

JEFF DAVIS COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2021



SINGLETON, CLARK  
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS



JEFF DAVIS COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2021

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## **FINANCIAL SECTION**

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INDEPENDENT AUDITOR'S REPORT

Honorable County Judge, Members of the Commissioners Court and Citizens of  
Jeff Davis County, Texas

**Report on the Audit of the Financial Statements**

***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jeff Davis County, Texas, as of December 31, 2021, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

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

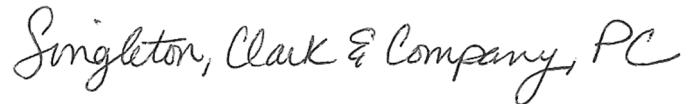


### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining schedules of non-major governmental funds and fiduciary funds are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of non-major governmental funds and fiduciary funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

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



Singleton, Clark & Company, PC  
Alpine, Texas

October 27, 2023

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JEFF DAVIS COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

As management of Jeff Davis County, Texas (hereafter the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2021. Please read it in conjunction with the independent auditor's report on page 1 and the County's basic financial statements which follow this section.

### Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$7,081,747 (net position). Of this amount, \$2,962,590 represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$4,369,299, an increase of \$527,894 in comparison with the prior year. Approximately 59% of this amount, or \$2,594,302 is available for spending at the County's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,594,302, or 108% of total General Fund current year expenditures.

### Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, judicial, highways and streets, public facilities, health and welfare, culture and recreation, and conservation and development. The County currently does not have any business-type activities.

JEFF DAVIS COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The County maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road & Bridge Fund, the Emergency Management Services Fund and the Grants Fund, which are considered to be major funds this year. Data from the other twelve governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement for the General Fund has been provided within the basic financial statements section of this report.

**Proprietary Funds.** The County has the option of maintaining two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County does not currently utilize an enterprise fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a County's functions. Because the services provided by internal service funds predominantly benefit governmental rather than business-type functions, they are usually included within *governmental activities* in the government-wide financial statements. The County is not currently utilizing an internal service fund.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County maintains one type of fiduciary fund. The *custodial funds* reports resources held by the County in a custodial capacity for County offices, and other governments.

JEFF DAVIS COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's participation in the Texas County and District Retirement System (TCDRS) for its employees. The required supplementary information can be found immediately following the notes section of this report.

**Combining and Individual Fund Financial Statements and Schedules.** Other schedules supporting the basic financial statements are presented here, such as combining schedules of individual non-major governmental funds and custodial funds.

**Government-wide Overall Financial Analysis**

As noted earlier, net position over time, may serve as a useful indicator of a government's financial health. In the case of the County, assets exceeded liabilities by \$7,081,747 at the close of the most recent fiscal year.

The following tables summarize the County's Net Position and Changes in Net Position as of and for the year ended December 31, 2021.

**Table I**  
**JEFF DAVIS COUNTY, TEXAS**  
**NET POSITION**

	Governmental Activities 2021	Governmental Activities 2020	Change
<b>ASSETS</b>			
Current & Other Assets	\$ 7,903,758	\$ 6,452,264	\$ 1,451,494
Capital Assets	2,133,442	2,387,069	(253,627)
<b>Total Assets</b>	<b>10,037,200</b>	<b>8,839,333</b>	<b>1,197,867</b>
<b>DEFERRED OUTFLOWS</b>			
Deferred Outflows	213,057	99,886	113,171
<b>LIABILITIES</b>			
Current Liabilities	2,973,359	2,022,501	950,858
Long-term Liabilities	65,796	31,062	34,734
<b>Total Liabilities</b>	<b>3,039,155</b>	<b>2,053,563</b>	<b>985,592</b>
<b>DEFERRED INFLOWS</b>			
Deferred Inflows	129,355	106,528	22,827
<b>NET POSITION</b>			
Net Investment in Capital Assets, net of Related Debt	2,133,442	2,387,069	(253,627)
Restricted	1,985,715	20,758	1,964,957
Unrestricted	2,962,590	4,371,301	(1,408,711)
<b>Total Net Position</b>	<b>\$ 7,081,747</b>	<b>\$ 6,779,128</b>	<b>\$ 302,619</b>

JEFF DAVIS COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**Table II**  
**JEFF DAVIS COUNTY, TEXAS**  
**CHANGES IN NET POSITION**

	Governmental Activities 2021	Governmental Activities 2020	Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 331,407	\$ 290,420	\$ 40,987
Operating Grants & Contributions	718,368	236,113	482,255
Capital Grants and Contributions	-	34,775	(34,775)
General Revenues:			
Property Taxes	2,070,531	1,309,601	760,930
General Sales and Use Taxes	406,077	300,509	105,568
Investment Earnings	36,417	20,787	15,630
Miscellaneous	798,264	342,486	455,778
Total Revenue	<u>4,361,064</u>	<u>2,534,691</u>	<u>1,826,373</u>
Expenses:			
General Government	1,992,514	1,796,030	196,484
Public Safety	909,008	617,046	291,962
Judicial System	124,826	134,462	(9,636)
Highways and Streets	78,793	110,101	(31,308)
Public Facilities	139,669	129,717	9,952
Health and Welfare	200,521	153,367	47,154
Culture and Recreation	146,742	144,884	1,858
Total Expenses	<u>3,592,073</u>	<u>3,085,607</u>	<u>506,466</u>
Increase (Decrease) in Net Position Before Special Items:	<u>768,991</u>	<u>(550,916)</u>	<u>1,319,907</u>
Special Item - Insurance Covered Repairs	<u>(466,372)</u>	<u>-</u>	<u>(466,372)</u>
Change in Net Position	<u>302,619</u>	<u>(550,916)</u>	<u>853,535</u>
Net Position - Beginning	<u>6,779,128</u>	<u>7,585,526</u>	<u>(806,398)</u>
Prior Period Adjustment	<u>-</u>	<u>(255,482)</u>	<u>255,482</u>
Net Position - Ending	<u>\$ 7,081,747</u>	<u>\$ 6,779,128</u>	<u>\$ 302,619</u>

Of the total net position, \$2,133,442 (30%), is comprised of investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$1,985,715 (28%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,962,590 (42%), is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net position.

JEFF DAVIS COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased by \$302,619 from the prior fiscal year for an ending balance of \$7,081,747. The increase in overall net position of governmental activities is primarily due to fund balance increases at the governmental funds level discussed below, net of the difference in the accounting treatment of some transactions under the full-accrual accounting method utilized by the government-wide financial statements.

### **Financial Analysis of Governmental Funds**

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

**Governmental Funds.** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Commissioners Court.

At December 31, 2021, the County's governmental funds reported combined fund balances of \$4,369,299, an increase of \$527,894 in comparison with the prior year fund balance of \$3,841,405. Approximately 59% of this amount, or \$2,594,502 constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remaining 41% of the fund balance is currently reported as restricted in the amount of \$1,774,997.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,594,302. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. The unassigned fund balance of the General Fund represents approximately 108% of total General Fund expenditures.

The fund balance of the County's General Fund decreased by \$2,200 during the current fiscal year in comparison with the prior year fund balance amount of \$2,596,302. This near break-even in revenues versus expenditures for the General Fund is largely in line with the originally adopted budget of the County for the year.

The Road & Bridge Fund, a major governmental fund, experienced a \$72,620 increase in fund balance during the current fiscal year, which resulted in an overall ending fund balance amount of \$692,926. The increase in fund balance relates to the lower expenditures for planned road projects during the year.

