

Eckert & Company

CERTIFIED PUBLIC ACCOUNTANTS

A Limited Liability Partnership

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Members of
American Institute of CPAs
Texas Society of CPAs

March 1, 2024

Ginna Hruska, County Auditor
County of Reagan
P.O. Box 100
Big Lake, TX 76932-0100

In connection with the audit of the County of Reagan, Texas, for the year ended September 30, 2023, the following items are enclosed:

1. A checklist of enclosed items
2. The management representation letter
3. Draft copy of the audit report
4. A listing of all adjusting journal entries
5. A listing of all fund to government-wide (GASB 34) adjusting entries and trial balance worksheet
6. A copy of the depreciation schedule including depreciable lives and methods

Please review these items as soon as possible and let us know if you have any questions. You, the County Judge, and the County Treasurer then need to electronically sign the management representation letter. Also, you and the County Judge need to initial each item in the checklist in the appropriate column and electronically sign it below. Please keep a copy of the representation letter for your files.

Eckert & Company, LLP

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IMPORTANT NOTE:

Please return the signed checklist and the management representation letter to us at your earliest convenience.

When we receive these two items, we will forward the final audit reports to you.

REAGAN COUNTY COMMISSIONERS' COURT

Mike Vargas
Precinct # 1

Tommy Holt
Precinct # 3

**Reagan County Courthouse
PO Box 100
Big Lake, Texas 76932**

Tim Sellman
Precinct # 2

Jim O'Bryan
County Judge

Mary Loftin
Precinct # 4

March 1, 2024

Eckert & Company, LLP
Certified Public Accountants
P.O. Box 5821
San Angelo, TX 76902-5821

We have received the following from you regarding your audit of the County of Reagan, Texas, as of September 30, 2023, and for the year then ended:

County Judge's Initials	County Auditor's Initials	
OB	GH	Draft of the audit report, including the Schedule of Expenditures of State and Federal Awards
OB	GH	A listing of all adjusting journal entries proposed by you
OB	GH	A listing of all fund to government-wide (GASB 34) adjusting entries proposed by you
OB	GH	A copy of the depreciation schedule including depreciable lives and methods proposed by you

We have read, understand, and approve the audit report and all adjusting journal entries and depreciable lives and methods proposed by you.

COUNTY OF REAGAN

By *Jim O'Bryan*

Title County Judge

By *Ginna Hruska*

Title County Auditor

March 1, 2024

Eckert & Company, LLP
Certified Public Accountants
P.O. Box 5821
San Angelo, TX 76902-5821

This representation letter is provided in connection with your audit of the financial statements of the County of Reagan, Texas, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of September 30, 2023, and the respective changes in financial position and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in conformity with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

We understand that you prepared the trial balances for use during the audit and that your preparation of the trial balances was limited to formatting the information in the general ledger into working trial balances.

We confirm, to the best of our knowledge and belief, as of March 1, 2024, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 28, 2023, including our responsibility for the preparation and fair presentation of the financial statements in conformity with the modified cash basis of accounting and for preparation of the schedule of expenditures of state and federal awards in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting and include all properly classified funds and other financial information of the government required to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in conformity with the modified cash basis of accounting.
6. Related-party relationships and transactions, including receipts, disbursements, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in conformity with the modified cash basis of accounting.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.

Information Provided

9. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the County from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of meetings of the Commissioners' Court or summaries of actions of recent meetings for which minutes have not yet been prepared.

10. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of state and federal awards.
11. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud that affects the County and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
13. We have no knowledge of any allegations of fraud or suspected fraud affecting the County's financial statements communicated by employees, former employees, regulators, or others.
14. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
15. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
16. We have disclosed to you the names of the County's related parties and all the related-party relationships and transactions, including any side agreements.

Government - Specific

17. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
18. We have a process to track the status of audit findings and recommendations, if any.
19. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
20. The County has no plans or intentions that may materially affect the carrying value or classifications of assets, liabilities, or equity.
21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax on debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
22. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
23. There are no violations or possible violations of laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
24. As part of your audit, you have suggested adjusting entries and government-wide conversion entries and have prepared the draft financial statements and disclosures and the schedule of expenditures of state and federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed and approved the suggested adjusting entries and the suggested government-wide conversion entries. We also have reviewed, approved, and accepted responsibility for these financial statements and disclosures and the schedule of expenditures of state and federal awards.
25. The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
26. The County has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

27. The financial statements include all fiduciary activities required by GASB Statement No. 84, as amended.
28. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
29. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such, and all other funds that are presented as major are particularly important to financial statement users.
30. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
31. Investments and other assets held by endowments are properly valued.
32. Provisions for uncollectible receivables have been properly identified and recorded.
33. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
34. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
35. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
36. Special and extraordinary items, if any, are appropriately classified and reported.
37. Deposits and investment securities transactions are properly classified as to risk and are properly disclosed.
38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
39. We have appropriately disclosed the County's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
40. We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
41. We acknowledge our responsibility for the supplementary information:
 - a. The supplementary information is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior year.
 - b. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the supplementary information.
 - c. The supplementary information is consistent with the basic financial statements.
 - d. Management's discussion and analysis (MD&A) is based on facts, decisions, or conditions currently known to management and does not contain forecasts or other prospective information.
 - e. The information in the budgetary comparison schedules is based on the original legal budget, the amended legal budget, and the actual fund activity presented on the same basis as the legally adopted budget.
 - f. Net pension liability and contributions information is presented in accordance with the requirements of GASB 68.
42. With respect to the schedule of expenditures of state and federal awards, we acknowledge our responsibility for presenting this information in conformity with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and we believe the information, including its form and content, is fairly presented in conformity with the modified cash basis of accounting. The methods of measurement and presentation of the information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the other information.
43. There have been no violations of state compliance requirements including nepotism, pecuniary interest, competitive bidding, depository transactions, and other compliance matters.

44. With respect to state and federal award programs -

- a. We are responsible for understanding and complying with and have complied with the requirements of the State of Texas Uniform Grant Management Standards (Standards) including requirements relating to preparation of the schedule of expenditures of state and federal awards.
- b. We acknowledge our responsibility for preparing and presenting the schedule of expenditures of state and federal awards and related disclosures in accordance with the requirements of the Standards, and we believe the schedule of expenditures of state and federal awards, including its form and content, is fairly presented in accordance with the Standards. The methods of measurement or presentation of the schedule of expenditures of state and federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the schedule of expenditures of state and federal awards.
- c. We have identified and disclosed to you all of our state and federal programs and related activities subject to the Standards and have included in the schedule of expenditures of state and federal awards expenditures made during the audit period for all awards provided by the State.
- d. We are responsible for understanding and complying with, and have complied with, the requirements of the Standards and the terms and conditions of state and federal awards related to each of our state and federal programs and have identified and disclosed to you the requirements of the Standards and the terms and conditions of state and federal awards that are considered to have a direct and material effect on each major program.
- e. We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for state and federal programs that provides reasonable assurance that we are managing our state and federal awards in compliance with the Standards and the terms and conditions of state and federal awards that could have a material effect on our state and federal programs. We believe the internal control system is adequate and is functioning as intended.
- f. We have made available to you all state and federal awards and any other correspondence with state and federal agencies relevant to state and federal programs and related activities.
- g. We have received no requests from a state or federal agency to audit one or more specific programs as a major program.
- h. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- i. We have disclosed any communications from state and federal awarding agencies concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- j. We have disclosed to you the findings received and related corrective actions taken for previous audits, if any, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Standards.
- l. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to state and federal program financial reports and claims for advances and reimbursements.
- n. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

44. Continued -

- p. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- q. State and federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- r. The copies of state and federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective state or federal agency.
- s. We have charged costs to state and federal awards in accordance with applicable cost principles.
- t. We are responsible for and have accurately prepared the summary schedule of prior audit findings, if any, to include all findings required to be included by the Standards, and we have provided you with all information on the status of the follow-up on prior audit findings by state and federal awarding agencies, including all management decisions.
- u. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w. We are responsible for taking corrective action on each audit finding, if any, of the compliance audit and have developed a corrective action plan that meets the requirements of the Standards.

COUNTY OF REAGAN, TEXAS

By Jim O'Bryan
Title County Judge
By Ginna Hruska
Title County Auditor
By Quinonez
Title County Treasurer

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March 1, 2024

The Honorable County Judge
and Commissioners' Court
County of Reagan
P.O. Box 100
Big Lake, TX 76932-0100

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Reagan, Texas, for the year ended September 30, 2023, and have issued our report thereon dated March 1, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the State of Texas Uniform Grant Management Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 28, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Section I. of the notes to the financial statements. The provisions of Governmental Accounting Standards Board Statement No. 96, "*Subscription-Based Information Technology Arrangements*," were adopted during the year ended September 30, 2023. The application of other existing policies was not changed. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the County's financial statements was:

The estimated useful lives of depreciable assets, which are based on projections of the productive lives of the assets. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

The Honorable County Judge
and Commissioners' Court
Page 2
March 1, 2024

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 1, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, and net pension liability and contributions information for the Texas County & District Retirement System, which are presented as supplementary information related to the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit this information, and we do not express an opinion or provide any assurance on this information.

We were engaged to report on the schedule of expenditures of state and federal awards, which accompanies the financial statements. With respect to the schedule of expenditures of state and federal awards, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America; the method of preparing it has not changed from the prior period; and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the schedule of expenditures of state and federal awards to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of management and the Commissioners' Court of the County of Reagan, Texas, and is not intended to be and should not be used by anyone other than these specified parties.

Eckert & Company, LLP

COUNTY OF REAGAN
 Annual Financial Report
 Year Ended September 30, 2023

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable County Judge
and Commissioners' Court
County of Reagan
P.O. Box 100
Big Lake, TX 76932-0100

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Reagan, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Reagan, Texas, as of September 30, 2023, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Section I., Note C.

Basis 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 of Reagan, Texas, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Basis of Accounting

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

New Accounting Standard

The County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, described in Note I., I. to the financial statements. Our opinion is not modified with respect to this matter.

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 of Reagan'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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 of Reagan'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 of Reagan'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.

Supplementary Information

The management's discussion and analysis, budgetary comparison information, and net pension liability and contributions information for the Texas County & District Retirement System are presented to supplement the basic financial statements. We have applied certain limited procedures to the 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Reagan's basic financial statements. The accompanying schedule of expenditures of state and federal awards is presented for purposes of additional analysis as required by the State of Texas Uniform Grant Management Standards and is 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 schedule of expenditures of state and federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2024, on our consideration of the County of Reagan'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 of Reagan'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 of Reagan's internal control over financial reporting and compliance.

Eckert & Company, LLP

March 1, 2024

REAGAN COUNTY COMMISSIONERS' COURT

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the County of Reagan's financial performance provides an overview of the County's financial activities for the year ended September 30, 2023, within the limitations of the County's modified cash basis of accounting. It should be read in conjunction with the County's basic financial statements and independent auditor's report.

Financial Highlights - Modified Cash Basis of Accounting

The County's assets exceeded its liabilities at the end of the current year by \$70,645,330 (net position). Of this amount, \$44,281,347 (unrestricted) may be used to meet the County's ongoing obligations.

The County's total net position increased by \$9,945,305 or 16% as a result of current year operations. The County's statement of activities shows total revenues of \$22,888,041 and total expenses of \$12,942,736.

The total fund balance of the General Fund is \$38,568,589 which is an increase of \$6,131,504 or 19% compared to the prior year.

Overview of the Financial Statements

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Overview of the Financial Statements - Continued

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

The governmental activities of the County include public transportation through roads and bridges, judicial, public safety, corrections and rehabilitation, public health and welfare, and culture and recreation, as well as general administrative and support services.

The County has no component units.

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

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

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

Information is presented separately in the governmental fund balance sheet - modified cash basis and in the governmental fund statement of revenues, expenditures, and changes in fund balances - modified cash basis for the General Fund, the Road and Bridge Fund, and the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Fund, all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation.

The County adopts a budget for its General Fund and Special Revenue Funds.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Government-Wide Financial Analysis

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

NET POSITION - MODIFIED CASH BASIS

	<u>Governmental Activities</u>	
	<u>September 30,</u>	
	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 45,347,545	\$ 38,083,676
Capital Assets	<u>25,791,904</u>	<u>23,365,897</u>
Total Assets	<u>\$ 71,139,449</u>	<u>\$ 61,449,573</u>
Liabilities	<u>\$ 494,119</u>	<u>\$ 749,548</u>
Net Position		
Net Investment in Capital Assets	\$ 25,791,904	\$ 23,365,897
Restricted	572,079	525,246
Unrestricted	<u>44,281,347</u>	<u>36,808,882</u>
Total Net Position	<u>\$ 70,645,330</u>	<u>\$ 60,700,025</u>

A large portion of the County's net position resulting from modified cash basis transactions (\$25,791,904) reflects the County's investment in capital assets. These assets are not available for future spending. An additional portion of the County's net position (\$572,079) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$44,281,347) may be used to meet the County's ongoing obligations.

