u>	<u>1,279</u>	<u>705</u>
Expenditures				
Current				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,326</u>	<u>716</u>	<u>1,279</u>	<u>705</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	2,326	716	1,279	705
Fund balances (deficit) - beginning of year	<u>-</u>	<u>627</u>	<u>-</u>	<u>-</u>
Restatement (Note 17)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - beginning of year as restated	<u>-</u>	<u>627</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - end of year	<u>\$ 2,326</u>	<u>1,343</u>	<u>1,279</u>	<u>705</u>

Criminal District Attorney	Pretrial Diversion	Truancy Prevention and Diversion	Jail Commissary	Law Library	Probate Education
230	232	233	235	260	270
-	-	-	-	-	-
-	-	-	-	-	-
-	780	3,616	10,306	2,564	-
<u>146</u>	<u>349</u>	<u>194</u>	<u>920</u>	<u>40</u>	<u>25</u>
<u>146</u>	<u>1,129</u>	<u>3,810</u>	<u>11,226</u>	<u>2,604</u>	<u>25</u>
-	-	-	9,920	5,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	752	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,672</u>	<u>5,000</u>	<u>-</u>
<u>146</u>	<u>1,129</u>	<u>3,810</u>	<u>554</u>	<u>(2,396)</u>	<u>25</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
146	1,129	3,810	554	(2,396)	25
<u>7,357</u>	<u>16,894</u>	<u>7,518</u>	<u>45,887</u>	<u>3,155</u>	<u>1,246</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,357</u>	<u>16,894</u>	<u>7,518</u>	<u>45,887</u>	<u>3,155</u>	<u>1,246</u>
<u>7,503</u>	<u>18,023</u>	<u>11,328</u>	<u>46,441</u>	<u>759</u>	<u>1,271</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Abandoned Vehicles	Special Video	TAC Special Inventory	Yoakum County Forfeiture
	277	280	295	300
Revenues				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Permits and charges for service	-	95	-	-
Interest and other	7	130	256	-
<i>Total revenues</i>	7	225	256	-
Expenditures				
Current				
Public safety	-	587	-	-
Public works	-	-	200	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	587	200	-
<i>Excess (deficiency) of revenues over expenditures</i>	7	(362)	56	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net changes in fund balances	7	(362)	56	-
Fund balances (deficit) - beginning of year	334	7,004	1,523	8
Restatement (Note 17)	-	-	-	-
Fund balances (deficit) - beginning of year as restated	334	7,004	1,523	8
Fund balances (deficit) - end of year	\$ 341	6,642	1,579	8

Sheriff's Office Seizure Fund	Sheriff's Office Forfeiture Fund	CDA Forfeiture Fund	CDA Seizure Fund	YC Records Management	Court Records Preservation
304	305	306	307	320	321
-	-	-	-	-	-
4,211	-	-	2,746	-	-
-	-	-	-	2,351	33
<u>88</u>	<u>92</u>	<u>88</u>	<u>28</u>	<u>326</u>	<u>113</u>
<u>4,299</u>	<u>92</u>	<u>88</u>	<u>2,774</u>	<u>2,677</u>	<u>146</u>
-	-	-	1,785	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,785</u>	<u>-</u>	<u>-</u>
<u>4,299</u>	<u>92</u>	<u>88</u>	<u>989</u>	<u>2,677</u>	<u>146</u>
-	-	961	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(961)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>961</u>	<u>(961)</u>	<u>-</u>	<u>-</u>
4,299	92	1,049	28	2,677	146
<u>2,898</u>	<u>4,631</u>	<u>4,194</u>	<u>318</u>	<u>14,855</u>	<u>5,695</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,898</u>	<u>4,631</u>	<u>4,194</u>	<u>318</u>	<u>14,855</u>	<u>5,695</u>
<u>7,197</u>	<u>4,723</u>	<u>5,243</u>	<u>346</u>	<u>17,532</u>	<u>5,841</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Yoakum County Airport	Yoakum County Landfill	HAVA Grant Fund	American Rescue Plan
	340	360	380	385
Revenues				
Taxes	\$ -	-	-	-
Intergovernmental	2,313	-	-	-
Permits and charges for service	-	288,544	-	-
Interest and other	1,429	25,810	585	30,617
<i>Total revenues</i>	<u>3,742</u>	<u>314,354</u>	<u>585</u>	<u>30,617</u>
Expenditures				
Current				
Public safety	-	-	-	-
Public works	8,756	384,262	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	327,010	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,756</u>	<u>711,272</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,014)</u>	<u>(396,918)</u>	<u>585</u>	<u>30,617</u>
Other financing sources (uses):				
Transfers in	3,000	423,124	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,000</u>	<u>423,124</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(2,014)	26,206	585	30,617
Fund balances (deficit) - beginning of year	<u>3,773</u>	<u>751,964</u>	<u>29,439</u>	<u>848,089</u>
Restatement (Note 17)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(846,199)</u>
Fund balances (deficit) - beginning of year as restated	<u>3,773</u>	<u>751,964</u>	<u>29,439</u>	<u>1,890</u>
Fund balances (deficit) - end of year	<u>\$ 1,759</u>	<u>778,170</u>	<u>30,024</u>	<u>32,507</u>

Library Grants	Nursing Home Debt	Permanent Improvement	Total Non-Major
390	620	700	Funds
-	611,287	1,020,438	2,653,083
-	-	-	1,518,291
-	-	-	439,699
-	415	37,672	589,658
-	611,702	1,058,110	5,200,731
-	-	-	167,346
-	-	12,910	4,046,440
4,747	-	-	4,747
-	-	496,048	1,011,948
-	570,000	-	570,000
-	5,700	-	5,700
4,747	575,700	508,958	5,806,181
(4,747)	36,002	549,152	(605,450)
-	140,088	-	3,645,325
-	-	-	(387,801)
-	140,088	-	3,257,524
(4,747)	176,090	549,152	2,652,074
4,823	(172,847)	1,288,494	13,971,330
-	-	-	(846,199)
4,823	(172,847)	1,288,494	13,125,131
76	3,243	1,837,646	15,777,205

COMPLIANCE



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable County Judge and
Members of the County Commission
Yoakum County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the government activities, business-type activities, each major fund, and the aggregate remaining fund information of Yoakum County, Texas (the "County") as of and for the year ended December 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 27, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for determining the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may still exist. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questions costs as items 2022-001 that we consider to be significant deficiencies.