The Emergency Management Services Fund, a major governmental fund, experienced a decrease of \$19,416 in fund balance during the current fiscal year, to end at \$172,003. The modest decrease in fund balance represents operations in line with expectations as fund balance fluctuates slightly from year to year.

The Grants Fund, a major governmental fund, had an increase of \$402,324 in the fund balance during the current fiscal year, to end at \$457,480. The increase in fund balance is the result of receiving donations during the year in relation to certain local capital projects which are not cost-reimbursement grants.

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JEFF DAVIS COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

The combined non-major governmental funds of the County experienced a fund balance increase of \$74,566 in fund balance during the current fiscal year, to end at \$452,588. The increase in fund balance is mainly attributed to an increase in fund balance of the Hotel/Motel Tax Fund which experienced larger collections of taxes than were appropriated for qualifying purposes during the year.

**General Fund Budgetary Highlights**

**Original Budget Compared to Final Budget.** During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. Generally, the movement of the appropriations between departments was also *not* significant.

**Capital Assets and Debt Administration**

**Capital Assets.** The County's investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$2,133,442 (net of accumulated depreciation). This investment in capital assets includes buildings, machinery, equipment, and vehicles. Additional information on the County's capital assets can be found in the notes to the financial statements section of this report.

	Governmental Activities 2021	Governmental Activities 2020	Change
Construction in Progress	\$ 4,873	\$ 19,650	\$ (14,777)
Buildings	5,190,375	5,190,375	-
Furniture and Equipment	3,375,417	3,352,737	22,680
Infrastructure	824,268	804,618	19,650
Total	<u>9,394,933</u>	<u>9,367,380</u>	<u>27,553</u>
Less Accumulated Depreciation	<u>(7,261,491)</u>	<u>(6,980,311)</u>	<u>(281,180)</u>
Capital assets, net of depreciation	<u>\$ 2,133,442</u>	<u>\$ 2,387,069</u>	<u>\$ (253,627)</u>

**Long-term Debt.** At the end of the current fiscal year, the County had long-term obligations consisting only of liabilities for accrued employee vacation time.

	Governmental Activities 2021	Governmental Activities 2020	Change
Compensated Absences	\$ 65,796	\$ 31,062	\$ 34,734
Total	<u>\$ 65,796</u>	<u>\$ 31,062</u>	<u>\$ 34,734</u>

**Economic Factors and Next Year's Budgets and Rates**

The adopted budget for fiscal year 2021-2022 for the County's General Fund is approximately \$2.6 million, which reflects an increase of roughly \$2,000,000 from the fiscal year 2020-2021 General Fund final year end expenditures. The County adopted a total tax rate of \$0.78352 for fiscal year 2021-2022.

**Requests for Information**

This financial report is designed to provide a general overview of the County finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Treasurer's Office, P. O. Box 605, Fort Davis, Texas, 79734, or by calling (432) 426-3242.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

JEFF DAVIS COUNTY, TEXAS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and Temporary Investments	\$ 5,084,634
Investments	1,647,243
Property Taxes Receivable	830,044
Allowance for Uncollectible Taxes	(166,009)
Accounts Receivable	106,984
Deferred Expenditures	34,150
Net Pension Asset	366,712
Capital Assets not Being Depreciated:	
Construction in Progress	4,873
Capital Assets, Being Depreciated	
Buildings and Improvements	5,190,375
Infrastructure	824,268
Machinery, Equipment, and Vehicles	3,375,417
Accumulated Depreciation	(7,261,491)
Total Assets	10,037,200
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Pension Plan Items	213,057
Total Deferred Outflows of Resources	213,057
<b>LIABILITIES</b>	
Accounts Payable	617,465
Payroll Deductions and Withholdings	36,599
Accrued Salaries and Wages	39,035
Unearned Revenues	2,280,260
Long-Term Liabilities:	
Due in One Year	32,898
Due in More Than One Year	32,898
Total Liabilities	3,039,155
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows - Pension Items	129,355
Total Deferred Inflows of Resources	129,355
<b>NET POSITION</b>	
Net Investment in Capital Assets	2,133,442
Restricted for State and Federal Grants	668,198
Restricted for Health and Welfare	189,462
Restricted for Capital Projects	80,230
Restricted for Roads and Bridges	692,926
Restricted for Other Purposes	354,899
Unrestricted	2,962,590
Total Net Position	\$ 7,081,747

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

JEFF DAVIS COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2021

Functions/Programs:	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 1,992,514	\$ 105,538	\$ 522,160	\$ -	\$ (1,364,816)
Public Safety	909,008	4,468	110,850	-	(793,690)
Judicial System	124,826	93,539	14,387	-	(16,900)
Transportation	78,793	121,401	14,977	-	57,585
Culture and Recreation	139,669	461	-	-	(139,208)
Health and Human Services	200,521	-	55,994	-	(144,527)
Economic Development	146,742	6,000	-	-	(140,742)
Total Governmental Activities:	<u>\$ 3,592,073</u>	<u>\$ 331,407</u>	<u>\$ 718,368</u>	<u>\$ -</u>	<u>(2,542,298)</u>
General Revenues:					
					2,070,531
					406,077
					36,417
					798,264
					<u>3,311,289</u>
					768,991
Change in Net Postion Before Special Item:					
					768,991
Special Items:					
					(466,372)
					<u>302,619</u>
					6,779,128
					<u>\$ 7,081,747</u>

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

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FUND BASIS FINANCIAL STATEMENTS

JEFF DAVIS COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	<i>010</i>	<i>015</i>	<i>030</i>
	General Fund	Road & Bridge Fund	Emergency Management Services Fund
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 3,011,671	\$ 710,332	\$ 161,883
Investments	1,647,243	-	-
Property Taxes Receivable	830,044	-	-
Allowance for Uncollectible Taxes	(166,009)	-	-
Accounts Receivable	21,659	-	21,236
Due from Other funds	117,323	-	-
Deferred Expenditures	34,150	-	-
Total Assets	<u>\$ 5,496,081</u>	<u>\$ 710,332</u>	<u>\$ 183,119</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 568,657	\$ 17,406	\$ 9,041
Payroll Deductions and Withholdings	36,599	-	-
Accrued Salaries and Wages	32,593	-	2,075
Due to Other Funds	-	-	-
Unearned Revenues	1,599,895	-	-
Total Liabilities	<u>2,237,744</u>	<u>17,406</u>	<u>11,116</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Property Taxes	664,035	-	-
Total Deferred Inflows of Resources	<u>664,035</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted for:			
State and Federal Grants	-	-	-
Health and Welfare	-	-	172,003
Roads and Bridges	-	692,926	-
Capital Projects	-	-	-
Other Purposes	-	-	-
Unassigned	2,594,302	-	-
Total Fund Balances	<u>2,594,302</u>	<u>692,926</u>	<u>172,003</u>
Total Liabilities and Fund Balances	<u>\$ 5,496,081</u>	<u>\$ 710,332</u>	<u>\$ 183,119</u>