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Government-Wide Financial Analysis - Continued

Governmental Activities - Governmental activities increased the County's net position resulting from modified cash basis transactions by \$9,945,305 and \$5,277,195 for the fiscal years ended September 30, 2023 and 2022, respectively. Key elements of these increases are as follows:

CHANGES IN NET POSITION - MODIFIED CASH BASIS

	<u>Governmental Activities</u>	
	<u>Year Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues		
Charges for Services	\$ 1,688,743	\$ 1,799,566
Operating Grants and Contributions	460,324	231,847
Capital Grants and Contributions	3,118,036	1,645,216
General Revenues		
Maintenance and Operations Taxes	11,619,642	11,033,242
Sales Taxes	3,576,580	2,566,796
Investment Earnings	1,834,468	183,538
Other Revenues	590,248	532,414
Total Revenues	<u>\$ 22,888,041</u>	<u>\$ 17,992,619</u>
Expenses		
General Government	\$ 3,199,467	\$ 3,010,882
Roads and Bridges	2,666,460	2,920,808
Justice System	1,170,443	1,065,106
Public Safety	4,219,474	4,089,941
Corrections and Rehabilitation	993,753	967,834
Public Health and Welfare	120,355	113,713
Culture and Recreation	572,784	547,140
Total Expenses	<u>\$ 12,942,736</u>	<u>\$ 12,715,424</u>
Change in Net Position	\$ 9,945,305	\$ 5,277,195
Net Position - Beginning	<u>60,700,025</u>	<u>55,422,830</u>
Net Position - Ending	<u><u>\$ 70,645,330</u></u>	<u><u>\$ 60,700,025</u></u>

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Financial Analysis of the County's Funds

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

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

The County's governmental funds reported combined ending fund balances on the modified cash basis of accounting of \$44,853,426, an increase of \$7,519,298 or 20% in comparison with the prior year. These fund balances are reported in various governmental funds as follows:

General Fund \$38,568,589. All of this balance is unassigned.

Road and Bridge Fund \$5,571,657. This balance is committed to roads and bridges.

Special Revenue Funds \$713,180. Of this balance \$141,101 is committed to special programs and \$572,079 is restricted by legislation.

General Fund Budget

The original budget was \$16,084,177 and final amended budget for the General Fund was \$16,167,111 which represents an \$82,934 increase in appropriations. Variances between the original budget and the final amended budget are shown on page 35 in the other information section of the audit report.

The County has adopted a budget for the General Fund in the amount of \$17,802,473 for the fiscal year 2024, which is an increase of \$1,635,362 from the fiscal year 2023.

Capital Assets and Debt - Modified Cash Basis

Capital Assets - Financial statement footnote III., D. discloses the County's capital asset activity for the year ended September 30, 2023.

Long-Term Debt - The County had no long-term debt outstanding.

Requests for Information

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Jim O'Bryan, County Judge, County of Reagan, P.O. Box 100, Big Lake, TX 76932-0100.

Basic Financial Statements

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COUNTY OF REAGAN
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
SEPTEMBER 30, 2023

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 42,414,534
Due from State	2,933,011
Capital Assets:	
Land	160,667
Infrastructure, Net	19,994,149
Buildings and Improvements, Net	3,206,640
Machinery and Equipment, Net	2,430,448
Total Assets	71,139,449
LIABILITIES	
Due to State	15,913
Unearned Revenues	478,206
Total Liabilities	494,119
NET POSITION	
Net Investment in Capital Assets	25,791,904
Restricted by Legislation	572,079
Unrestricted	44,281,347
Total Net Position	\$ 70,645,330

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

COUNTY OF REAGAN
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
General Government	\$ 3,199,467	\$ 753,291	\$ 48,544
Roads and Bridges	2,666,460	265,184	10,687
Justice System	1,170,443	207,535	18,986
Public Safety	4,219,474	418,243	300,562
Corrections and Rehabilitation	993,753	21,431	-
Public Health and Welfare	120,355	-	39,884
Culture and Recreation	572,784	23,059	41,661
TOTAL PRIMARY GOVERNMENT	\$ 12,942,736	\$ 1,688,743	\$ 460,324

General Revenues:
Taxes:
Property Taxes
General Sales and Use Taxes
Miscellaneous Revenue
Investment Earnings
Total General Revenues
Change in Net Position
Net Position - Beginning
Net Position - Ending

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

Net (Expense) Revenue and
Changes in Net Position

Capital Grants and Contributions	Primary Government Governmental
\$ -	\$ (2,397,632)
3,118,036	727,447
-	(943,922)
-	(3,500,669)
-	(972,322)
-	(80,471)
-	(508,064)
<u>\$ 3,118,036</u>	<u>(7,675,633)</u>

11,619,642
3,576,580
590,248
<u>1,834,468</u>
17,620,938
<u>9,945,305</u>
60,700,025
<u>\$ 70,645,330</u>

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COUNTY OF REAGAN
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Road and Bridge Fund	CSLFRF Fund
ASSETS			
Cash and Cash Equivalents	\$ 38,568,589	\$ 2,660,865	\$ 479,184
Due from State	-	2,910,792	-
Total Assets	<u>\$ 38,568,589</u>	<u>\$ 5,571,657</u>	<u>\$ 479,184</u>
LIABILITIES			
Due to State	\$ -	\$ -	\$ -
Unearned Revenues	-	-	478,206
Total Liabilities	<u>-</u>	<u>-</u>	<u>478,206</u>
FUND BALANCES			
Restricted Fund Balance:			
Restricted by Legislation	-	-	-
Committed Fund Balance:			
Committed for Roads and Bridges	-	5,571,657	-
Committed for Airport	-	-	-
Committed for Special Programs	-	-	978
Unassigned Fund Balance	38,568,589	-	-
Total Fund Balances	<u>38,568,589</u>	<u>5,571,657</u>	<u>978</u>
Total Liabilities and Fund Balances	<u>\$ 38,568,589</u>	<u>\$ 5,571,657</u>	<u>\$ 479,184</u>

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

Other Funds	Total Governmental Funds
\$ 705,896	\$ 42,414,534
22,219	2,933,011
<u>\$ 728,115</u>	<u>\$ 45,347,545</u>
\$ 15,913	\$ 15,913
-	478,206
<u>15,913</u>	<u>494,119</u>
572,079	572,079
-	5,571,657
58,615	58,615
81,508	82,486
-	38,568,589
<u>712,202</u>	<u>44,853,426</u>
<u>\$ 728,115</u>	<u>\$ 45,347,545</u>

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COUNTY OF REAGAN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
SEPTEMBER 30, 2023

Total Fund Balances - Governmental Funds	\$	44,853,426
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The net effect of this adjustment is to increase (decrease) net position.		23,365,897
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of this adjustment is to increase (decrease) net position.		4,723,531
Depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(2,297,524)
Net Position of Governmental Activities	\$	70,645,330

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

COUNTY OF REAGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Road and Bridge Fund	CSLFRF Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 10,546,820	\$ 1,072,822	\$ -
General Sales and Use Taxes	3,576,580	-	-
Fees and Fines	658,986	264,536	-
Intergovernmental	705,927	3,118,036	255,430
Investment Earnings	1,659,977	173,700	783
Miscellaneous	508,070	27,010	-
Total Revenues	17,656,360	4,656,104	256,213
EXPENDITURES:			
Current:			
General Government	2,530,160	273,703	-
Roads and Bridges	-	5,287,224	-
Justice System	1,166,972	-	-
Public Safety	3,972,767	-	255,430
Corrections and Rehabilitation	827,411	-	-
Public Health and Welfare	117,489	-	-
Culture and Recreation	660,057	-	-
Total Expenditures	9,274,856	5,560,927	255,430
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,381,504	(904,823)	783
OTHER FINANCING SOURCES (USES):			
Transfers In	-	2,250,000	-
Transfers Out (Use)	(2,250,000)	-	-
Total Other Financing Sources (Uses)	(2,250,000)	2,250,000	-
Net Change in Fund Balances	6,131,504	1,345,177	783
Fund Balance - October 1 (Beginning)	32,437,085	4,226,480	195
Fund Balance - September 30 (Ending)	\$ 38,568,589	\$ 5,571,657	\$ 978

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

Other Funds	Total Governmental Funds
\$ -	\$ 11,619,642
-	3,576,580
229,453	1,152,975
34,737	4,114,130
8	1,834,468
55,166	590,246
<u>319,364</u>	<u>22,888,041</u>
239,266	3,043,129
-	5,287,224
3,471	1,170,443
31,255	4,259,452
-	827,411
2,866	120,355
672	660,729
<u>277,530</u>	<u>15,368,743</u>
<u>41,834</u>	<u>7,519,298</u>
-	2,250,000
-	(2,250,000)
-	-
<u>41,834</u>	<u>7,519,298</u>
<u>670,368</u>	<u>37,334,128</u>
<u>\$ 712,202</u>	<u>\$ 44,853,426</u>

COUNTY OF REAGAN
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 & CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES- MODIFIED CASH BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Total Net Change in Fund Balances - Governmental Funds	\$	7,519,298
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of this adjustment is to increase (decrease) net position.		4,723,531
Depreciation is not recognized as an expense in governmental funds. The net effect of this adjustment is to decrease net position.		(2,297,524)
Change in Net Position of Governmental Activities	\$	9,945,305

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

COUNTY OF REAGAN
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 984,907
Total Assets	<u>984,907</u>
LIABILITIES	
Due to Other Governments	641,739
Due to Others	130,358
Total Liabilities	<u>772,097</u>
NET POSITION	
Restricted for Custodial Purposes	<u>212,810</u>
Total Net Position	<u><u>\$ 212,810</u></u>

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

COUNTY OF REAGAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds
ADDITIONS:	
Property Taxes	\$ 104,299,905
Fees and Fines	1,788,536
Bond and Registry Receipts	10,000
Investment Earnings	303
Rents and Royalties	187,528
Total Additions	106,286,272
DEDUCTIONS:	
Property Taxes Remitted to Entities	104,048,664
Property Tax Attorney Collection Fees	251,241
Remitted School Land Funds to School District	206,460
Other Operating Costs	10,553
State and County Fines and Fees	1,716,860
Bond and Registry Disbursements	18,830
Justice of the Peace Attorney Collection Fees	30,137
Corrections and Rehabilitation	45,279
Total Deductions	106,328,024
Net Change in Fiduciary Net Position	(41,752)
Total Net Position - October 1 (Beginning)	254,562
Total Net Position - September 30 (Ending)	\$ 212,810

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

COUNTY OF REAGAN
Notes to the Financial Statements
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The County of Reagan, Texas, was organized by an Act of the Texas Legislature in 1903. The County is governed by the Commissioners' Court, a five-member group consisting of an elected County Judge and four County Commissioners elected from individual precincts. Services provided by the County include public transportation through roads and bridges, judicial, public safety, corrections and rehabilitation, public health and welfare, and culture and recreation, as well as general administrative and support services. There are no component units included within the reporting entity.

B. Government-Wide and Fund Financial Statements

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

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

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus and Basis of Accounting - Continued

Basis of Accounting

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

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

The government reports the following major governmental funds:

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

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

Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Fund - This Fund is a special revenue fund and is used to account for funds provided to address needs related to the Coronavirus pandemic.

Additionally, the government reports the following fund types:

Special Revenue Funds - These Funds account for resources restricted to, or committed for, specific purposes by the County or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a special revenue fund.

Fiduciary Funds account for assets held by the County in a trustee capacity or resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those Funds are not available to support the County's own programs.

The County has the following Fiduciary Funds:

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

D. Interfund Receivables and Payables

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

E. Capital Assets

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

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Capital Assets - Continued

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-30
Machinery and Equipment	5-10
Infrastructure	30

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

F. Compensated Absences

County employees are entitled to vacation and sick leave based on their length of employment. Vacation leave can be accumulated for a maximum of two years. Employees are paid for any unused vacation leave up to a maximum of two years upon separation from service. Sick leave can be accumulated and carried forward indefinitely. Employees are not paid for unused sick leave upon separation from service.

G. Net Position on the Statement of Net Position

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

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

Restricted by Legislation - This component of net position represents the difference between assets and liabilities of certain Special Revenue Funds that consists of assets with constraints placed on their use by state legislation.

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

H. Fund Balances/Equity

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

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

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

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

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Fund Balances/Equity - Continued

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

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

Restricted net position for custodial purposes represents the net position available in the custodial funds for distribution to individuals, private organizations, and other governments.

I. Implementation of New Accounting Standard

The County implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The County determined there was no impact upon its financial position, results of operations, or cash flows upon adoption.

J. Property Tax Revenues

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

Property taxes are recognized as revenues when they are collected.

K. Interfund Transfers

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budget

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

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

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

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

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy.

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

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

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At September 30, 2023, the County was not significantly exposed to credit risk.

Interest Rate Risk: Not applicable

Foreign Currency Risk: Not applicable

At September 30, 2023, the County's investments with respective maturities and credit ratings consisted of the following:

	<u>Fair Value</u>	<u>Percent</u>	<u>Weighted Average Maturity</u>	<u>Credit Rating</u>
<u>Public Funds Investment Pools</u>				
TexPool	<u>\$ 40,400,000</u>	<u>100%</u>	25 Days	AAAm

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

A. Deposits and Investments - Continued

Public Funds Investment Pools

Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other persons who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District’s investment in Pools is reported at an amount determined by the fair value per share of the Pool’s underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940.