Compliance and Other Matters

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

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County's Response to Findings

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

Purpose of this Report

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

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, L.L.P.

Albuquerque, New Mexico

October 27, 2023

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE STATE OF TEXAS
UNIFORM GRANT MANAGEMENT STANDARDS**

To the Honorable County Judge and
Members of the County Commission
Yoakum County, Texas

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the compliance of Yoakum County, Texas (the "County") with the types of compliance requirements described in the State of Texas' *Uniform Grant Management Standards* ("UGMS") that could have a direct and material effect on each of the County's major state programs for the year ended December 31, 2022. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements described in the State of Texas' Uniform Grant Management Standards ("UGMS"). Our responsibilities under those standards and the Texas' Uniform Grant Management Standards ("UGMS") are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Pattillo, Brown & Hill, L.L.P.

Albuquerque, New Mexico

October 27, 2023

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**STATE OF TEXAS
YOAKUM COUNTY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

State Grantor or Pass Through Grantor/ Program Title	ID #	Award Amount	Expenditures
Office of Court Administration			
Formula Grant Program		\$ 24,697	16,492
Texas Department of Agriculture			
Home-Delivered Meal Program	HDM2022093	8,374	8,374
Texas Transportation Commission			
County Transportation Infrastructure Program (CTIF)**	CTIF 02-	3,644,513	1,422,958 **
Routine Airport Maintenance Program	M2205PLAI	35,000	820
Total Texas Transportation Commission		<u>3,679,513</u>	<u>1,423,778</u>
 TOTAL EXPENDITURES		 \$ <u><u>3,712,584</u></u>	 <u><u>1,448,644</u></u>

**Denotes major programs

The accompanying notes are an integral part of this financial statement.

**STATE OF TEXAS
YOAKUM COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1 - Basis of Presentation

The schedule of expenditures of State Awards includes the State grant activity of Yoakum County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Grant Management Standards. Some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the consolidated financial statements.

Note 2 - Sub recipients

The County did not provide any State funds to sub-recipients during the year.

YOAKUM COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting: Material Weakness reported?	No
Significant deficiencies reported not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weaknesses reported?	No
Significant deficiencies reported not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No
Identification of major programs: N/A	
Dollar threshold used to distinguish Between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

State Awards

Internal control over major programs: Material weaknesses reported?	No
Significant deficiencies reported not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Grant Management Standards?	No
Identification of major programs: County Transportation Infrastructure Program (CTIF)	
Dollar threshold used to distinguish Between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

YOAKUM COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2022

SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT

2022-001 (2019-001) Lack of Reconciliation of Significant Accounts (Significant Deficiency) (Repeated)

CONDITION: During the performance of the audit, it was noted that there was a lack of reconciliation of significant accounts for Shinnery Oaks Community. Accounts noted were Accounts Payable, Accounts Receivable, and Cash.

CRITERIA: Proper and timely reconciliations are necessary internal controls to determine the accuracy and completeness of financial records. This detective control is necessary to catch errors in the financial records whether due to human error or fraudulent activity.

CAUSE: Shinnery Oaks Community does not have adequate controls over recording and reconciling detail activity to account balances for certain asset and liability accounts.

EFFECT: Lack of timely and proper reconciliations of Cash accounts can lead to over or under valuation of cash on financial records, opportunity for fraudulent activity, and opportunity for financial statement errors. Lack of timely and proper reconciliations of account receivables can lead to over or under- statement of revenues, accounts receivables, or allowances for doubtful accounts. Lack of reconciliation may lead to financial statement errors due to nonexistent customers, overdue balances requiring allowance or write off, incorrect balances due to improper crediting of payments received, and other items. Lack of timely and proper reconciliation of account payable can lead to over or under-statement of expenses, opportunity for fraudulent activity, and opportunity for financial statement errors due to improper payable balances, invalid or fictitious vendors, and other items.

MANAGEMENT RESPONSE: 24 Karat Ventures, LLC, the management company for Shinnery Oaks Community, will ensure the proper and timely reconciliation of accounts payable, accounts receivable, and cash. 24 Karat Ventures, LLC will also provide documentation of such to commissioners' court monthly.

TIMELINE OF CORRECTIVE ACTION PLAN: Fiscal year 2024

RESPONSIBLE OFFICIAL: 24 Karat Ventures, LLC, management company for Shinnery Oaks Community.

OFFICIAL: 24 Karat Ventures, LLC, management company for Shinnery Oaks Community.

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR STATE AWARD PROGRAMS
AUDIT**

None

YOAKUM COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2022

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

<u>Description</u>		<u>Status</u>
2021-001	Lack of Reconciliation of Significant Accounts (Significant Deficiency)	Repeat
2021-002	Lack of Depreciation Schedule (Significant Deficiency)	Resolved and not repeated