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



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<u>Grants Fund</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
\$ 729,629	\$ 471,119	\$ 5,084,634
-	-	1,647,243
-	-	830,044
-	-	(166,009)
-	64,089	106,984
40,000	-	157,323
-	-	34,150
<u>\$ 769,629</u>	<u>\$ 535,208</u>	<u>\$ 7,694,369</u>
\$ -	\$ 22,361	\$ 617,465
-	-	36,599
-	4,367	39,035
101,431	55,892	157,323
210,718	-	1,810,613
<u>312,149</u>	<u>82,620</u>	<u>2,661,035</u>
-	-	664,035
<u>-</u>	<u>-</u>	<u>664,035</u>
457,480	-	457,480
-	17,459	189,462
-	-	692,926
-	80,230	80,230
-	354,899	354,899
-	-	2,594,302
<u>457,480</u>	<u>452,588</u>	<u>4,369,299</u>
<u>\$ 769,629</u>	<u>\$ 535,208</u>	<u>\$ 7,694,369</u>

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JEFF DAVIS COUNTY, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021

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

Total Fund Balances - Governmental Funds	\$	4,369,299
<p>Capital assets and related accumulated depreciation used in governmental activities are not current financial resources, and therefore not reported in the funds. These are detailed as follows:</p>		
Governmental activities capital assets	\$	9,394,933
Less accumulated depreciation	<u>(7,261,491)</u>	2,133,442
<p>Net pension and other post-employment assets or liabilities as well as related deferred inflows and outflows are not reported in the governmental funds, but are reported on the Statement of Net Position. These amounts are detailed as follows:</p>		
Current net pension asset	366,712	
Deferred outflows related to pensions	213,057	
Deferred inflows related to pensions	<u>(129,355)</u>	450,414
<p>Uncollected property taxes are not available to pay for current operations and are therefore not recorded within the fund balance of the governmental funds. These amounts are however recorded in the statement of net position, net of an allowance for uncollectible amounts.</p>		
		194,388
<p>Long-term liabilities, such as bonds and notes payable, are not due and payable in the current period, and therefore not reported as liabilities in the governmental funds. These are detailed as follows:</p>		
Compensated absences		<u>(65,796)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>7,081,747</u>

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

JEFF DAVIS COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>010</u>	<u>015</u>	<u>030</u>
	General Fund	Road & Bridge Fund	Emergency Management Services Fund
<b>REVENUES</b>			
Property Taxes	\$ 2,060,383	\$ -	\$ -
General Sales and Use Taxes	130,180	-	88,502
Fines, Fees, and Permits	170,782	121,401	-
Rent and Lease Revenue	6,000	-	-
Investment Income	33,498	-	-
Intergovernmental Revenues	75,219	18,210	-
Other Revenue	300,596	5,680	79,915
Total Revenues	<u>2,776,658</u>	<u>145,291</u>	<u>168,417</u>
<b>EXPENDITURES</b>			
Current:			
General Government	1,707,716	-	-
Public Safety	426,495	-	-
Judicial System	120,714	-	-
Transportation	-	72,671	-
Culture and Recreation	130,957	-	-
Health and Human Services	-	-	187,833
Economic Development	-	-	-
Capital Outlay	22,680	-	-
Total Expenditures	<u>2,408,562</u>	<u>72,671</u>	<u>187,833</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>368,096</u>	<u>72,620</u>	<u>(19,416)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	101,431	-	-
Transfers Out	(5,355)	-	-
Other Uses	(466,372)	-	-
Total Other Financing Sources (Uses)	<u>(370,296)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(2,200)	72,620	(19,416)
Fund Balance - Beginning	2,596,502	620,306	191,419
Fund Balance - Ending	<u>\$ 2,594,302</u>	<u>\$ 692,926</u>	<u>\$ 172,003</u>

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

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Grants Fund	Total Non-Major Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,060,383
-	187,395	406,077
-	33,224	325,407
-	-	6,000
2,711	208	36,417
396,786	228,153	718,368
411,992	81	798,264
<u>811,489</u>	<u>449,061</u>	<u>4,350,916</u>
136,375	-	1,844,091
166,486	243,813	836,794
-	-	120,714
-	-	72,671
-	-	130,957
-	-	187,833
-	136,037	136,037
4,873	-	27,553
<u>307,734</u>	<u>379,850</u>	<u>3,356,650</u>
<u>503,755</u>	<u>69,211</u>	<u>994,266</u>
-	5,355	106,786
(101,431)	-	(106,786)
-	-	(466,372)
<u>(101,431)</u>	<u>5,355</u>	<u>(466,372)</u>
402,324	74,566	527,894
55,156	378,022	3,841,405
<u>\$ 457,480</u>	<u>\$ 452,588</u>	<u>\$ 4,369,299</u>

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JEFF DAVIS COUNTY, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2021

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

Net Change in Fund Balances - Total Governmental Funds \$ 527,894

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, depreciation expense is only reported on the Statement of Activities.

Expenditures for capitalized assets	\$ 27,553	
Less current year depreciation	<u>(281,180)</u>	(253,627)

Long-term liabilities, such as bonds and notes payable, are not recorded within the governmental funds due to them not representing current liabilities. When principal repayments are made on these obligations, they represent expenditures in the governmental funds and reduce long-term liabilities in the statement of activities.

Change in long-term liabilities for compensated absences		(34,734)
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Revenues in the statements of activities for property taxes are recognized in the period levied, not collected. Therefore the uncollected property taxes of the current period increase the change in net position.		10,148
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Governmental funds report pension and other post-employment benefit contributions as current year expenditures. However, these costs are measured actuarially in the statement of activities. These differences in recognition between the governmental funds and Statement of Activities for these items is as follows:

Current year other post-employment benefits expense		<u>52,938</u>
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Change in Net Position- Governmental Activities		<u><u>\$ 302,619</u></u>
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The notes to the financial statements are an integral part of this statement.

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JEFF DAVIS COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		General Fund	Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Property Taxes	\$ 2,093,841	\$ 2,649,304	\$ 2,060,383	\$ (588,921)
General Sales and Use Taxes	65,000	45,000	130,180	85,180
Fines, Fees, and Permits	133,650	85,400	170,782	85,382
Rent and Lease Revenue	6,000	6,000	6,000	-
Investment Income	15,400	15,400	33,498	18,098
Intergovernmental Revenues	114,284	63,700	75,219	11,519
Other Revenue	66,186	148,471	300,596	152,125
Total Revenues	2,494,361	3,013,275	2,776,658	(236,617)
<b>EXPENDITURES</b>				
Current:				
General Government	1,313,605	1,709,511	1,707,716	1,795
Public Safety	457,019	482,439	426,495	55,944
Judicial System	303,116	132,747	120,714	12,033
Public Facilities	358,947	167,999	130,957	37,042
Capital Outlay	-	22,900	22,680	220
Total Expenditures	2,432,687	2,515,596	2,408,562	107,034
Excess (Deficiency) of Revenue Over Expenditures	61,674	497,679	368,096	(129,583)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	101,431	101,431
Transfers Out	-	-	(5,355)	(5,355)
Other Uses	-	-	(466,372)	(466,372)
Total Other Financing Sources (Uses)	-	-	(370,296)	(370,296)
Net Change in Fund Balance	61,674	497,679	(2,200)	(499,879)
Fund Balance - Beginning	2,596,502	2,596,502	2,596,502	-
Fund Balance - Ending	\$ 2,658,176	\$ 3,094,181	\$ 2,594,302	\$ (499,879)

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

JEFF DAVIS COUNTY, TEXAS  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2021

	Fiduciary Funds
	Custodial Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 590,521
Total Assets	590,521
 <b>NET POSITION</b>	
Restricted for Remittance to County	\$ 590,521
Total Net Position	\$ 590,521

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

JEFF DAVIS COUNTY, TEXAS  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Fiduciary Funds
	Custodial Funds
<b>ADDITIONS</b>	
Collections:	
Collections for Taxes and Fees	\$ 4,595,514
Total contributions	4,670,230
Total Additions	4,670,230
<b>DEDUCTIONS</b>	
Remittance to County Treasurer	308,034
Remittance to Taxing Authorities	4,206,085
Other Remittances	141,405
Total Deductions	4,655,524
Change in Net Position	14,706
Net Position - Beginning	575,815
Net Position - Ending	\$ 590,521

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

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NOTES TO THE FINANCIAL STATEMENTS

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JEFF DAVIS COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE-1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of government-wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**Reporting entity**

Jeff Davis County, Texas (the “County”) is the primary government and is governed by an elected county judge and four-member Commissioners Court (the “Court”). The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. Based on these criteria, no blended or discretely presented component units have been included within the financial statements of Jeff Davis County.