B. Interfund Transfers

Interfund transfers consist of the following:

Transfers From	Transfers To	Amount	Purpose
General Fund	Major Governmental Funds	\$ 2,250,000	Current Operations

C. Due from Other Governments

The County participates in various state programs from which it receives grant funds for maintenance, infrastructure and equipment. Amounts due from the State for these programs are summarized as follows:

County Transportation Infrastructure Fund	\$ 2,910,792
Routine Airport Maintenance Program	22,219
Total	\$ 2,933,011

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

D. Capital Assets

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets				
Land	\$ 160,667	\$ 0	\$ 0	\$ 160,667
Buildings and Improvements	9,160,170	185,358	0	9,345,528
Machinery and Equipment	9,172,094	354,711	(10,600)	9,516,205
Infrastructure	<u>23,433,989</u>	<u>4,183,462</u>	<u>0</u>	<u>27,617,451</u>
Total Capital Assets Being Depreciated	<u>\$ 41,926,920</u>	<u>\$ 4,723,531</u>	<u>\$ (10,600)</u>	<u>\$ 46,639,851</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ (5,809,216)	\$ (329,672)	\$ 0	\$ (6,138,888)
Machinery and Equipment	(6,474,289)	(622,068)	10,600	(7,085,757)
Infrastructure	<u>(6,277,518)</u>	<u>(1,345,784)</u>	<u>0</u>	<u>(7,623,302)</u>
Total Accumulated Depreciation	<u>\$ (18,561,023)</u>	<u>\$ (2,297,524)</u>	<u>\$ 10,600</u>	<u>\$ (20,847,947)</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,365,897</u>	<u>\$ 2,426,007</u>	<u>\$ 0</u>	<u>\$ 25,791,904</u>

Depreciation expense was charged to governmental activities programs as follows:

General Government	\$ 164,328
Roads and Bridges	1,562,698
Public Safety	293,793
Corrections and Rehabilitation	110,363
Culture and Recreation	<u>166,342</u>
Total	<u>\$ 2,297,524</u>

E. Due to Other Governments

Amounts due to other governments are summarized as follows:

	<u>Special Revenue Funds</u>
HAVA Grant Fund	<u>\$ 15,913</u>

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS - Continued

F. Unearned Revenue

Unearned revenue at year end consisted of the following:

	Special Revenue Funds
CSLFRF Fund	<u>\$ 478,206</u>

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan Description - The County provides retirement, disability, and death benefits through a nontraditional defined benefit pension plan in the statewide, Texas County & District Retirement System (TCDRS). All full-time and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year, employees in a temporary position are not eligible for membership. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County & District Retirement System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 1-800-823-7782.

The plan provisions are adopted by the governing body of the employer within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy - The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed the actuarially determined rate of 14.11% for the months of the accounting year in 2022. However, the governing body chose to pay a rate of 13.17% for 2023 that exceeded the actuarially determined rate of 13.03% as allowed by the provisions of the TCDRS Act. This had the effect of reducing the County's unfunded net pension liability.

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

The deposit rate payable by the employee members for calendar year 2023 is 7% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Actuarial Assumptions - All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2022 funding valuation, except as noted below and throughout this report. Please see the County's December 31, 2022 Summary Valuation Report for further details.

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 (Level Percent of Pay)
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	2.5%
Salary Increases	4.7%
Investment Rate of Return	7.6% (Gross of Administrative Expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for the 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	Members eligible for service retirement are assumed to retire at various rates based upon age and gender. For all eligible members ages 75 and later, retirement is assumed to occur immediately.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	Mortality rates for depositing members are based on 135% for males and 120% for females of the gender-distinct Pub-2010 General Employees Amount-Weighted Mortality Table. Service retirees, beneficiaries, and non-depositing members are based on 135% for males and 120% for females of the Pub-2010 General Retirees Amount-Weighted Mortality Table. Disabled retirees are based on 160% for males and 125% for females of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table. All of the rates are projected with 100% of the MP-2021 Ultimate scale after 2010.

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Long-Term Expected Rate of Return - 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 2023 information for a 10-year time horizon.

Note the valuation assumption for 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 its March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected Minus Inflation)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (Net) Index	2.50%	4.95%
International Equities - Developed Markets	MSCI World Ex USA (Net) Index	5.00%	4.95%
International Equities - Emerging Markets	MSCI Emerging Markets (Net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	7.60%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (Net) Index	2.00%	4.15%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Depletion of Plan Assets/GASB Discount Rate - The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in 1, calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefits payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.6%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.5%, net of all expenses, increased by 0.1% to be gross of administrative expenses.

Changes in Net Pension Liability (Asset) - The following presents the increases (decreases) in net pension liability (asset):

<u>Changes in Net Pension Liability (Asset)</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
Balance as of December 31, 2021	\$ 25,160,231	\$ 26,169,357	\$ (1,009,126)
Changes for the Year:			
Service Cost	\$ 863,620	\$ 0	\$ 863,620
Interest on Total Pension Liability	1,943,283	0	1,943,283
Effect of Plan Changes	0	0	0
Effect of Economic/Demographic Gains or Losses	(684,053)	0	(684,053)
Effect of Assumptions Changes or Inputs	0	0	0
Refund of Contributions	(69,502)	(69,502)	0
Benefit Payments	(856,122)	(856,122)	0
Administrative Expenses	0	(14,533)	14,533
Member Contributions	0	356,680	(356,680)
Net Investment Income	0	(1,546,881)	1,546,881
Employer Contributions	0	718,965	(718,965)
Other	0	42,991	(42,991)
Net Changes	<u>\$ 1,197,226</u>	<u>\$ (1,368,402)</u>	<u>\$ 2,565,628</u>
Balance as of December 31, 2022	<u>\$ 26,357,457</u>	<u>\$ 24,800,955</u>	<u>\$ 1,556,502</u>

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Sensitivity Analysis - The following presents the net pension liability (asset) of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.6%) or 1 percentage point higher (8.6%) than the current rate.

	<u>1% Decrease in Discount Rate (6.6%)</u>	<u>Current Discount Rate (7.6%)</u>	<u>1% Increase in Discount Rate (8.6%)</u>
Total Pension Liability	\$ 30,125,922	\$ 26,357,457	\$ 23,231,148
Fiduciary Net Position	<u>24,800,955</u>	<u>24,800,955</u>	<u>24,800,955</u>
Net Pension Liability (Asset)	<u>\$ 5,324,967</u>	<u>\$ 1,556,502</u>	<u>\$ (1,569,807)</u>

Pension Expense (Income) - The following presents the components of pension expense (income):

<u>Pension Expense (Income)</u>	<u>January 1, 2022 to December 31, 2022</u>
Service Cost	\$ 863,620
Interest on Total Pension Liability	1,943,283
Effect of Plan Changes	0
Administrative Expenses	14,533
Member Contributions	(356,680)
Expected Investment Return Net of Investment Expenses	(1,995,529)
Recognition of Deferred Inflows/Outflows of Resources:	
Recognition of Economic/Demographic Gains or Losses	(170,885)
Recognition of Assumption Changes or Inputs	283,989
Recognition of Investment Gains or Losses	66,870
Other	<u>(42,991)</u>
Total Pension Expense (Income)	<u>\$ 606,210</u>

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Deferred Outflows/Deferred Inflows of Resources - As of September 30, 2023, the deferred outflows and inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 45,713	\$ 635,393
Changes in Assumptions	558,294	-
Net Differences Between Projected and Actual Earnings	550,375	-
Contributions Made Subsequent to Measurement Date	3,907,147	-
Totals	\$ 5,061,529	\$ 635,393

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

Year Ending September 30,	Pension Expense Amount
2023	\$ (142,687)
2024	133,327
2025	(43,324)
2026	571,673
2027	0
Thereafter	0

The net pension liability/(asset), deferred resource outflows, and deferred resource inflows related to the pension liability/(asset) are reported in the notes to the financial statements. Due to the County's reporting on the OCBOA - modified cash basis, these items are not reflected in the financial statements.

B. Self-Insurance

The County has entered into an interlocal participation agreement with the West Texas Rural Counties Association Insurance Pool (the Pool). The Pool is an unincorporated association of counties and other political subdivisions of the State of Texas that was created to provide assistance in financing each member's risk of loss pursuant to the provisions of Article 715c, Texas Revised Civil Statutes Annotated, and Chapter 172 of the Local Government Code. The Pool provides for the self-insurance of certain defined risks jointly among the Pool members. The County's participation in the Pool is on a nonassessable basis. The County has no joint and several liability other than the maximum annual contribution required to be paid to the Pool. The Pool is required to provide stop-loss coverage and/or maintain reserves to ensure that the participation of the County is maintained on a nonassessable basis at all times. The County made contributions to the Pool for the coverage selected based upon rates established by the Pool's Board of Trustees. Contributions are adjusted annually

COUNTY OF REAGAN
Notes to the Financial Statements - Continued
September 30, 2023

IV. OTHER INFORMATION - Continued

B. Self-Insurance - Continued

based upon the County's loss experience. The Pool may impose a surcharge on the County as a condition of continued participation in the Pool when the County has a higher loss experience than identified in the underwriting standards. The County's participation in the Pool consists of the Risk Management Pool which provides coverage for property damage, general liability, law enforcement liability, automobile liability and physical damage, public officials' liability, mobile equipment coverage, workers' compensation, blanket surety bond coverage, and airport coverage.

C. Tax Abatements

The County has entered into a contractual agreement with a property owner in which the County has agreed to reduce the amount of ad valorem taxes payable on certain improvements constructed after the date the agreement was reached in accordance with Chapter 312 of the State of Texas Tax Code. The terms of the agreement are limited by the guidelines and criteria established by the County Commissioners. As required by section 312.205 of the Texas Tax Code, if the Owner default remains after all applicable notice and cure periods outlined in the Agreement, the County shall be entitled to cancel the Agreement and recover the property tax revenue abated under the Agreement through the cancellation date, less all payments made by the Owner to the County under the Agreement. At September 30, 2023, the County had established an abatement agreement with the following property owner:

Property Owner	Date of Abatement Agreement	First Year of Abatement	Final Year of Abatement	2022 Appraised Values	2022 Taxable Values	2022 Abated Values	2022 Taxes Levied	2022 Taxes Abated
Santa Rita Wind Energy, LLC	2/22/2016	2018	2027	\$ 184,749,620	\$ 0	\$ 184,749,620	\$ 0	\$ 265,688

D. Subsequent Events

The County's management has evaluated subsequent events through March 1, 2024, the date which the financial statements were available for issue.

Supplementary Information

DRAFT

COUNTY OF REAGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 10,679,191	\$ 10,679,191	\$ 10,546,820	\$ (132,371)
General Sales and Use Taxes	2,000,000	2,000,000	3,576,580	1,576,580
Fees and Fines	536,510	536,510	658,986	122,476
Intergovernmental	630,550	700,484	705,927	5,443
Investment Earnings	60,000	60,000	1,659,977	1,599,977
Miscellaneous	436,000	449,000	508,070	59,070
Total Revenues	14,342,251	14,425,185	17,656,360	3,231,175
EXPENDITURES:				
Current:				
General Government	4,734,801	4,696,721	2,530,160	2,166,561
Justice System	1,592,141	1,592,141	1,166,972	425,169
Public Safety	4,478,534	4,541,695	3,972,767	568,928
Corrections and Rehabilitation	991,666	991,666	827,411	164,255
Public Health and Welfare	122,000	122,000	117,489	4,511
Culture and Recreation	873,543	931,396	660,057	271,339
Total Expenditures	12,792,685	12,875,619	9,274,856	3,600,763
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,549,566	1,549,566	8,381,504	6,831,938
OTHER FINANCING SOURCES (USES):				
Transfers Out (Use)	(3,291,492)	(3,291,492)	(2,250,000)	1,041,492
Total Other Financing Sources (Uses)	(3,291,492)	(3,291,492)	(2,250,000)	1,041,492
Net Change in Fund Balances	(1,741,926)	(1,741,926)	6,131,504	7,873,430
Fund Balance - October 1 (Beginning)	32,437,085	32,437,085	32,437,085	-
Fund Balance - September 30 (Ending)	\$ 30,695,159	\$ 30,695,159	\$ 38,568,589	\$ 7,873,430

COUNTY OF REAGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 1,086,894	\$ 1,086,894	\$ 1,072,822	\$ (14,072)
Fees and Fines	190,000	190,000	264,536	74,536
Intergovernmental	1,500,000	1,500,000	3,118,036	1,618,036
Investment Earnings	6,000	6,000	173,700	167,700
Miscellaneous	30,000	30,000	27,010	(2,990)
Total Revenues	2,812,894	2,812,894	4,656,104	1,843,210
EXPENDITURES:				
Current:				
General Government	279,750	279,750	273,703	6,047
Roads and Bridges	5,824,636	5,824,636	5,287,224	537,412
Total Expenditures	6,104,386	6,104,386	5,560,927	543,459
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,291,492)	(3,291,492)	(904,823)	2,386,669
OTHER FINANCING SOURCES (USES):				
Transfers In	3,291,492	3,291,492	2,250,000	(1,041,492)
Total Other Financing Sources (Uses)	3,291,492	3,291,492	2,250,000	(1,041,492)
Change in Fund Balance	-	-	1,345,177	1,345,177
Fund Balance - October 1 (Beginning)	4,226,480	4,226,480	4,226,480	-
Fund Balance - September 30 (Ending)	\$ 4,226,480	\$ 4,226,480	\$ 5,571,657	\$ 1,345,177

COUNTY OF REAGAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
A. Total Pension Liability			
Service Cost	\$ 863,620	\$ 860,647	\$ 815,367
Interest (on the Total Pension Liability)	1,943,283	1,805,699	1,691,617
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(684,053)	38,368	(206,791)
Changes of Assumptions	-	6,245	1,387,926
Benefit Payments, Including Refunds of Employee Contributions	(925,624)	(882,405)	(834,220)
Net Change in Total Pension Liability	\$ 1,197,226	\$ 1,828,554	\$ 2,853,899
Total Pension Liability - Beginning	25,160,231	23,331,677	20,477,778
Total Pension Liability - Ending	\$ 26,357,457	\$ 25,160,231	\$ 23,331,677
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 718,965	\$ 672,280	\$ 676,109
Contributions - Employee	356,680	357,325	359,360
Net Investment Income	(1,546,881)	4,701,027	1,979,017
Benefit Payments, Including Refunds of Employee Contributions	(925,624)	(882,405)	(834,220)
Administrative Expense	(14,533)	(14,157)	(15,604)
Other	42,991	10,043	7,853
Net Change in Plan Fiduciary Net Position	\$ (1,368,402)	\$ 4,844,113	\$ 2,172,515
Plan Fiduciary Net Position - Beginning	26,169,357	21,325,244	19,152,729
Plan Fiduciary Net Position - Ending	\$ 24,800,955	\$ 26,169,357	\$ 21,325,244
C. Net Pension Liability (Asset)	\$ 1,556,502	\$ (1,009,126)	\$ 2,006,433
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.09%	104.01%	91.40%
E. Covered Payroll	\$ 5,095,430	\$ 5,125,060	\$ 5,133,713
F. Net Pension Liability (Asset) as a Percentage of Covered Payroll	30.55%	(19.69%)	39.08%

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

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

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 740,109	\$ 679,337	\$ 661,620	\$ 677,217	\$ 576,164	\$ 492,457
1,559,295	1,444,851	1,338,363	1,217,401	1,124,834	1,030,281
-	-	-	-	(113,165)	-
79,593	(32,614)	(60,818)	(135,954)	(84,725)	106,097
-	-	29,063	-	147,072	-
(807,611)	(673,905)	(668,742)	(523,895)	(556,085)	(483,687)
\$ 1,571,386	\$ 1,417,669	\$ 1,299,486	\$ 1,234,769	\$ 1,094,095	\$ 1,145,148
18,906,392	17,488,723	16,189,237	14,954,468	13,860,373	12,715,225
\$ 20,477,778	\$ 18,906,392	\$ 17,488,723	\$ 16,189,237	\$ 14,954,468	\$ 13,860,373
\$ 618,799	\$ 597,574	\$ 560,872	\$ 581,591	\$ 562,674	\$ 510,038
339,467	320,293	307,207	307,255	283,565	241,888
2,681,175	(302,628)	2,066,181	950,364	(64,233)	786,890
(807,611)	(673,905)	(668,742)	(523,895)	(556,085)	(483,687)
(14,594)	(13,116)	(10,900)	(10,328)	(9,151)	(9,286)
7,826	8,915	2,569	9,247	25,975	21,152
\$ 2,825,062	\$ (62,867)	\$ 2,257,187	\$ 1,314,234	\$ 242,745	\$ 1,066,995
16,327,667	16,390,534	14,133,346	12,819,112	12,576,367	11,509,372
\$ 19,152,729	\$ 16,327,667	\$ 16,390,533	\$ 14,133,346	\$ 12,819,112	\$ 12,576,367
\$ 1,325,049	\$ 2,578,725	\$ 1,098,190	\$ 2,055,891	\$ 2,135,356	\$ 1,284,006
93.53%	86.36%	93.72%	87.30%	85.72%	90.74%
\$ 4,849,530	\$ 4,575,607	\$ 4,388,674	\$ 4,389,359	\$ 4,050,923	\$ 3,455,542
27.32%	56.36%	25.02%	46.84%	52.71%	37.16%

COUNTY OF REAGAN
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2023

	2023	2022	2021
Actuarially Determined Contribution	\$ 694,314	\$ 696,501	\$ 666,132
Contributions in Relation to the Actuarially Determined Contributions	(699,784)	(698,914)	(673,419)
Contribution Deficiency (Excess)	\$ (5,470)	\$ (2,413)	\$ (7,287)
Covered Employee Payroll	\$ 5,219,778	\$ 5,037,901	\$ 5,113,280
Contributions as a Percentage of Covered Employee Payroll	13.41%	13.87%	13.17%

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

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

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	2020	2019	2018	2017	2016	2015	2014
\$	669,958	\$ 609,513	\$ 585,600	\$ 565,113	\$ 582,518	\$ 561,052	456,534
	(669,958)	(609,513)	(585,600)	(565,113)	(582,518)	(561,052)	(456,534)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
\$	5,126,567	\$ 4,749,246	\$ 4,507,560	\$ 4,381,561	\$ 4,345,548	\$ 3,977,936	3,269,831
	13.07%	12.83%	12.99%	12.90%	13.40%	14.10%	13.96%

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COUNTY OF REAGAN
Notes to the Supplementary Information
September 30, 2023

Note A - Net Pension Liability

Following are the key assumptions and methods used in this GASB analysis:

Valuation Date	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 (Level Percent of Pay)
Amortization Method	Level Percent of Payroll, Closed
Remaining Amortization Period	0.0 Years (Based on Contribution Rate Calculated in December 31, 2022 Valuation)
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.5%
Salary Increases	Varies by Age and Service - 4.7% Average Over Career Including Inflation
Investment Rate of Return	7.5%, Net of Administrative and Investment Expenses, Including Inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% for males and 120% for females of the Pub-2010 General Retirees Table, both projected with 100% of the MP-2021 Ultimate scale for 2010
Changes in Assumptions and Methods Reflected in the Schedule of Employer	2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2022: No changes in plan provisions were reflected in the Schedule.

COMPLIANCE AND INTERNAL CONTROLS SECTION

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Eckert & Company

CERTIFIED PUBLIC ACCOUNTANTS

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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*

The Honorable County Judge
and Commissioners' Court
County of Reagan
P.O. Box 100
Big Lake, TX 76932-0100

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 the County of Reagan, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 1, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Eckert & Company, LLP

March 1, 2024

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Eckert & Company

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

The Honorable County Judge
and Commissioners' Court
County of Reagan
P.O. Box 100
Big Lake, TX 76932-0100

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the County of Reagan's compliance with the types of compliance requirements identified as subject to audit in the State of Texas Uniform Grant Management Standards that could have a direct and material effect on the County of Reagan's major state program for the year ended September 30, 2023. The County of Reagan's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County of Reagan, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended September 30, 2023.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and express an opinion on the County of Reagan's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the State of Texas Uniform Grant Management Standards will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County of Reagan's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the State of Texas Uniform Grant Management Standards, we:

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

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

Report on Internal Control Over Compliance

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

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

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

Purpose of This Report

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

Eckert & Company, LLP

March 1, 2024

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COUNTY OF REAGAN
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2023

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>
Internal Control Over Financial Reporting	
Material weaknesses identified?	___ Yes <u>X</u> No
Significant deficiencies identified that are not considered to be material weaknesses?	___ Yes <u>X</u> None Reported
Noncompliance material to financial statements noted?	___ Yes <u>X</u> No

State Awards

Internal Control Over Major Programs	
Material weaknesses identified?	___ Yes <u>X</u> No
Significant deficiencies identified that are not considered to be material weaknesses?	___ Yes <u>X</u> None Reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with the State of Texas Uniform Grant Management Standards?	___ Yes <u>X</u> No

Identification of Major Program

Grant	
<u>Number</u>	<u>Name of State Program</u>
	Texas Department of Transportation
CTIF-02-192	County Transportation Infrastructure Fund Grant

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>X</u> Yes ___ No

B. Findings - Financial Statements Audit

None

C. Findings and Questioned Costs - Major State Award Program Audit

None

D. Findings - State Compliance

None

COUNTY OF REAGAN
 SCHEDULE OF EXPENDITURES OF STATE AND FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

State Grantor/ Program Title	Federal Assistance Listing No.	State Grantors Number	Expenditures
<u>Texas Department of Transportation</u>			
County Transportation Infrastructure Fund Grant	--	CTIF-02-192	\$ 3,118,036
RAMP Grant	--	M2207BGLK	<u>22,219</u>
Total Texas Department of Transportation			\$ 3,140,255
<u>U.S. Department of Treasury</u>			
<u>Direct Programs</u>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>255,430</u>
Total Expenditures of State and Federal Awards			<u><u>\$ 3,395,685</u></u>

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COUNTY OF REAGAN
Notes to the Schedule of Expenditures of State and Federal Awards
September 30, 2023

Note A - Basis of Accounting

The County accounts for awards under state and federal programs in the General Fund and Special Revenue Funds. The government-wide financial statements and the fund financial statements are presented using the modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position, fund equity, revenues, expenditures, and expenses when they result from cash transactions. The modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America.

Note B - Basis of Presentation

The accompanying schedule of expenditures of state and federal awards includes the state and federal grant activity of the County of Reagan and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the State of Texas Uniform Grant Management Standards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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Adjusting Entries By Entry Number FY 2023

County of Reagan

3/5/2024

EdMIS Code: Acct. Number	Adjustment		Adjusting Entries Must be Approved by Audit Client. APPROVED BY:
	Debit	Credit	<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div>
Adjusting Entry Number: 1			
200 000 1300	1-105-0000-	Due from State	1,645,215.99
100 000 1320	1-100-1000-	Due from TAC	11,489.70
100 000 1320	1-100-1000-	Due from Sheriff	1,291.76
100 000 1320	1-100-1000-	Due from County and District Clerk	16,179.65
100 000 1320	1-100-1000-	Due from Justice of the Peace	14,325.63
100 000 1320	1-100-1000-	Due from State Fee Fund	9,501.84
100 000 1320	1-100-1000-	Due from Activity and Community Bldg.	11,202.00
200 000 1320	1-105-0000-	Due from Tax Assessor Collector	4,610.21
215 000 1320	1-115-0000-	Due from General Fund	46,393.68
221 000 1320	1-121-0000-	Due from CDC	54.19
222 000 1320	1-122-0000-	Due From CDC	10.00
223 000 1320	1-123-0000-	Due from CDC	120.00
224 000 1320	1-124-0000-	Due from CDC	30.00
225 000 1320	1-125-0000-	Due from CDC	2,278.48
226 000 1320	1-126-0000-	Due From CDC	2,200.00
228 000 1320	1-128-0000-	Due from JP	370.74
229 000 1320	1-129-0000-	Due From CDC	60.00
230 000 1320	1-130-0000-	Due from CDC	315.80
231 000 1320	1-131-0000-	Due from CDC	5.00
232 000 1320	1-132-0000-	Due from Clerk	2.33
233 000 1320	1-133-0000-	Due from CDC	494.29
234 000 1320	1-134-0000-	Due from CDC	65.89
234 000 1320	1-134-0000-	Due from JP	7.82
235 000 1320	1-135-0000-	Due from CDC	389.20
235 000 1320	1-135-0000-	Due from JP	441.06
236 000 1320	1-136-0000-	Due from CDC	129.32
238 000 1320	1-138-0000-	Due from CDC	10.30
239 000 1320	1-139-0000-	Due from JP	390.72
241 000 1320	1-141-0000-	Due from JP	15.00
241 000 1320	1-141-0000-	Due from CDC	18.00
251 000 1320	1-151-0000-	Due From CDC	700.00
265 000 1320	1-165-0000-	Due from CDC	175.00
860 000 1320	1-120-0000-	Due from CDC	1,577.31
860 000 1320	1-120-0000-	Due from JP	11,668.24
100 000 2080	2-100-0000-	Due to Special Revenue Funds	(46,393.68)
860 000 2080	2-120-0000-	Due to County	(9,501.84)
861 000 2080	2-220-0000-	Due to General Fund	(11,202.00)
860 000 2081	2-120-0000-	Due to State	(34,249.27)
860 000 2090	2-120-0000-	Due to Others	(516.56)
326 000 2230	2-226-0000-	Unearned Grant Revenue	(733,635.29)
200 000 3545	3-105-0000-	Current Fund Balance	(1,649,826.20)
215 000 3545	3-115-0000-	Current Fund Balance	(46,393.68)
100 000 3600	3-100-0000-	Current Fund Balance	(17,596.90)
221 000 3490	3-121-0000-	Current Fund Balance	(54.19)
222 000 3490	3-122-0000-	Current Fund Balance	(10.00)
223 000 3490	3-123-0000-	Current Fund Balance	(120.00)
224 000 3490	3-124-0000-	Current Fund Balance	(30.00)
225 000 3490	3-125-0000-	Current Fund Balance	(2,278.48)
226 000 3490	3-126-0000-	Current Fund Balance	(2,200.00)

Adjusting Entries By Entry Number
FY 2023

County of Reagan

3/5/2024

EdMIS Code: Acct. Number	Adjustment		Adjusting Entries Must be Approved by Audit Client.
	Debit	Credit	APPROVED BY:
228 000 3490	3-128-0000-	Current Fund Balance	(370.74)
229 000 3490	3-129-0000-	Current Fund Balance	(60.00)
230 000 3490	3-130-0000-	Current Fund Balance	(315.80)
231 000 3490	3-131-0000-	Current Fund Balance	(5.00)
232 000 3490	3-132-0000-	Current Fund Balance	(2.33)
233 000 3490	3-133-0000-	Current Fund Balance	(494.29)
234 000 3490	3-134-0000-	Current Fund Balance	(73.71)
235 000 3490	3-135-0000-	Current Fund Balance	(830.26)
236 000 3490	3-136-0000-	Current Fund Balance	(129.32)
238 000 3490	3-138-0000-	Current Fund Balance	(10.30)
239 000 3490	3-139-0000-	Current Fund Balance	(390.72)
241 000 3490	3-141-0000-	Current Fund Balance	(33.00)
251 000 3490	3-151-0000-	Current Fund Balance	(700.00)
265 000 3490	3-165-0000-	Current Fund Balance	(175.00)
860 000 3600	3-120-0000-	Current Fund Balance	31,022.12
861 000 3600	3-220-0000-	Current Fund Balance	11,202.00
326 000 3545	3-226-0000-	Current Fund Balance	733,635.29
		2,557,598.56	(2,557,598.56)

Remarks: To record beginning balances.

Adjusting Entry Number: **2**

248 000 1010	1-148-0000-	Operating Cash - HAVA Grant	(749.83)	
100 000 1010	1-100-1000-	Operating Cash	749.83	
100 000 3600	3-100-0000-	Current Fund Balance	(749.83)	
248 000 3490	3-148-0000-	Current Fund Balance	(22,559.59)	
248 000 2230	2-148-0000-	Unearned Grant Revenue	23,309.42	
		24,059.25	(24,059.25)	

Remarks: To adjust beginning balances.