**Basis of presentation – government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the County’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Basis of presentation – fund financial statements**

The fund financial statements provide information about the County’s funds, including its fiduciary funds and blended component units. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The *General Fund* is the County’s primary operating fund. It accounts for all financial resources of the County, except those accounted for in other funds.

The *Road & Bridge Fund* is a special revenue fund that is used to account for resources used by the County in connection with providing transportation infrastructure and services to its citizens. This fund met the criteria to be considered a major fund this year.

JEFF DAVIS COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

The *Emergency Management Services Fund* is a special revenue fund used to account for revenues raised and expenditures made in connection with the County's emergency services operations. This fund met the criteria to be considered a major fund this year.

The *Grants Fund* is a special revenue fund used to account for resources received and spent through the County's participation in selected local, state, and federal grants. This fund met the criteria to be considered a major fund this year.

Additionally, the County reports the following fund types:

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

Fiduciary Funds account for funds collected and held by the County departments on behalf of others that have yet to be remitted to those other individuals or the County Treasurer for County purposes.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as *due to* or *due from* other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

In addition, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as *transfers in* or *transfers out*. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

### **Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.



JEFF DAVIS COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, except those property taxes which have been levied to fund the subsequent fiscal year. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

Custodial funds have no measurement focus but utilize the *accrual basis of accounting* for reporting assets and liabilities.

### **Budgetary information**

#### ***Budgetary basis of accounting***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Commissioners Court. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

#### ***Excess of expenditures over appropriations***

For the year ended December 31, 2021, no regularly budgeted expenditure line items exceeded appropriations.

JEFF DAVIS COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

**Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

***1. Cash and cash equivalents***

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

***2. Investments***

Investments for the County are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools when applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission’s (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Treasurer, although they are not required to register with the SEC.

***3. Inventories and prepaid items***

The County generally does not report inventories of supplies for consumable items due to the unused amount of these items being on hand any given time being deemed immaterial. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***4. Capital assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year.

As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation with an offsetting recognition of donation revenue.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Buildings	40
Machinery and Equipment	7-15
Vehicles	6
Improvements	20
Infrastructure	20

JEFF DAVIS COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**5. *Deferred outflows/inflows of resources***

In addition to assets, the statement of financial 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 financial 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 governmental funds generally report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. *Net position flow assumption***

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**7. *Fund balance flow assumptions***

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**8. *Fund balance policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County’s highest level of decision-making authority. The Commissioners Court is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners Court has by resolution authorized the County Judge to assign fund balance. The Commissioners Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

JEFF DAVIS COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

County policy regarding fund balance is to maintain at all times an overall Unrestricted Fund Balance (Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance) of not less than three months of regular General Fund operating expenditures, measured based on the most recently completed fiscal year. If it is determined that the County is below this minimum established fund balance level, the governing body will be informed of this condition and take necessary budgetary steps to bring the fund balance level into compliance with this policy through budgetary actions.

**Revenues and expenditures/expenses**

***1. Program revenues***

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***2. Property taxes***

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll as of January 1, 2020, upon which the October 1, 2020 tax levy to fund the 2020-2021 fiscal year was based, was \$275,082,732. The assessed value of the property tax roll as of January 1, 2021, upon which the October 1, 2021 tax levy to fund the subsequent 2021-2022 fiscal year was based, was \$295,596,680. Tax collections received in relation to the 2021-2022 fiscal year however were recorded as unearned revenue as of December 31, 2021. County Taxes are delinquent if not paid by February 1st of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rate assessed for the year ended December 31, 2021, (levied October 1, 2020) to finance the General Fund and other operations was \$0.75062 per \$100 valuation. The total tax levy for the General Fund for the 2020-2021 fiscal year based on this rate was \$2,064,826.

***3. Compensated absences***

Vacation

The County's policy permits employees to accumulate earned, but unused, vacation benefits which are eligible for payment upon separation from County service (subject to the following: maximum of 105 hours part time/120 hours full time of sick leave *provided a minimum of 10 years of employee service to the County*). The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

JEFF DAVIS COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

Compensatory Leave

The County’s policy permits employees to accumulate earned, but unused, compensatory leave which is eligible for payment upon separation from County service. Compensatory time is granted at the rate of one and one half hours of time off for every hour of overtime worked. There is no limitation as to how many hours can be carried forward. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

**4. Pensions**

For purposes of measuring the net pension liability, the economic resources measurement focus and full accrual basis of accounting have been used. This includes deferred inflows and outflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from the net position of the pension plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE-2 CASH AND INVESTMENTS**

**Cash deposits with financial institutions**

*Custodial credit risk-deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. However, as of December 31, 2021, and as of the highest cash balance during the year, the County’s bank balance was covered by the Federal Deposit Insurance Corporation (FDIC) and pledged securities. As of December 31, 2021 the total balance per books of the County’s cash deposits and certificates of deposit investments was \$7,322,398 and the corresponding total bank balance was \$7,205,879.

**Investments**

As of December 31, 2021, the County had the following investments:

Investment Type	Maturity Time in Years				Totals
	Less than 1	1-5	6-10	More Than 10	
Certificates of Deposit	\$ 1,647,243	\$ -	\$ -	\$ -	\$ 1,647,243
Total Investments	\$ 1,647,243	\$ -	\$ -	\$ -	\$ 1,647,243

JEFF DAVIS COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE-3 RECEIVABLES**

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is a detail of receivables for the major and nonmajor funds of the governmental funds of the County, including the applicable allowances for uncollectible accounts:

Governmental Funds:

Receivables	General Fund	Emergency Management Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property Taxes	\$ 830,044	\$ -	\$ -	\$ 830,044
Accounts Receivable	21,659	21,236	64,089	106,984
Gross receivables	851,703	21,236	64,089	937,028
Allowance for Uncollectible	(166,009)	-	-	(166,009)
Net receivables	<u>\$ 685,694</u>	<u>\$ 21,236</u>	<u>\$ 64,089</u>	<u>\$ 771,019</u>