Adjusting Entry Number: **3**

100 000 5700	4-100-0600-	Misc	24,763.72	
200 000 5700	4-105-0000-	Misc.	(24,763.72)	
100 000 1010	1-100-1000-	Operating Cash	(24,763.72)	
200 000 1010	1-105-0000-	Operating Cash	24,763.72	
		49,527.44	(49,527.44)	

Remarks: To reclassify R&B receipts.

Adjusting Entry Number: **4**

100 435 6500	5-100-1220-	Car Expense	8,249.85	
100 000 5300	4-100-0600-	Grants	(8,249.85)	
		8,249.85	(8,249.85)	

Remarks: To reclassify grant income.

Adjusting Entry Number: **5**

200 000 1300	1-105-0000-	Due from State	(1,645,215.99)	
200 000 5300	4-105-0000-	Certz Grant	1,645,215.99	
		1,645,215.99	(1,645,215.99)	

Remarks: To adjust due from State for CTIF.

Adjusting Entries By Entry Number FY 2023

County of Reagan

3/5/2024

EdMIS Code: Acct. Number	Adjustment		Adjusting Entries Must be Approved by Audit Client. APPROVED BY:
	Debit	Credit	
Adjusting Entry Number: 6			
100 000 5300 4-100-0600- Grants		(46,393.68)	
100 000 2080 2-100-0000- Due to Special Revenue Funds	46,393.68		
215 000 5300 4-115-0000- Grants	46,393.68		
215 000 1320 1-115-0000- Due from General Fund		(46,393.68)	
	92,787.36	(92,787.36)	

Remarks: To reclassify prior year RAMP grant reclassification.

Adjusting Entry Number: 7			
326 100 5300 4-226-0000- American Rescue Grant Rev		(255,429.75)	
326 000 2230 2-226-0000- Unearned Grant Revenue	255,429.75		
	255,429.75	(255,429.75)	

Remarks: To reclassify spent revenue.

Adjusting Entry Number: 8			
863 000 1010 JP-100 Cash in Bank	24,757.35		
863 000 2080 JP-200 Due to County		(21,208.72)	
863 000 2090 JP-210 Due to Others		(3,548.63)	
	24,757.35	(24,757.35)	

Remarks: To record JP Fund.

Adjusting Entry Number: 9			
100 000 5200 4-100-0600- Justice of the Peace	2,137.18		
100 000 1320 1-100-1000- Due from Justice of the Peace		(2,135.52)	
860 000 5700 4-120-0000- State Traffic Fee	3,618.40		
860 000 1320 1-120-0000- Due from JP		(3,618.40)	
228 000 5200 4-128-0000- Justice of the Peace	67.77		
228 000 1320 1-128-0000- Due from JP		(67.77)	
234 000 5200 4-134-0000- County Jury Fee	1.87		
234 000 1320 1-134-0000- Due from JP		(1.87)	
235 000 5200 4-135-0000- Justice of the Peace	84.57		
235 000 1320 1-135-0000- Due from JP		(84.57)	
239 000 5200 4-139-0000- LO Truancy Prv	93.36		
239 000 1320 1-139-0000- Due from JP		(93.36)	
241 000 5200 4-141-0000- Language Access Fee-LAF	9.00		
241 000 1320 1-141-0000- Due from JP		(9.00)	
100 000 5610 4-100-0600- Interest Earned		(2.56)	
100 000 5700 4-100-0600- Misc	.90		
	6,013.05	(6,013.05)	

Remarks: To adjust due from JP to actual.

Adjusting Entry Number: 10			
100 000 5110 4-100-0500- Delinquent Adv. Taxes		(54,875.01)	
100 000 5200 4-100-0600- Tax Assessor /Collector	242.85		
100 000 1320 1-100-1000- Due from TAC	54,632.16		
200 000 5110 4-105-0000- Delinquent Adv. Taxes		(5,561.27)	
200 000 5200 4-105-0000- Vehicle Registration		(1,306.53)	
200 000 1320 1-105-0000- Due from Tax Assessor Collector	6,867.80		

Adjusting Entries By Entry Number FY 2023

County of Reagan

3/5/2024

EdMIS Code: Acct. Number	Adjustment		Adjusting Entries Must be Approved by Audit Client. APPROVED BY:
	Debit	Credit	
	61,742.81	(61,742.81)	
Remarks: To adjust Due from TAC to actual.			
Adjusting Entry Number: 11			
100 000 5110	4-100-0500- Current Advalorem Taxes	32,428.73	
100 000 5110	4-100-0500- Current Advalorem Taxes	462.08	
100 000 5700	4-100-0600- Misc	(32,890.81)	
200 000 5110	4-105-0000- Current Advalorem Taxes	46.99	
200 000 5700	4-105-0000- Misc.	(46.99)	
100 000 5110	4-100-0500- Current Advalorem Taxes	80.00	
100 000 5700	4-100-0600- Misc	(80.00)	
	33,017.80	(33,017.80)	
Remarks: To reclassify Motor Vehicle Sales Tax Commission, excess VIT, and miscellaneous cash from ad valorem taxes.			
Adjusting Entry Number: 12			
862 000 1010	CDC-100 Cash on Bank	24,814.76	
862 000 1010	CDC-110 Cash in Bank - Trust Accounts	19,603.53	
862 000 1010	CDC-120 CD's - Trust Accounts	20,323.19	
862 000 2080	CDC-200 Due to County	(24,814.76)	
862 000 3890	CDC-300 Restricted Net Position	(39,926.72)	
	64,741.48	(64,741.48)	
Remarks: To post beginning CDC balances.			
Adjusting Entry Number: 13			
862 000 1010	CDC-100 Cash on Bank	3,496.10	
862 000 1010	CDC-110 Cash in Bank - Trust Accounts	4,469.72	
862 000 2080	CDC-200 Due to County	(3,496.10)	
862 000 3890	CDC-300 Restricted Net Position	8,769.09	
862 000 1010	CDC-120 CD's - Trust Accounts	(13,238.81)	
	16,734.91	(16,734.91)	
Remarks: To post current year changes to CDC.			
Adjusting Entry Number: 14			
865 000 1010	TAC-100 Cash in Bank	821,073.51	
865 000 2080	TAC-200 Due to Other Fund	(77,599.87)	
865 000 2081	TAC-210 Due to Other Governments	(619,007.17)	
865 000 2090	TAC-220 Due to Others	(124,466.47)	
	821,073.51	(821,073.51)	
Remarks: To record TAC fiduciary account.			
Adjusting Entry Number: 15			
100 000 1320	1-100-1000- Due from County and District Clerk	3,645.26	
100 000 5200	4-100-0600- Clerk	(3,657.92)	
100 000 5610	4-100-0600- Interest Earned	(2.34)	
100 000 5300	4-100-0600- Indigent Defense Grant	15.00	
860 000 1320	1-120-0000- Due from CDC	1,194.50	
860 000 5700	4-120-0000- Consolidated Court Cost	(55.34)	
860 000 5700	4-120-0000- Time Payment	(13.72)	

Adjusting Entries By Entry Number FY 2023

County of Reagan

3/5/2024

EdMIS Code: Acct. Number	Adjustment		Adjusting Entries Must be Approved by Audit Client. APPROVED BY:
	Debit	Credit	
860 000 5700	4-120-0000-	Visual Recording	(20.46)
860 000 5700	4-120-0000-	EMS Trauma	(137.91)
860 000 5700	4-120-0000-	Birth Certificate	(9.00)
860 000 5700	4-120-0000-	SJRF - State Jury Reimbursement	(1.67)
860 000 5700	4-120-0000-	JSF - Judicial Salary	(2.49)
860 000 5700	4-120-0000-	Indigent Defense Court Co.	(.83)
860 000 5700	4-120-0000-	E - Filing	(2.08)
860 000 5700	4-120-0000-	Time Payment 1.1.20	(44.80)
860 000 5700	4-120-0000-	St Cons Court Costs (Sccc) 1.1.20	(497.20)
860 000 5700	4-120-0000-	County Dispute Resolution Fund	(75.00)
860 000 5700	4-120-0000-	State Base Comp Fee	(274.00)
221 000 1320	1-121-0000-	Due from CDC	(40.06)
221 000 5200	4-121-0000-	RTF District Clerk	40.06
222 000 1320	1-122-0000-	Due From CDC	(10.00)
222 000 5200	4-122-0000-	RAF Clerk Fees	10.00
223 000 1320	1-123-0000-	Due from CDC	(20.00)
223 000 5200	4-123-0000-	Clerk-CCTT Fee	20.00
224 000 1320	1-124-0000-	Due from CDC	(5.00)
224 000 5200	4-124-0000-	Clerk	5.00
225 000 1320	1-125-0000-	Due from CDC	540.55
225 000 5200	4-125-0000-	Clerk	(540.55)
226 000 1320	1-126-0000-	Due From CDC	598.00
226 000 5200	4-126-0000-	Cty Clerk Archive Fee	(598.00)
229 000 1320	1-129-0000-	Due From CDC	(20.00)
229 000 5200	4-129-0000-	Clerk/Guardian-Probate Fee	20.00
229 000 1320	1-129-0000-	Due From CDC	(10.00)
229 000 5200	4-129-0000-	Clerk/Guardian-Probate Fee	10.00
230 000 1320	1-130-0000-	Due from CDC	(73.54)
230 000 5200	4-130-0000-	Clerk	73.54
231 000 5200	4-131-0000-	Clerk	5.00
231 000 1320	1-131-0000-	Due from CDC	(5.00)
233 000 1320	1-133-0000-	Due from CDC	(114.67)
233 000 5200	4-133-0000-	Crim Clerk fo the Crt Fees	114.67
234 000 1320	1-134-0000-	Due from CDC	(12.77)
234 000 5200	4-134-0000-	County Jury Fee	12.77
235 000 1320	1-135-0000-	Due from CDC	25.03
235 000 5200	4-135-0000-	Clerk	(25.03)
236 000 1320	1-136-0000-	Due from CDC	(61.85)
236 000 5200	4-136-0000-	CTY Specialty Crt Fee	61.85
238 000 5200	4-138-0000-	Crt Reporter Svc Fee	4.04
238 000 1320	1-138-0000-	Due from CDC	(4.04)
241 000 1320	1-141-0000-	Due from CDC	(3.00)
241 000 5200	4-141-0000-	Language Access Fee-LAF	3.00
251 000 1320	1-151-0000-	Due From CDC	(550.00)
251 000 5200	4-151-0000-	Cty Atty - Pretrial Program	550.00
860 000 1320	1-120-0000-	Due from CDC	(1,577.31)
860 000 5700	4-120-0000-	State Traffic Fee	1,577.31
860 000 5700	4-120-0000-	Marriage Certificate	(60.00)
	8,525.58	(8,525.58)	

Remarks: To adjust due from CDC to actual.

Adjusting Entries By Entry Number FY 2023

County of Reagan

3/5/2024

EdMIS Code: Acct. Number	Adjustment		Adjusting Entries Must be Approved by Audit Client. APPROVED BY:
	Debit	Credit	
Adjusting Entry Number: 16			
864 000 1010 SHF-100	Cash in Bank - Sheriff	885.00	
864 000 1010 SHF-110	Cash in Bank - Inmates	6,492.44	
864 000 1010 SHF-120	Cash in Bank - Commissary	2,842.57	
864 000 2080 SHF-200	Due to County		(1,080.73)
864 000 2090 SHF-210	Due to Inmates		(267.95)
864 000 2090 SHF-220	Due to Others		(1,628.33)
864 000 3890 SHF-300	Restricted Net Position		(7,243.00)
	10,220.01		(10,220.01)
Remarks: To record Sheriff's Fund.			
Adjusting Entry Number: 17			
100 000 5200 4-100-0600-	Sheriff	376.00	
100 000 5300 4-100-0600-	Housing Medical RE-IM		(164.97)
100 000 1320 1-100-1000-	Due from Sheriff		(211.03)
	376.00		(376.00)
Remarks: To record due from Sheriff.			
Adjusting Entry Number: 18			
100 000 5200 4-100-0600-	Justice of the Peace	1,980.78	
100 000 5200 4-100-0600-	Clerk		(96.19)
100 000 5200 4-100-0600-	Sheriff		(27.00)
100 000 1320 1-100-1000-	Due from State Fee Fund		(1,857.59)
860 000 2080 2-120-0000-	Due to County	1,857.59	
860 000 5700 4-120-0000-	Due To/From Other Funds		(1,857.59)
860 000 2081 2-120-0000-	Due to State	11,516.84	
860 000 2090 2-120-0000-	Due to Others	68.12	
860 000 5700 4-120-0000-	Due To/From Other Funds		(11,584.96)
	15,423.33		(15,423.33)
Remarks: To adjust due from Trust and Agency Fund.			
Adjusting Entry Number: 19			
215 000 5200 4-115-0000-	Airport Fuel System		(7,785.74)
215 100 6500 5-115-0000-	Airport Fuel System	7,785.74	
	7,785.74		(7,785.74)
Remarks: To correct posting of receipt 22380.			
Adjusting Entry Number: 20			
215 000 1300 1-115-0000-	Due from State	22,219.30	
215 000 5300 4-115-0000-	Grants		(22,219.30)
	22,219.30		(22,219.30)
Remarks: To record due from State for RAMP grant.			
Adjusting Entry Number: 21			
200 000 1300 1-105-0000-	Due from State	2,910,791.60	
200 000 5300 4-105-0000-	Certz Grant		(2,910,791.60)
	2,910,791.60		(2,910,791.60)
Remarks: To record Due from State for CTIF Grant.			

Adjusting Entries By Entry Number
FY 2023

County of Reagan

3/5/2024

EdMIS Code: Acct. Number	Adjustment		Adjusting Entries Must be Approved by Audit Client. APPROVED BY:
	Debit	Credit	
Adjusting Entry Number: 22			
861 000 2080 2-220-0000- Due to General Fund	1,800.00		
861 000 6500 5-220-0000- Community Fees		(1,800.00)	
100 000 1320 1-100-1000- Due from Activity and Community Bldg.		(1,800.00)	
100 000 5200 4-100-0600- Activity/Community Bldg	1,800.00		
	3,600.00	(3,600.00)	

Remarks: To adjust Act/Comm Bldg balances.