**NOTE-4 CAPITAL ASSETS**

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

	Balance 1/1/21	Increases	Decreases	Adjustments	Balance 12/31/21
Capital assets, not being depreciated:					
Construction-in-progress	\$ 19,650	\$ 4,873	\$ -	\$ (19,650)	\$ 4,873
Total capital assets, not being depreciated	<u>19,650</u>	<u>4,873</u>	<u>-</u>	<u>(19,650)</u>	<u>4,873</u>
Capital assets, being depreciated:					
Buildings and improvements	5,190,375	-	-	-	5,190,375
Infrastructure	804,618	-	-	19,650	824,268
Machinery and equipment	3,352,737	22,680	-	-	3,375,417
Total capital assets, being depreciated	<u>9,347,730</u>	<u>22,680</u>	<u>-</u>	<u>19,650</u>	<u>9,390,060</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,986,671)	(35,011)	-	-	(4,021,682)
Machinery and equipment	(327,347)	(34,518)	-	-	(361,865)
Infrastructure	(2,666,293)	(211,651)	-	-	(2,877,944)
Total accumulated depreciation	<u>(6,980,311)</u>	<u>(281,180)</u>	<u>-</u>	<u>-</u>	<u>(7,261,491)</u>
Total capital assets being depreciated, net	<u>2,367,419</u>	<u>(258,500)</u>	<u>-</u>	<u>19,650</u>	<u>2,128,569</u>
Governmental activities capital assets, net	<u>\$ 2,387,069</u>	<u>\$ (253,627)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,133,442</u>

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

General Government	\$ 155,753
Public Safety	70,677
Judicial System	10,196
Highways and Streets	6,138
Public Facilities	11,061
Public Works	15,865
Health and Welfare	11,490
Total Depreciation Expense - Governmental Activities	<u>\$ 281,180</u>

JEFF DAVIS COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE-5 PENSION OBLIGATIONS**

Texas County & District Retirement System (TCDRS)

*Plan Description*

- a. Jeff Davis County, Texas 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:
  - 1) 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.
  - 2) The plan provides retirement, disability and survivor benefits.
  - 3) TCDRS is a savings-based plan. For the county’s plan, 7% of each employee’s pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 150%) and is then converted to an annuity.
  - 4) 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.
  - 5) Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- 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 Jeff Davis County, Texas contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2020 (the most recent measurement year) 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](http://www.tcdrs.org).

Membership Information:

Members	12/31/2019	12/31/2020
Number of inactive employees entitled to but not yet receiving benefits:	33	36
Number of active employees	30	34
Average monthly salary:*	\$ 2,790	\$ 2,289
Average age:*	52.99	55.77
Average length of service in years:*	7.60	5.98
<b>Inactive Employees (or their Beneficiaries) Receiving Benefits</b>		
Number of benefit recipients:	23	23
Average monthly benefit:	\$ 615	\$ 686

\*Averages reported for active employees.



JEFF DAVIS COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

The following are the key assumptions and methods used in this GASB analysis.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal (1)
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	4.60%
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Jeff Davis County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Jeff Davis County Specific Table
Turnover	Jeff Davis County Specific Table
Mortality	RP-2014 Mortality Table

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



JEFF DAVIS COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
Int'l Equities-Developed Mkts	MSCI World Ex USA (net)	5.00%	4.25%
Int'l Equities-Emerging Mkts	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Assoc. Distressed Securities Index (3)	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U. S. Treasury	2.00%	-0.70%
		100%	

(1) Target asset allocation adopted at the March 2021 TCDRS Board meeting.

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

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

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

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

#### Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the 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.

JEFF DAVIS COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

*Sensitivity of the net pension liability to changes in the discount rate*

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

	Discount Rate (6.60%)	Discount Rate 7.60%	Discount Rate (8.60%)
Total Pension Liability	\$ 3,866,601	\$ 3,510,547	\$ 3,203,993
Fiduciary Net Position	3,877,258	3,877,258	3,877,258
Net Pension Liability/(Asset)	\$ (10,657)	\$ (366,712)	\$ (673,265)

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained online at [www.tcdrs.org](http://www.tcdrs.org).

A detail of the changes in the Net Pension Liability/(Asset) of the County is as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
Balances as of December 31, 2019	\$ 3,135,287	\$ 3,539,405	\$ (404,118)
Changes for the year:			
Service cost	125,862	-	125,862
Interest on total pension liability	256,427	-	256,427
Effect of plan changes	-	-	-
Effect of economic/demographic gains/losses	29,597	-	29,597
Effect of assumptions changes or inputs	157,924	-	157,924
Refund of contributions	(22,498)	(22,498)	-
Benefit payments	(172,053)	(172,053)	-
Administrative expenses	-	(2,837)	2,837
Member contributions	-	77,998	(77,998)
Net investment income	-	365,594	(365,594)
Employer contributions	-	77,998	(77,998)
Other	-	13,650	(13,650)
Balances as of December 31, 2020	\$ 3,510,547	\$ 3,877,258	\$ (366,712)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended December 31, 2021, the County recognized pension expense of \$52,938.

JEFF DAVIS COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 32,010	\$ -
Changes of assumptions	105,283	-
Net Difference between projected and actual investment earnings	-	129,355
Contributions made subsequent to the measurement date	75,764	-
<b>Total</b>	<b>\$ 213,057</b>	<b>\$ 129,355</b>

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the pension plan year as follows:

Measurement Year Ended December 31,	Pension Expense Amount
2021	\$ 33,630
2022	58,254
2023	(67,946)
2024	(16,000)
2025	-
Thereafter	-

**NOTE-6 ACCRUED LIABILITIES**

Accrued liabilities reported by governmental funds at December 31, 2021, were as follows:

Governmental Funds:

	General Fund	Road & Bridge	Emergency Management Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
Accounts Payable	\$ 568,657	\$ 17,406	\$ 9,041	\$ 22,361	\$ 617,465
Payroll Deductions & Withholdings	36,599	-	-	-	36,599
Accrued Liabilities	32,593	-	2,075	4,367	39,035
<b>Total</b>	<b>\$ 637,849</b>	<b>\$ 17,406</b>	<b>\$ 11,116</b>	<b>\$ 26,728</b>	<b>\$ 693,099</b>

**NOTE-7 RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To reduce its risk exposure in these areas the County is a member of the Texas Association of Counties Risk Pool (the "Risk Pool") for liability, property, and workers' compensation. The Risk Pool is a public entity risk pool and was created based on the general objectives of formulation, developing and administering a program of self-insurance for the membership and obtaining lower costs for coverage. The Risk Pool has the power to establish fees, contributions and methods for establishing rates. Under contract with the Risk Pool, the Association provides for such services as claims administration and management, underwriting, loss control services and training, and financial reporting as its members.

JEFF DAVIS COUNTY, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

The Pool is governed by a Board of Directors made up of employees or officials of counties, which are members of the Pool. Member counties make contributions to the Pool, and the Pool provides insurance coverage and applicable reinsurance or stop loss coverage. The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the Pool are detailed in a separate document, which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin TX 78701.

Health Insurance

During the year ended December 31, 2021, employees of Jeff Davis County, Texas were covered by a health insurance plan (the Plan) through the Texas Association of Counties. The County paid premiums of \$1,003.90 per month per employee for health insurance. In addition, the County paid \$22.94 for dental and \$0.56 for life insurance premiums per month per employee. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The total cost to the County for employee health insurance during the year ended December 31, 2021 was \$310,634.09.

**NOTE-8 LONG-TERM LIABILITIES**

The long-term liabilities of the County is comprised of compensated absences.

Changes in long-term liabilities

Changes in the County's long-term liabilities for the year ended December 31, 2021 are as follows:

Description	Balance 1/1/21	Additions	Deletions	Balance 12/31/21	Due in One Year
Other Long-Term Debt					
Compensated Absences	\$ 31,062	\$ 34,734	\$ -	\$ 65,796	\$ 32,898
Total Other Long-Term Debt	<u>31,062</u>	<u>34,734</u>	<u>-</u>	<u>65,796</u>	<u>32,898</u>
Gov. Activities Long-term Liabilities	<u>\$ 31,062</u>	<u>\$ 34,734</u>	<u>\$ -</u>	<u>\$ 65,796</u>	<u>\$ 32,898</u>

Accumulated unpaid annual leave is not accrued in governmental funds using the modified accrual basis of accounting, but is reflected in the government-wide Statement of Net Position. As of December 31, 2021, accrued employee benefits recorded as a long-term liability were for annual vacation pay, holiday pay, and compensated pay and amounted to \$65,796.

**NOTE-9 INTERFUND BALANCES AND TRANSFERS**

The composition of interfund balances as of December 31, 2021 was as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Funds	\$ 117,323
Grants and Restricted Funds	Special Revenue Funds	<u>40,000</u>
Total		<u>\$ 157,323</u>

JEFF DAVIS COUNTY, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Interfund balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balances of working capital loans made to several nonmajor governmental funds which the General Fund expects to collect in the subsequent year.

Interfund transfers for the year were as follows:

	<b>Transfer in to:</b>		
	Governmental Funds		
	General Fund	Body Armor Grant	Total
<b>Transfer out from:</b>			
General Fund	\$ -	\$ 5,355	\$ 5,355
Grants and Restricted Funds	101,431	-	101,431
<b>Total</b>	<b>\$ 101,431</b>	<b>\$ 5,355</b>	<b>\$ 106,786</b>

**NOTE-10 CONTINGENCIES**

The County participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the County's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County anticipates such amounts, if any, will be immaterial.

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REQUIRED SUPPLEMENTARY INFORMATION

JEFF DAVIS COUNTY, TEXAS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Measurement Date		
	2020	2019	2018
Total Pension Liability			
Service Cost	\$ 125,862	\$ 112,523	\$ 114,753
Interest on Total Pension Liability	256,427	239,091	230,526
Effect of Plan Changes	-	-	-
Effect of Assumption Changes or Inputs	157,924	-	-
Effect of Economic/Demographic (Gains)/Losses	29,597	36,837	(58,992)
Benefit Payments/Refunds of Contributions	(194,550)	(181,243)	(175,497)
Net Change in Total Pension Liability	<u>375,260</u>	<u>207,208</u>	<u>110,790</u>
Total Pension Liability, Beginning	<u>3,135,287</u>	<u>2,928,079</u>	<u>2,817,289</u>
Total Pension Liability, Ending (a)	<u>3,510,547</u>	<u>3,135,287</u>	<u>2,928,079</u>
Fiduciary Net Position			
Employer Contributions	77,998	62,702	65,427
Member Contributions	77,998	62,702	65,427
Investment Income Net of Investment Expenses	365,594	507,759	(60,545)
Benefit Payments/Refunds of Contributions	(194,551)	(181,243)	(175,497)
Administrative Expenses	(2,837)	(2,697)	(2,483)
Other	13,652	(1,419)	(15,450)
Net Change in Fiduciary Net Position	<u>337,854</u>	<u>447,804</u>	<u>(123,121)</u>
Fiduciary Net Position, Beginning	<u>3,539,405</u>	<u>3,091,602</u>	<u>3,214,723</u>
Fiduciary Net Position, Ending (b)	<u>\$ 3,877,259</u>	<u>\$ 3,539,406</u>	<u>\$ 3,091,602</u>
Net Pension Liability/(Asset), Ending = (a) - (b)	<u>\$ (366,712)</u>	<u>\$ (404,119)</u>	<u>\$ (163,523)</u>
Fiduciary Net Position as a % of Total Pension Liab.	110.45%	112.89%	105.58%
Pension Covered Payroll	\$ 1,114,252	\$ 895,737	\$ 934,669
Net Pension Liability as a % of Covered Payroll	-32.91%	-45.12%	-17.50%



Measurement Date			
2017	2016	2015	2014
\$ 129,224	\$ 122,114	\$ 98,228	\$ 107,660
214,910	195,573	184,174	172,930
-	-	(11,703)	-
22,033	-	30,127	-
6,427	7,013	(20,397)	(53,071)
(155,551)	(155,111)	(130,135)	(57,515)
217,043	169,589	150,294	170,004
2,600,246	2,430,657	2,280,364	2,110,360
2,817,289	2,600,246	2,430,658	2,280,364
65,237	71,078	64,197	63,041
65,387	71,078	64,197	63,041
412,612	195,523	16,981	187,669
(155,551)	(155,111)	(130,135)	(57,515)
(2,138)	(2,126)	(1,901)	(1,953)
(354)	5,651	(7,725)	(48,104)
385,193	186,093	5,614	206,179
2,829,530	2,643,437	2,637,822	2,431,644
\$ 3,214,723	\$ 2,829,530	\$ 2,643,436	\$ 2,637,823
\$ (397,434)	\$ (229,284)	\$ (212,778)	\$ (357,459)
114.11%	108.82%	108.75%	115.68%
\$ 931,961	\$ 1,015,401	\$ 917,097	\$ 900,581
-42.64%	-22.58%	-23.20%	-39.69%

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JEFF DAVIS COUNTY, TEXAS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS –  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE YEAR ENDED DECEMBER 31, 2021

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	45,573	56,764	(11,191)	810,910	7.0%
2013	45,594	56,891	(11,297)	812,728	7.0%
2014	49,262	63,041	(13,779)	900,581	7.0%
2015	46,038	64,197	(18,159)	917,097	7.0%
2016	46,302	71,078	(24,776)	1,015,401	7.0%
2017	42,125	65,237	(23,112)	931,961	7.0%
2018	41,499	65,427	(23,928)	934,669	7.0%
2019	38,427	62,702	(24,275)	895,737	7.0%
2020	75,328	75,328	-	1,076,110	7.0%
2021	75,764	75,764	-	1,079,146	7.0%

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JEFF DAVIS COUNTY, TEXAS  
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS  
DECEMBER 31, 2021

**Nonmajor Governmental Funds**

**Special Revenue Funds**

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Operation Stonegarden Fund – Accounts for grant and expenses related to enhancing border protection.

Library and Union Building Fund – Accounts for the maintenance and renovations of the library building.

County Attorney Hot Check Fund – Accounts for County Attorney fees and charges for hot check collections.

Law Library Fund – Accounts for the fees collected for operating and maintaining the law library.

Body Armor Grant Fund – Accounts for grant and expenses related to purchasing body armor.

Records Management Fund – Accounts for the revenue and expenditures of providing records services by the District/County Clerk and records management purposes.

Courthouse Security Fund – Accounts for the operating activities related to security purposes for the County courthouse.

Other Restricted Funds – Accounts for revenue and expenses related to funds that have been restricted for specific use.

TCDP Grant Fund – Accounts for Cares Act grant and expenses related to community development upgrading living conditions of low and moderate income persons.

Ambulance Donations Fund – Accounts for donations and expenses related to purchasing an ambulance.

JF Historic Fund – Accounts for the revenue and expenditures of the historic preservation fund.

Hotel/Motel Tax Fund – Accounts for the special revenues received through hotel/motel taxes for purposes of spending on economic development.