Adjustments to Worksheet by Adjustment Number

FY 2023

County of Reagan

3/5/2024

Control Code	Control Description	Adjustment		Adjustments Must be approved by Audit Client. APPROVED BY:
		Debit	Credit	
Adjustment Number: 1		Column: Account Groups - Beginning		
1710	Land Purchase and Improvements	160,667.00		
1720	Infrastructure	23,433,989.00		
1721	Accumulated Depreciation - Infrastructure		(6,277,518.00)	
1730	Buildings	9,160,170.00		
1731	Accumulated Depreciation - Buildings		(5,809,216.00)	
1750	Furniture and Equipment	9,172,094.00		
1751	Accumulated Depreciation - Furniture & Equipment		(6,474,289.00)	
3800	Net Investment in Capital Assets and Lease Assets		(23,365,897.00)	
9100	Beginning Fund Balance / Net Assets		(23,365,897.00)	
9200	Ending Fund Balance/Net Assets	23,365,897.00		
		65,292,817.00	(65,292,817.00)	

Remarks: To record beginning capital assets.

Adjustment Number: 2		Column: Debt and Capital Items		
1720	Infrastructure	4,183,462.00		
1750	Furniture and Equipment	354,711.00		
1750	Furniture and Equipment		(10,600.00)	
1751	Accumulated Depreciation - Furniture & Equipment	10,600.00		
1730	Buildings	185,358.00		
3800	Net Investment in Capital Assets and Lease Assets		(4,723,531.00)	
6100	General Government		(7,990.00)	
6200	Roads & Bridges		(4,183,462.00)	
6400	Public Safety		(333,771.00)	
6650	Culture and Recreation		(198,308.00)	
9200	Ending Fund Balance/Net Assets	4,723,531.00		
		9,457,662.00	(9,457,662.00)	

Remarks: To record current year capital assets and deletions.

Adjustment Number: 3		Column: Allocated Depreciation		
1721	Accumulated Depreciation - Infrastructure		(1,345,784.00)	
1731	Accumulated Depreciation - Buildings		(329,672.00)	
1751	Accumulated Depreciation - Furniture & Equipment		(622,068.00)	
3800	Net Investment in Capital Assets and Lease Assets	2,297,524.00		
6100	General Government	164,328.00		
6200	Roads & Bridges	1,562,698.00		
6400	Public Safety	293,793.00		
6650	Culture and Recreation	110,363.00		
6500	Corrections and Rehabilitation	166,342.00		
9200	Ending Fund Balance/Net Assets		(2,297,524.00)	
		4,595,048.00	(4,595,048.00)	

Remarks: To record current depreciation.

Adjustments to Worksheet by Adjustment Number
FY 2023

County of Reagan

3/5/2024

Control Code	Control Description	Adjustment		Adjustments Must be approved by Audit Client. APPROVED BY:
		Debit	Credit	
Adjustment Number: 4		Column: Reclassifications		<input style="width: 100px; height: 20px;" type="text"/>
3490	Restricted by Legislation	572,079.00		
3530	Capital Expenditures for Equipment	5,571,657.00		
3540	Self Insurance	58,615.00		
3545	Committed for Special Programs	82,486.00		
3600	Unassigned Fund Balance	38,568,589.00		
3900	Unrestricted		(44,281,347.00)	
3880	Restricted for		(572,079.00)	
		44,853,426.00	(44,853,426.00)	
Remarks: To reclassify fund balance into net position.				
Adjustment Number: 5		Column: Reclassifications		<input style="width: 100px; height: 20px;" type="text"/>
7915	Transfers In	2,250,000.00		
8911	Transfers Out (Use)		(2,250,000.00)	
		2,250,000.00	(2,250,000.00)	
Remarks: To eliminate transfers.				
Adjustment Number: 6		Column: Reclassifications		<input style="width: 100px; height: 20px;" type="text"/>
2080	Due to Other Funds			
1320	Due from Other Funds			
		0.00	0.00	
Remarks: To eliminate due to/from. N/A 2023				
Adjustment Number: 7		Column: Reclassifications		<input style="width: 100px; height: 20px;" type="text"/>
5300	Intergovernmental	535,770.00		
5400	Charges for Services		(535,770.00)	
5700	Miscellaneous	4,700.00		
5200	Fees and Fines		(4,700.00)	
		540,470.00	(540,470.00)	
Remarks: To reclassify user charges.				
Adjustment Number: 8		Column: Reclassifications		<input style="width: 100px; height: 20px;" type="text"/>
5110	Property Taxes	11,619,642.00		
5010	Taxes - General Levy		(11,619,642.00)	
		11,619,642.00	(11,619,642.00)	
Remarks: To reclassify property taxes.				

COUNTY OF REAGAN

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 1120 - GENERAL GOVERNMENT																
110 - LAND																
35	294 - LAND (J MCMANUS)	2/01/05		10,172							10,172					0
103	394 - LAND STILES CEMETER	7/06/11		4,320							4,320					0
TOTAL 110 - LAND				14,492		0	0	0	0	0	14,492	0				0
120 - INFRASTRUCTURE																
36	312 - AIRPORT LAND STRIP	7/13/05		30,400							30,400	17,474	S/L	30		1,013
151	AIRPORT RENOVATION- TXDOT	4/14/14		267,750							267,750	75,863	S/L	30		8,925
206	494 - AIRPORT RUNWAY EXT	9/30/16		353,687							353,687	106,104	S/L	20		17,684
TOTAL 120 - INFRASTRUCTURE				651,837		0	0	0	0	0	651,837	199,441				27,622
130 - BUILDINGS & IMPROVEMENTS																
20	234 - COURTHOUSE	7/01/25		50,000							50,000	50,000	S/L	30		0
22	237 - AIRPORT	7/01/52		20,000							20,000	20,000	S/L	30		0
26	242 - 4-H BUILDING	3/09/92		83,731							83,731	83,731	S/L	30		0
40	313 - ELEVATOR IMPR FY 05	2/14/06		23,980							23,980	19,983	S/L	20		1,199
41	313 - ELEVATOR IMPR FY 06	2/14/06		67,750							67,750	56,466	S/L	20		3,388
42	320 - COMMISSARY 4-H BARN	7/25/06		21,910							21,910	11,802	S/L	30		730
62	350 - 4H BUILDING IMPROVE	7/01/07		36,000							36,000	18,300	S/L	30		1,200
64	349 - BUS BARN	12/12/06		21,039							21,039	16,657	S/L	20		1,052
66	350 - 4H BUILDING IMPROVE	9/30/08		41,956							41,956	19,586	S/L	30		1,399
72	355 - COURTHOUSE IMPROVEM	9/30/08		308,862							308,862	144,130	S/L	30		10,295
75	000 - COURTHOUSE IMPROVEM	3/01/09		145,029							145,029	65,662	S/L	30		4,834

COUNTY OF REAGAN

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
104	396 - HOG BARN	5/23/11		84,749							84,749	32,017	S/L	30		2,825
105	397 - ROCK FENCE CEMETERY	6/28/11		92,935							92,935	34,852	S/L	30		3,098
114	AIRPORT RENOV (CO. 10%)	2/28/12		18,000							18,000	6,350	S/L	30		600
122	430- ELEVATOR IMPROVEMENT	9/23/13		77,995							77,995	35,100	S/L	20		3,900
123	432- CEMETARY WATER WELL	2/11/13		14,745							14,745	9,502	S/L	15		983
129	429- COURTHOUSE IMPROVMEN	9/27/13		45,030							45,030	13,509	S/L	30		1,501
156	COURTHOUSE IMPROVEMENTS	8/25/14		27,233							27,233	7,340	S/L	30		908
169	5 TON A/C UNIT-COURTHOUSE	4/28/15		8,087							8,087	3,998	S/L	15		539
170	6 TON A/C UNIT-COURTHOUSE	10/14/14		8,990							8,990	4,792	S/L	15		599
183	466 - WELL/PUMP -CEMETARY	9/30/15		40,860							40,860	19,068	S/L	15		2,724
193	478 - AIRPORT GAME FENCE	7/26/16		47,740							47,740	29,440	S/L	10		4,774
207	496 - 2.5 HEAT SYSTEM	9/30/16		5,650							5,650	3,390	S/L	10		565
208	497 - 3.5 HEAT SYSTEM	9/30/16		6,175							6,175	3,708	S/L	10		618
220	504-ROOF-COURTHOUSE	7/25/17		10,622							10,622	3,658	S/L	15		708
252	549-2 TON HVAC #6915	8/13/19		5,182							5,182	1,640	S/L	10		518
253	550-5 TON HVAC #W65F	8/13/19		6,995							6,995	2,217	S/L	10		700
255	552-3.5 TON HVAC #B43F	9/24/19		5,875							5,875	1,764	S/L	10		588
264	562-CARRIER ROOF-TOP HVAC (3)	1/28/20		25,900							25,900	6,907	S/L	10		2,590
295	592 - GLOBAL PLASMA AIR CLEANI	12/15/20		9,466							9,466	3,471	S/L	5		1,893
TOTAL 130 - BUILDINGS & IMPROV				1,362,486		0	0	0	0	0	1,362,486	729,040				54,728
140 - VEHICLES																
120	416- 2009 CHEVY PICKUP	1/16/13		22,000							22,000	22,000	S/L	5		0
125	420- 2013 CHEV 3/4 PICKUP	4/25/13		35,436							35,436	35,436	S/L	5		0
159	454-2015 CHEVY CREW PU	12/11/14		36,205							36,205	36,205	S/L	5		0
269	567- 2020 CHEV 3/4 TON CREWCA	3/23/20		40,638							40,638	20,320	S/L	5		8,128
TOTAL 140 - VEHICLES				134,279		0	0	0	0	0	134,279	113,961				8,128

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
150 - EQUIPMENT																
77	367 - 2009 CENTURYTRAILER	1/14/09		10,000							10,000	10,000	S/L	10		0
86	375 - CENTURY DUMPTRAILER	10/07/09		7,558							7,558	7,558	S/L	10		0
124	427- JD WOOD CHIPPER	6/25/13		7,130							7,130	7,130	S/L	7		0
138	440 - JD GATOR	9/22/14		7,168							7,168	7,168	S/L	5		0
139	441 - JD Z920 ZTRACK MOWE	9/22/14		6,930							6,930	6,930	S/L	5		0
153	EMERGENCY GENERATOR	8/17/15		57,903							57,903	27,342	S/L	15		3,860
154	HEATING PUMP - CLERK'S	7/29/14		8,638							8,638	8,352	S/L	5		0
157	425-KUBOTA TRACTOR ZD	11/11/14		12,895							12,895	10,212	S/L	10		1,290
167	COUNTY JUDGE DESK	10/28/14		8,300							8,300	6,571	S/L	10		830
168	COMMISSIONERS COURT TABLE	4/13/15		16,500							16,500	12,375	S/L	10		1,650
174	457-EXISS ALUM STOCK TRLR	8/24/15		25,000							25,000	25,000	S/L	5		0
192	477 - POSTAGE MACHINE	6/20/16		5,573							5,573	5,573	S/L	5		0
195	482 - 2016 YAMAHA JASPER	9/13/16		6,150							6,150	6,150	S/L	5		0
196	483 - KUBOTA MOWER	9/13/16		8,870							8,870	8,870	S/L	5		0
219	531- AVIATION FUEL TANK	6/11/18		10,395							10,395	3,234	S/L	15		693
222	510-'17 KUBOTA MOW#1617	7/25/17		13,713							13,713	13,713	S/L	5		0
226	517-500 BBL WATER TANK	9/25/17		10,323							10,323	5,160	S/L	10		1,032
234	527-DELL SERVER 8Z049N2	3/27/18		19,169							19,169	17,253	S/L	5		1,916
239	533-AIRPORT LIGHTING	7/24/18		25,905							25,905	10,796	S/L	10		2,591
242	538-VOIP PHONE SYSTEM	9/28/18		43,468							43,468	17,388	S/L	10		4,347
245	541 - ELECTION EQUIPMENT	10/11/18		127,714							127,714	72,980	S/L	7		18,245
246	542 -CLERK VAULT SHELVING	12/11/18		48,383							48,383	18,546	S/L	10		4,838
259	556- AWOS SYSTEM(WEATHER)	9/30/19		182,998							182,998	54,900	S/L	10		18,300
260	557 - HITACHI 20 HP MOTOR RACK	11/26/19		5,030							5,030	2,850	S/L	5		1,006

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263	561- 2020 CAT COMPACT LOADER	1/14/20		74,269							74,269	20,424	S/L	10		7,427
278	576- M4000 AVIATION FUEL PUMP	8/25/20		14,295							14,295	5,956	S/L	5		2,859
299	596 - KUBOTA L MOWER ZD1021-6	8/27/21		13,499							13,499	2,925	S/L	5		2,700
332	629-POSTAGE MACHINE	8/15/23		7,990							7,990		S/L	5		266
TOTAL 150 - EQUIPMENT				785,766		0	0	0	0	0	785,766	395,356				73,850
TOTAL DEPRECIATION				2,948,860		0	0	0	0	0	2,948,860	1,437,798				164,328
FORM 1120 - ROAD AND BRIDGE																
110 - LAND																
146	RINGO RD EASEMET - EAGLE	1/13/14		6,252							6,252					0
147	RINGO RD EASEMET -ESPINOZ	1/13/14		39,923							39,923					0
148	RINGO RD EASEMET - KUTTER	1/27/14		60,000							60,000					0
149	RINGO RD EASEMET - SCHWER	1/27/14		20,000							20,000					0
150	RINGO RD EASEMET - T&R HO	2/10/14		20,000							20,000					0
TOTAL 110 - LAND				146,175		0	0	0	0	0	146,175	0				0
120 - INFRASTRUCTURE																
1	292 - PAVING BEST ROAD	9/30/04		214,307							214,307	128,592	S/L	30		7,144
37	292 - PAVING S BEST ROAD	10/01/04		23,812							23,812	14,292	S/L	30		794
38	000 - PAVING N BEST ROAD	6/29/06		228,531							228,531	123,792	S/L	30		7,618
39	000 - PAVING FERG/ROCK B	6/29/06		138,542							138,542	74,273	S/L	30		4,618
55	333 - PAVING PROJ FY 2007	10/06/06		411,905							411,905	219,680	S/L	30		13,730
71	362 - PAVING PROJ FY 2008	11/13/07		494,016							494,016	245,633	S/L	30		16,467