JEFF DAVIS COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUND  
 DECEMBER 31, 2021

	021	026	027	035	038	045
	SPECIAL REVENUE FUNDS					
	Operation Stonegarden	Library and Union Building Fund	County Attorney Hot Check Fund	Law Library	Body Armor Grant	Records Management Fund
<b>ASSETS</b>						
Cash and Temporary Investments	\$ -	\$ 80,230	\$ 1,306	\$ 12,388	\$ -	\$ 142,081
Accounts Receivable	45,926	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 45,926</b>	<b>\$ 80,230</b>	<b>\$ 1,306</b>	<b>\$ 12,388</b>	<b>\$ -</b>	<b>\$ 142,081</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Salaries and Wages	3,274	-	-	-	-	-
Due to Other Funds	42,652	-	-	-	-	-
<b>Total Liabilities</b>	<b>45,926</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Restricted for:						
Health and Welfare	-	-	-	-	-	-
Capital Projects	-	80,230	-	-	-	-
Other Purposes	-	-	1,306	12,388	-	142,081
<b>Total Fund Balances</b>	<b>-</b>	<b>80,230</b>	<b>1,306</b>	<b>12,388</b>	<b>-</b>	<b>142,081</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 45,926</b>	<b>\$ 80,230</b>	<b>\$ 1,306</b>	<b>\$ 12,388</b>	<b>\$ -</b>	<b>\$ 142,081</b>

<i>046</i>	<i>070</i>	<i>072</i>	<i>083</i>	<i>088</i>	<i>089</i>			
SPECIAL REVENUE FUNDS								
Courthouse Security Fund	Other Restricted Funds	TCDP Grant	Ambulance Donations Fund	JF Historic Fund	Hotel- Motel Tax Fund	Total Non- Major Funds		
\$ 40,273	\$ 37,929	\$ -	\$ 17,459	\$ 69,581	\$ 69,872	\$ 471,119		
-	-	-	-	-	18,163	64,089		
<u>\$ 40,273</u>	<u>\$ 37,929</u>	<u>\$ -</u>	<u>\$ 17,459</u>	<u>\$ 69,581</u>	<u>\$ 88,035</u>	<u>\$ 535,208</u>		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,361	\$ 22,361		
-	-	-	-	-	1,093	4,367		
-	-	-	-	-	13,240	55,892		
-	-	-	-	-	36,694	82,620		
-	-	-	17,459	-	-	17,459		
-	-	-	-	-	-	80,230		
40,273	37,929	-	-	69,581	51,341	354,899		
<u>40,273</u>	<u>37,929</u>	<u>-</u>	<u>17,459</u>	<u>69,581</u>	<u>51,341</u>	<u>452,588</u>		
<u>\$ 40,273</u>	<u>\$ 37,929</u>	<u>\$ -</u>	<u>\$ 17,459</u>	<u>\$ 69,581</u>	<u>\$ 88,035</u>	<u>\$ 535,208</u>		

JEFF DAVIS COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	021	026	027	035	038	045
	SPECIAL REVENUE FUNDS					
	Operation Stoneyarden	Library and Union Building Fund	County Attorney Hot Check Fund	Law Library	Body Armor Grant	Records Management Fund
<b>REVENUES</b>						
General Sales and Use Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, Fees, and Permits	-	-	-	1,015	-	21,977
Investment Income	-	-	-	-	-	-
Intergovernmental Revenues	107,617	-	-	-	-	-
Other Revenue	-	81	-	-	-	-
Total Revenues	107,617	81	-	1,015	-	21,977
<b>EXPENDITURES</b>						
Current:						
Public Safety	107,617	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Total Expenditures	107,617	-	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	-	81	-	1,015	-	21,977
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	5,355	-
Total Other Financing Sources (Uses)	-	-	-	-	5,355	-
Net Change in Fund Balance	-	81	-	1,015	5,355	21,977
Fund Balance-Beginning	-	80,149	1,306	11,373	(5,355)	120,104
Prior Period Adjustment	-	-	-	-	-	-
Fund Balance-Ending	\$ -	\$ 80,230	\$ 1,306	\$ 12,388	\$ -	\$ 142,081



<i>046</i>	<i>070</i>	<i>072</i>	<i>083</i>	<i>088</i>	<i>089</i>	
SPECIAL REVENUE FUNDS						
Courthouse Security Fund	Other Restricted Funds	TCDP Grant	Ambulance Donations Fund	JF Historic Fund	Hotel-Motel Tax Fund	Total Non- Major Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,395	\$ 187,395
8,249	1,983	-	-	-	-	33,224
-	-	-	-	208	-	208
-	-	120,536	-	-	-	228,153
-	-	-	-	-	-	81
8,249	1,983	120,536	-	208	187,395	449,061
-	518	135,661	-	-	17	243,813
-	-	-	-	-	136,037	136,037
-	518	135,661	-	-	136,054	379,850
8,249	1,465	(15,125)	-	208	51,341	69,211
-	-	-	-	-	-	5,355
-	-	-	-	-	-	5,355
8,249	1,465	(15,125)	-	208	51,341	74,566
32,024	36,464	15,125	17,459	69,373	-	378,022
-	-	-	-	-	-	-
\$ 40,273	\$ 37,929	\$ -	\$ 17,459	\$ 69,581	\$ 51,341	\$ 452,588

JEFF DAVIS COUNTY, TEXAS  
 COMBINING STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2021

	<i>050</i>	<i>082</i>	<i>091</i>
	Custodial Funds		
	District & County Clerk Bond Funds	Fire Reimbursement Fund	District & County Clerk Fund
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 24,064	\$ 64,422	\$ 41,267
Total Assets	\$ 24,064	\$ 64,422	\$ 41,267
<b>NET POSITION (DEFICITS)</b>			
Restricted for Remittance to County	\$ 24,064	\$ 64,422	\$ 41,267
Total Net Position	\$ 24,064	\$ 64,422	\$ 41,267

<i>OB1</i>	<i>OB2</i>	<i>OB3</i>	
Custodial Funds			
Tax Assessor/ Collector - Tax Account	Tax Assessor/ Collector - Registration/ Title	Tax Assessor/ Collector - Voter Registration	Total Custodial Funds
\$ 374,445	\$ 85,866	\$ 457	\$ 590,521
\$ 374,445	\$ 85,866	\$ 457	\$ 590,521
\$ 374,445	\$ 85,866	\$ 457	\$ 590,521
\$ 374,445	\$ 85,866	\$ 457	\$ 590,521

JEFF DAVIS COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>050</u>	<u>082</u>	<u>091</u>
	<u>Custodial Funds</u>		
	District & County Clerk Bond Funds	Fire Reimbursement Fund	District & County Clerk Fund
<b>ADDITIONS</b>			
Collections for District/County Clerk Services	\$ -	\$ -	\$ 74,716
Collections for Taxes and Fees	-	-	-
Total Additions	<u>-</u>	<u>-</u>	<u>74,716</u>
<b>DEDUCTIONS</b>			
Remittance to County Treasurer	-	-	-
Remittance to Taxing Authorities	-	-	-
Other Remittances	-	-	141,405
Total Deductions	<u>-</u>	<u>-</u>	<u>141,405</u>
Change in Net Position	<u>-</u>	<u>-</u>	<u>(66,689)</u>
Net Position - Beginning	<u>24,064</u>	<u>64,422</u>	<u>107,956</u>
Net Position - Ending	<u>\$ 24,064</u>	<u>\$ 64,422</u>	<u>\$ 41,267</u>

<i>OB1</i>	<i>OB2</i>	<i>OB3</i>	
Custodial Funds			
Tax Assessor/ Collector - Tax Account	Tax Assessor/ Collector - Registration/ Title	Tax Assessor/ Collector - Voter Registration	Total Custodial Funds
\$ -	\$ -	\$ -	\$ 74,716
4,271,534	323,338	642	4,595,514
4,271,534	323,338	642	4,670,230
-	307,392	642	308,034
4,206,085	-	-	4,206,085
-	-	-	141,405
4,206,085	307,392	642	4,655,524
65,449	15,946	-	14,706
308,996	69,920	457	575,815
\$ 374,445	\$ 85,866	\$ 457	\$ 590,521

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OTHER SUPPLEMENTARY INFORMATION SECTION

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

Honorable County Judge, Members of the Commissioners Court and Citizens of  
Jeff Davis County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jeff Davis County, Texas (hereafter the "County"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, 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) to determine 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we identified a deficiency in internal control that we consider to be a material weakness and which has been reported as Audit Finding 2021-001 in the Schedule of Findings and Questioned Costs.

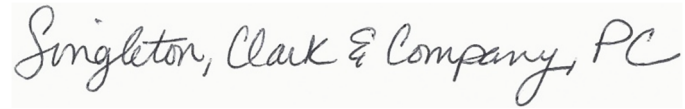
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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## **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Singleton, Clark & Company, PC". The signature is written in black ink on a light-colored background.

Singleton, Clark & Company, PC  
Alpine, Texas

October 27, 2023

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JEFF DAVIS COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**FEDERAL AWARDS**

Under the guidelines of the federal Uniform Guidance, a Single Audit was not required for the year ended December 31, 2021 due to expenditures of federal awards being less than \$750,000.

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

2021-001 Accounting and Financial Reporting, Including Bank Reconciliations (Material Weakness)

Criteria:

Counties carry out regular accounting activities on a daily basis to enable them to issue external financial statements after a year-end as required by state law. The financial statements provide information to the public and to state and federal agencies regarding a County’s finances and its financial condition. In addition, Counties also rely on internal financial reports to properly monitor ongoing financial and budgetary matters. These internal financial reports are also dependent on the daily accounting functions of the County.

Condition:

As a result of the audit, a significant number of audit adjusting entries were required to be applied to the accounting records of the County in order to prepare them for external financial reporting that adheres to generally accepted accounting principles. In addition, some of the adjustments applied were to make corrections to bank reconciliations which were out of balance and required extensive analysis during the audit to resolve.

Cause:

The primary cause of this condition was due to problems encountered with the conversion to new financial accounting software in fiscal year 2021. In addition, this condition was contributed to from a lack of review of the books of the County on a regular basis, for example monthly, to check back over the previous month for a verification of the accuracy of all posted transactions, any transactions that may have been missed, and preparation of all bank reconciliations.

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JEFF DAVIS COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021

**SECTION II – FINANCIAL STATEMENT FINDINGS (continued)**

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards: (continued)

2021-001 Accounting and Financial Reporting, Including Bank Reconciliations (continued)

Effect:

Due to the extent of the audit entries, some internal financial reports generated from the accounting system may not have been accurate during the year. In addition, the extent of the entries applied encroaches on the auditor firm's ability to remain independent with respect to the County.

Recommendation:

We recommend that the County Treasurer implement an informal monthly close process to be conducted each month that would perform the following procedures:

- Reconciliation of all bank accounts, including the large operating account of pooled funds
- Verification of the balancing of all Due To/From accounts and Transfers In/Out accounts
- Review of all payroll withholding accounts for expected balances with identified purposes
- Review of all revenue accounts for accurate postings
- Review of all expenditure accounts for accurate postings

In addition, at year-end during preparation of the books of the County for the annual financial audit and subsequent presentation as external financial statements, the County Treasurer should conduct analysis of the following and prepare the needed resulting accounting entries:

- Review for needed Accounts Payable entries to reflect all expenditures incurred as of year-end, but still pending payment
- Review for a needed Accrued Payroll entry, to reflect all salaries and wages earned by employees as of year-end, but still pending processing on a pay run
- Review of needed Accounts Receivable entries, to reflect all revenue earned by the County, but still pending payment

Finally, to help address these issues, the Treasurer's Office may want to consider obtaining assistance from an outside accountant on a regular basis that could assist with the informal monthly closing of the books.

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Prior Year Audit Findings for the year Ended December 31, 2020 and Current Status as Required to be Reported Under *Government Auditing Standards*

2020-001 Accounting and Financial Reporting, Including Bank Reconciliations

Criteria:

Counties carry out regular accounting activities on a daily basis to enable them to issue external financial statements after a year-end as required by state law. The financial statements provide information to the public and to state and federal agencies regarding a County's finances and its financial condition. In addition, Counties also rely on internal financial reports to properly monitor ongoing financial and budgetary matters. These internal financial reports are also dependent on the daily accounting functions of the County.

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JEFF DAVIS COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021

Condition:

As a result of the audit, a significant number of audit adjusting entries were required to be applied to the accounting records of the County in order to prepare them for external financial reporting that adheres to generally accepted accounting principles. In addition, some of the adjustments applied were to make corrections to bank reconciliations which were out of balance and required extensive analysis during the audit to resolve.

Cause:

The cause of this condition is from a lack of regular review of the books of the county on a regular basis, for example monthly, to check back over the previous month for a verification of the accuracy of all posted transactions, any transactions that may have been missed, and preparation of all bank reconciliations.

Effect:

Due to the extent of the audit entries, some internal financial reports generated from the accounting system may not have been accurate during the year. In addition, the extent of the entries applied encroaches on the auditor firm's ability to remain independent with respect to the County.

Recommendation:

We recommend that the County Treasurer implement an informal monthly close process to be conducted each month that would perform the following procedures:

- Reconciliation of all bank accounts, including the large operating account of pooled funds
- Verification of the balancing of all Due To/From accounts and Transfers In/Out accounts
- Review of all payroll withholding accounts for expected balances with identified purposes
- Review of all revenue accounts for accurate postings
- Review of all expenditure accounts for accurate postings

In addition, at year-end during preparation of the books of the County for the annual financial audit and subsequent presentation as external financial statements, the County Treasurer should conduct analysis of the following and prepare the needed resulting accounting entries:

- Review for needed Accounts Payable entries to reflect all expenditures incurred as of year-end, but still pending payment
- Review for a needed Accrued Payroll entry, to reflect all salaries and wages earned by employees as of year-end, but still pending processing on a pay run
- Review of needed Accounts Receivable entries, to reflect all revenue earned by the County, but still pending payment

Current Status:

This matter has again been reported in the current year.

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JEFF DAVIS COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Findings Related to Federal Awards Which are Required to be Reported in Accordance with federal Uniform Guidance:

Not applicable.

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DAWN E. KITTS

County Treasurer  
Jeff Davis County

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Current Year Audit Findings:

2021-001 Accounting and Financial Reporting, Including Bank Reconciliations

Corrective Action Planned:

I feel that now that I know not to use the cash accounts from Net Data, things will be more balanced.

I will try with the time I have to at least quarterly check all accounts and make sure they are in balance.

Anticipated Completion Date: Ongoing

Contact Person: Dawn Kitts, Treasurer