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84	373 - PAVING PROJECT #6	1/15/09		635,020							635,020	291,047	S/L	30		21,167
85	376 - PAVING PROJECT #7	9/15/09		536,108							536,108	233,799	S/L	30		17,870
92	384 - PAVING FY 2010	9/30/10		634,925							634,925	253,968	S/L	30		21,164
93	384 - PAVINGFY2010CALICHE	9/30/10		85,230							85,230	34,092	S/L	30		2,841
94	000 - PAVINGFY2011CALICHE	9/30/10		290,280							290,280	116,112	S/L	30		9,676
98	392 - PAVING TOWER ROAD	7/11/11		1,364,265							1,364,265	511,605	S/L	30		45,476
109	410 - PAVING	9/20/12		1,023,350							1,023,350	341,120	S/L	30		34,112
117	428- PAVING	9/30/13		867,025							867,025	260,109	S/L	30		28,901
144	446-PAVING FL & 12TH ST	9/23/14		77,142							77,142	41,144	S/L	15		5,143
145	447-PAVING SCHERTNER/BLK	9/23/14		330,470							330,470	176,248	S/L	15		22,031
182	PAVING 1205 NORTH MONTANA	9/15/15		9,088							9,088	2,146	S/L	30		303
203	490 - HIRT ROAD	9/30/16		51,237							51,237	10,248	S/L	30		1,708
204	491- ANGLE ROAD	9/30/16		194,333							194,333	38,868	S/L	30		6,478
243	539-LONE WOLF ROAD PAVING	9/25/18		1,634,041							1,634,041	217,872	S/L	30		54,468
244	540-ANGLE ROAD SEALCOAT	9/25/18		168,833							168,833	22,512	S/L	30		5,628
256	553- BYRD ROAD	9/24/19		700,465							700,465	105,069	S/L	20		35,023
257	554-CANAL ROAD	9/24/19		421,603							421,603	63,240	S/L	20		21,080
258	555- SOUTHLAND ROYALTY RD	9/24/19		836,816							836,816	125,523	S/L	20		41,841
325	622 - NORTH COUNTY PARK PARKI	9/30/22		93,416							93,416		S/L	10		9,342
337	615-SCHWERTNER BLK TOP ADD'L	1/03/23		259,055							259,055		S/L	10		19,429
TOTAL 120 - INFRASTRUCTURE				11,723,815		0	0	0	0	0	11,723,815	3,650,984				454,052
120 - INFRASTRUCTURE - CERTZ GRANT																
141	443 -PAVING BEST LN CERTZ	9/23/14		1,182,740							1,182,740	630,792	S/L	15		78,849
142	444-PAVING STRAWBERRY PAT	9/23/14		511,601							511,601	272,856	S/L	15		34,107
143	445-PAVING RADIO TOWER RD	9/23/14		468,388							468,388	249,808	S/L	15		31,226

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300	597 - WATER STATION RD	9/14/21		97,859							97,859	10,601	S/L	10		9,786	
301	598 - SOUTHLAND ROYALTY RD	9/14/21		180,262							180,262	19,528	S/L	10		18,026	
302	599 - RADIO TOWER RD	9/14/21		606,166							606,166	65,668	S/L	10		60,617	
303	600 - CHICO LANE	9/14/21		101,874							101,874	11,036	S/L	10		10,187	
304	601 - CARR LANE	9/14/21		18,104							18,104	1,961	S/L	10		1,810	
305	602 - OSTRICH ROAD	9/14/21		38,441							38,441	4,164	S/L	10		3,844	
306	603 - FISHER ROAD	9/14/21		13,394							13,394	1,451	S/L	10		1,339	
307	604 - GUESS ROAD	9/14/21		10,781							10,781	1,168	S/L	10		1,078	
308	605 - EMU ROAD	9/14/21		35,435							35,435	3,839	S/L	10		3,544	
309	606 - VICKY STREET	9/14/21		8,623							8,623	934	S/L	10		862	
310	607 - RUTH STREET	9/14/21		8,141							8,141	882	S/L	10		814	
311	608 - TANK FARM ROAD	9/14/21		166,696							166,696	18,059	S/L	10		16,670	
312	609 - ALDWELL ROAD	9/14/21		632,080							632,080	68,475	S/L	10		63,208	
317	614 - ANGLE ROAD SEAL COAT 5	9/30/22		255,410							255,410		S/L	10		25,541	
318	615 - SCHWERTNER BLK TP RD SE	9/30/22		558,065							558,065		S/L	10		55,807	
319	616 - STRAWBERRY PATCH RD SE	9/30/22		189,729							189,729		S/L	10		18,973	
320	617 - STILES CEMETRY RD SEAL	9/30/22		81,290							81,290		S/L	10		8,129	
321	618 - HIRT ROAD SEAL COAT 1 MI	9/30/22		62,930							62,930		S/L	10		6,293	
322	619 - FERGUSON RD SEAL COAT 5.	9/30/22		817,316							817,316		S/L	10		81,732	
323	620 - COUNTY ROAD 10 SEAL COA	9/30/22		182,749							182,749		S/L	10		18,275	
324	621 - NORTH COUNTY PARK STRE	9/30/22		89,111							89,111		S/L	10		8,911	
TOTAL 120 - INFRASTRUCTURE (2				4,154,456		0	0	0	0	0	4,154,456	207,766				415,446	
120 - INFRASTRUCTURE (2022 CTIF)																	
338	633-N BEST LANE 14.5 M	9/26/23		1,024,265							1,024,265		S/L	10		0	
339	634-RINGO RD 8.4 M	9/26/23		583,018							583,018		S/L	10		0	

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340	635-L ROAD 5 M	9/26/23		1,199,665							1,199,665		S/L	10		0
341	636-SANTA RITA RD 5.25 M	9/26/23		1,117,459							1,117,459		S/L	10		0
TOTAL 120 - INFRASTRUCTURE (2				3,924,407		0	0	0	0	0	3,924,407	0				0
130 - BUILDINGS & IMPROVEMENTS																
8	238 - R&B BUILDING	7/01/82		138,395							138,395	138,395	S/L	30		0
87	387 - CEMETERY IMPROV	6/01/10		74,935							74,935	30,809	S/L	30		2,498
TOTAL 130 - BUILDINGS & IMPROV				213,330		0	0	0	0	0	213,330	169,204				2,498
140 - VEHICLES																
56	334 - 2007 INTL HAULTRUCK	12/19/06		82,009							82,009	82,009	S/L	10		0
57	341 - 2006 INTL TANKER	6/25/07		169,500							169,500	169,500	S/L	10		0
70	356 - 2009 INTL 590 HAUL	7/17/08		111,650							111,650	111,650	S/L	10		0
100	390 - 2011 CHEV PICKUP	11/11/10		36,532							36,532	36,532	S/L	5		0
102	393 - 2011 CHEV 3/4 PU	4/27/11		33,826							33,826	33,826	S/L	5		0
213	511-2016 CHEVY HD #3311	11/30/16		33,906							33,906	33,906	S/L	5		0
240	535-18 CHEV SLVRADO #2768	8/28/18		38,826							38,826	31,707	S/L	5		7,119
250	547-19 CHEV 3/4 PU #3348	7/29/19		37,933							37,933	17,160	S/L	7		5,419
TOTAL 140 - VEHICLES				544,182		0	0	0	0	0	544,182	516,290				12,538
150 - EQUIPMENT																
2	150 - ROLLER COMPACTOR	11/27/01		16,200							16,200	16,200	S/L	10		0
3	209 - 1991 BELLY DUMP TRA	9/13/91		19,369							19,369	19,369	S/L	10		0
5	263 - WATER TANKER W/SKID	5/13/03		11,623							11,623	11,623	S/L	10		0
6	206 - 1995 CAT LOADER 950	10/21/95		50,000							50,000	50,000	S/L	10		0

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7	151 - BOTTOM DUMP	5/14/02		26,421							26,421	26,421	S/L	10		0
9	204 - 1982 HOBBS TRAILER	3/26/96		8,017							8,017	8,017	S/L	10		0
10	290 - KUBOTA TRACTOR ZD	12/10/01		8,200							8,200	8,200	S/L	10		0
11	289 - KUBOTA TRACTOR ZD	10/08/01		8,200							8,200	8,200	S/L	10		0
12	288 - KUBOTA TRACTOR ZD	10/08/01		8,200							8,200	8,200	S/L	10		0
17	281 - STOCK TRAILER 24'	9/23/04		10,800							10,800	10,800	S/L	10		0
49	298 - BELLY DUMP TRLR LK	5/10/05		30,174							30,174	30,174	S/L	10		0
58	343 - 1990 TSPT TRAILER	7/12/07		34,000							34,000	34,000	S/L	10		0
60	342 - 1990 TSPT TRAILER	7/27/07		34,000							34,000	34,000	S/L	10		0
67	365 - JD 6630 CAB TRACTOR	2/25/08		48,446							48,446	48,446	S/L	10		0
78	379 - 2009 KUBOTA MOWER	12/23/08	4/04/23	10,600							10,600	10,600	S/L	10		0
81	357 - CAT WHEELLOADER950H	10/04/08		199,967							199,967	199,967	S/L	10		0
82	361 - ROCK CRUSHERSTCH225	12/23/08		99,465							99,465	99,465	S/L	10		0
83	366 - CAT WHEEL TRACTOR	1/15/09		174,500							174,500	174,500	S/L	10		0
89	377 - EB FLATBED TRAILER	11/09/09		53,060							53,060	53,060	S/L	10		0
90	381 - 2005 RANCO BD TRLR	8/04/10		25,000							25,000	25,000	S/L	10		0
91	382 - 1990 GMC DUMP TRK	8/25/10		10,000							10,000	10,000	S/L	10		0
101	391 - 1980 CHIPSPREADER	11/11/10		13,000							13,000	13,000	S/L	10		0
111	407- 2013 INTL 5900 TRUCK	7/17/12		118,075							118,075	118,075	S/L	10		0
113	411 - KUBOTA TRACTOR	9/25/12		11,760							11,760	11,760	S/L	10		0
115	413- 950K CAT LOADER	11/27/12		259,660							259,660	255,332	S/L	10		4,328
116	418- JD 4320 COMP TRAILER	4/09/13		40,454							40,454	40,454	S/L	7		0
132	424 - CX15 FLEX-WING CUTT	10/15/13		19,183							19,183	17,262	S/L	10		1,921
133	425 - CAT CT-660I TRACTOR	10/15/13		153,945							153,945	138,555	S/L	10		15,390
134	435-'14 CAT CS56B COMPACT	1/27/14		169,245							169,245	146,683	S/L	10		16,925
161	448-CAT VIBRATORY COMPACT	10/13/14		176,134							176,134	140,904	S/L	10		17,613
172	455-CTS BELLY DUMP TRAILR	1/28/15		32,225							32,225	24,709	S/L	10		3,223

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187	472 - CAT CT680L TRACTOR	2/26/16		132,000							132,000	86,900	S/L	10		13,200
218	512-18 INTL TRACTOR #3137	5/24/17		125,124							125,124	66,731	S/L	10		12,512
229	516-17 JD 77G MTRGDR#2747	9/26/17		275,000							275,000	137,500	S/L	10		27,500
235	528-18 JD MOTOR GDR #6854	4/10/18		275,000							275,000	123,750	S/L	10		27,500
261	559 - FUEL KEY PUMPS	11/26/19		26,500							26,500	15,017	S/L	5		5,300
262	560 - CAT 950H LOADER CAPITAL	11/26/19		37,492							37,492	10,622	S/L	10		3,749
265	563- 2020 INTL HX620 TRACTOR #	1/28/20		135,683							135,683	36,182	S/L	10		13,568
279	577-2020 CAT 150 MOTOR GRADE	9/29/20		300,184							300,184	60,036	S/L	10		30,018
314	611 - 2021 CAT MINI EXCAVATOR	12/14/21		58,990							58,990	4,916	S/L	10		5,899
315	612 - 21 CAT 150 MOTOR GRADER	2/28/22		308,540							308,540	17,998	S/L	10		30,854
TOTAL 150 - EQUIPMENT				3,554,436		0	0	0	0	0	3,554,436	2,352,628				229,500
TOTAL DEPRECIATION				31,423,737		0	0	0	0	0	31,423,737	9,116,199				1,562,698

FORM 1120 - PUBLIC SAFETY

130 - BUILDINGS & IMPROVEMENTS

19	203 - NORTH FIRE STN	7/01/83		21,730							21,730	21,730	S/L	30		0
21	235 - FIRE STATION	7/01/78		83,245							83,245	83,245	S/L	30		0
110	412 - NORTH FIRE BLDG	7/09/12		79,400							79,400	27,132	S/L	30		2,647
119	EMC STORAGE BLDG	12/11/12		10,478							10,478	3,432	S/L	30		349
152	FIRE BUILDING ANNEX	12/10/13		16,770							16,770	4,938	S/L	30		559
194	480 - EVIDENCE SEA CONTAI	9/27/16		7,200							7,200	4,320	S/L	10		720
211	505-100 GAL WATER HTR (2)	10/17/16		11,818							11,818	6,993	S/L	10		1,182
215	508-POLE/WIRE SEA CONTNR	2/28/17		6,627							6,627	2,468	S/L	15		442
216	506-NE COMPRESSOR/HVAC	4/28/17		37,116							37,116	13,401	S/L	15		2,474

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217	507-SE & SW COMPRESS/HVAC	4/28/17		49,795							49,795	17,983	S/L	15		3,320
223	514-TOWER/LIGHT SYS RPR	8/29/17		13,700							13,700	4,641	S/L	15		913
228	519-HVAC/FURNACE CNDSR	9/25/17		8,000							8,000	2,665	S/L	15		533
247	543 - 2018 MOBILE HOME	2/06/19		46,417							46,417	7,737	S/L	22		2,110
TOTAL 130 - BUILDINGS & IMPROV				392,296		0	0	0	0	0	392,296	200,685				15,249
140 - VEHICLES																
14	140 - 1995 INTL FIRE TRUC	6/06/95		116,000							116,000	116,000	S/L	10		0
15	143 - 1991 CHEV FIRE TRUC	12/12/97		35,459							35,459	35,459	S/L	10		0
16	257 - 2003 FORD FIRE TRUC	12/10/02		150,000							150,000	150,000	S/L	10		0
45	306 - FIRE TRUCK PUMPER	7/12/05		221,460							221,460	221,460	S/L	10		0
46	322 - 2007 INTL PUMPER	8/29/06		69,988							69,988	69,988	S/L	10		0
59	322 - 2007 KME PUMPER	2/27/07		98,500							98,500	98,500	S/L	10		0
68	351 - 2008 INTL 7400 FIRE	4/08/08		202,476							202,476	202,476	S/L	10		0
99	388 - 2011 CHEV TAHOE	10/12/10		37,370							37,370	37,370	S/L	5		0
107	400 - 2012 TAHOE #2910	1/05/12		26,427							26,427	26,427	S/L	5		0
108	401 - 2012 TAHOE #0164	1/05/12		26,427							26,427	26,427	S/L	5		0
137	438 - '15 FREIGHTLINER M2	5/12/14		79,834							79,834	67,190	S/L	10		7,983
155	NORTH FIRE TRUCK	9/30/14		165,514							165,514	132,408	S/L	10		16,551
158	453-2015 FREIGHTLINER TRK	11/24/14		214,361							214,361	167,915	S/L	10		21,436
163	450-2015 CHEVY TAHOE 1470	10/27/14		35,669							35,669	35,669	S/L	5		0
164	451-2015 CHEVY TAHOE 3564	10/27/14		35,670							35,670	35,670	S/L	5		0
185	470-CHEVY PU #2951	10/12/15		31,728							31,728	31,728	S/L	5		0
186	471 - 2016 AMBULANCE	2/22/16		277,819							277,819	182,898	S/L	10		27,782
188	473 - 2016 CHEVY PU #9110	3/15/16		32,015							32,015	32,015	S/L	5		0
189	474 - 2016 CHEVY PU #9109	3/15/16		32,015							32,015	32,015	S/L	5		0

COUNTY OF REAGAN

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
190	475 - 2016 CHEVY PU #9389	3/15/16		32,015							32,015	32,015	S/L	5		0
224	520-HONDA B23 ENG FOR 351	9/12/17		8,104							8,104	8,104	S/L	5		0
232	523-2015 CHARGER #5076	10/30/17		18,395							18,395	18,088	S/L	5		307
237	530-18 BRUSH TRUCK #7858	5/14/18		234,630							234,630	103,628	S/L	10		23,463
248	545- 19 CHEV TAHOE #2171	4/23/19		42,026							42,026	20,514	S/L	7		6,004
249	546-19 CHEV TAHOE #0367	4/23/19		42,026							42,026	20,514	S/L	7		6,004
251	548-19 CHIEFXL AMBULANCE	7/23/19		287,048							287,048	90,899	S/L	10		28,705
270	568- 2020 CHEVY TAHOE #4209	4/28/20		49,047							49,047	23,705	S/L	5		9,809
271	569- 2020 CHEVY TAHOE #5173	4/28/20		49,047							49,047	23,705	S/L	5		9,809
272	570- 2020 CHEVY TAHOE #4323	4/28/20		49,047							49,047	23,705	S/L	5		9,809
273	571-2020 CHEVY TAHOE #4252	4/28/20		49,046							49,046	23,705	S/L	5		9,809
274	572-2020 CHEVY TAHOE #4215	4/28/20		49,046							49,046	23,705	S/L	5		9,809
275	573-2020 CHEVY TAHOE #4865	4/28/20		49,046							49,046	23,705	S/L	5		9,809
293	590 - 2020 CHEV TAHOE #7155	10/13/20		58,426							58,426	23,370	S/L	5		11,685
316	613 - 22 CHEVROLET SILVERADO	7/18/22		43,330							43,330	1,444	S/L	5		8,666
326	623-2022 CHEVY SILV #8349 (PAT	1/09/23		36,000							36,000		S/L	5		5,400
328	625-2022 FORD F550 CHASSIS AR	1/10/23		62,960							62,960		S/L	10		4,722
330	627-2023 DODGE CHGR #4178	6/13/23		39,860							39,860		S/L	5		2,657
335	632-EQUIP 22 CHEVY #613	9/26/23		29,806							29,806		S/L	5		0
TOTAL 140 - VEHICLES				3,117,637		0	0	0	0	0	3,117,637	2,162,421				230,219
150 - EQUIPMENT																
13	038 - MOTOROLA 300W REPEA	1/07/99		10,070							10,070	10,070	S/L	10		0
34	262 - TOWER REPEATER	7/01/52		8,324							8,324	8,324	S/L	10		0
50	311 - JAWS OF LIFE	11/29/04		23,000							23,000	23,000	S/L	10		0
51	327 - WASHER & DRYER	10/24/05		10,750							10,750	10,750	S/L	7		0

COUNTY OF REAGAN

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
52	328 - COMPUTER EQUIPMENT	10/11/05		31,315							31,315	31,315	S/L	5		0
53	329 - COMPUTER SOFTWARE	11/29/05		17,500							17,500	17,500	S/L	5		0
69	364 - JAWS OF LIFE (2)	3/25/08		22,500							22,500	22,500	S/L	10		0
80	368 - REPEATOR VHF136-174	3/24/09		18,039							18,039	18,039	S/L	10		0
88	000 - JAIL SOFTWARE&EQUIP	9/29/10		24,500							24,500	24,500	S/L	5		0
96	402 - NIGHTVISGOGGLES(12)	8/09/11		71,380							71,380	71,380	S/L	10		0
97	403 - RADIO EQUIPMENT	8/08/11		265,402							265,402	265,402	S/L	10		0
131	SERVER - SHERIFF	2/28/13		13,020							13,020	13,020	S/L	3		0
140	442 - EMC REPEATER (COG)	8/23/14		25,974							25,974	20,992	S/L	10		2,597
160	FIRE EQUIP-NORTH FIRE TRK	11/25/14		7,775							7,775	7,775	S/L	7		0
165	FIRE-RESCUE JAWS	7/14/15		7,757							7,757	7,757	S/L	7		0
166	GETAC SWCIII LAPTOP	1/12/15		8,225							8,225	8,225	S/L	5		0
171	PATROL EQUIPMENT	11/10/14		9,795							9,795	9,795	S/L	5		0
173	456-STRYKER AMBULANCE COT	8/10/15		14,930							14,930	10,700	S/L	10		1,493
176	459-ZOLL E HEART MONITORS	9/29/15		96,400							96,400	96,400	S/L	7		0
191	476 - 2016 KUBOTA TRACTOR	3/29/16		12,425							12,425	11,538	S/L	7		887
209	JAWS OF LIFE/EXTRACTOR	1/12/16		19,197							19,197	19,197	S/L	5		0
210	513-STRYKER POWER COT	10/14/13		16,545							16,545	16,545	S/L	5		0
212	503-CAMERA-THERMAL IMAGE	10/25/16		8,237							8,237	8,237	S/L	5		0
214	502-ISTAT WIRELESS ANLYZR	2/14/17		11,438							11,438	11,438	S/L	5		0
233	524-NARC. CANINE "LARA"	11/14/17		8,500							8,500	5,969	S/L	7		1,214
266	564- 2007 INTL TANKER CAPITAL	1/28/20		33,374							33,374	8,899	S/L	10		3,337
276	574-FIRE SAFETY BREATHING EQ	6/23/20		92,861							92,861	41,787	S/L	5		18,572
277	575-FIRE SAFETY BREATHING EQ	6/23/20		24,581							24,581	11,061	S/L	5		4,916
290	588 - ZOLL ZVENT VENTILATOR #	9/29/20		9,056							9,056	3,622	S/L	5		1,811
327	624-ZOLL DEFIB/MONITOR (2) AR	3/28/23		74,650							74,650		S/L	5		7,465
331	628-STRYKER POWERLOAD COT(2)	6/13/23		90,495							90,495		S/L	5		6,033
TOTAL 150 - EQUIPMENT				1,088,015		0	0	0	0	0	1,088,015	815,737				48,325

COUNTY OF REAGAN

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TOTAL DEPRECIATION				4,597,948		0	0	0	0	0	4,597,948	3,178,843				293,793
FORM 1120 - CULTURE AND REC																
130 - BUILDINGS & IMPROVEMENTS																
23	239 - COMMUNITY CENTER	7/01/74		91,927							91,927	91,927	S/L	30		0
24	240 - ACTIVITY CENTER	7/01/76		67,953							67,953	67,953	S/L	30		0
25	241 - LIBRARY	7/01/52		50,000							50,000	50,000	S/L	30		0
27	243 - NORTH PARK GAZEBO	7/01/80		5,000							5,000	5,000	S/L	30		0
28	244 - NORTH SWIMMING POOL	7/29/04		516,651							516,651	426,626	S/L	22		23,484
29	246 - PAVILLION NRTH PARK	7/01/68		20,000							20,000	20,000	S/L	30		0
30	285 - STAND/CONCESSIONS	8/01/82		7,900							7,900	7,900	S/L	30		0
33	291 - STAGE NORTH PARK	9/30/04		20,932							20,932	12,564	S/L	30		698
43	310 - SWIM POOL BUILDING	7/12/05		82,630							82,630	47,507	S/L	30		2,754
44	315 - WATERWELL-N PARK BB	4/01/06		25,308							25,308	20,873	S/L	20		1,265
54	325 - COMMUNITY CENTER	9/30/06		706,070							706,070	376,576	S/L	30		23,536
61	325 - COMMUNITY CENTER	1/01/07		106,223							106,223	55,771	S/L	30		3,541
63	234 - CH/LIBRARY IMPROVEM	9/01/07		529,244							529,244	266,085	S/L	30		17,641
73	363 - PARK BLDG IMPROVEME	5/01/08		163,523							163,523	78,585	S/L	30		5,451
74	000 - PARK BLDG IMPROVEME	3/01/09		80,477							80,477	36,444	S/L	30		2,683
184	467-NORTH PARK WATER WELL	9/30/15		18,762							18,762	4,375	S/L	30		625
197	484 - POOL RESURFACE	9/27/16		128,478							128,478	77,088	S/L	10		12,848
205	493 - ACTIVITYCENTER ROOF	3/15/16		21,315							21,315	9,355	S/L	15		1,421
221	509-ROOF-N PARK PAVILLION	7/25/17		14,499							14,499	4,996	S/L	15		967
227	518-HVAC/FURNACE CND SR	9/25/17		5,832							5,832	1,945	S/L	15		389


COUNTY OF REAGAN

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254	551-7.5 TON CON UNIT#0564	9/10/19		7,363							7,363	2,269	S/L	10		736
280	578- GIRLS SOFTBALL FIELD & BU	9/30/20		163,845							163,845	10,924	S/L	30		5,462
297	594 - CARRIER CONDENSER	9/14/21		9,380							9,380	1,016	S/L	10		938
298	595 - CARRIER GAS SYSTEMS	8/10/21		12,240							12,240	1,428	S/L	10		1,224
329	626-PLAYGROUND EQUIP N PARK	7/25/23		108,694							108,694		S/L	10		1,812
333	630-STAINLESS STEEL DOORS 4H	7/25/23		5,636							5,636		S/L	10		94
334	631-5 TON HEAT SYS 4H	9/12/23		9,100							9,100		S/L	10		76
342	COMMUNITY CENTER REMODEL	7/25/23		61,928							61,928		S/L	30		344
TOTAL 130 - BUILDINGS & IMPROV				3,040,910		0	0	0	0	0	3,040,910	1,677,207				107,989
150 - EQUIPMENT																
336	32" INTERACTIVE GAME TABLES	10/25/22		12,950							12,950		S/L	5		2,374
TOTAL 150 - EQUIPMENT				12,950		0	0	0	0	0	12,950	0				2,374
TOTAL DEPRECIATION				<u>3,053,860</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,053,860</u>	<u>1,677,207</u>				<u>110,363</u>
FORM 1120 - JUSTICE SYSTEM																
150 - EQUIPMENT																
47	330 - ELECTION MACHINES	2/14/06		84,405							84,405	84,405	S/L	10		0
TOTAL 150 - EQUIPMENT				84,405		0	0	0	0	0	84,405	84,405				0
TOTAL DEPRECIATION				<u>84,405</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>84,405</u>	<u>84,405</u>				<u>0</u>

COUNTY OF REAGAN

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 1120 - CORRECTIONS																
130 - BUILDINGS & IMPROVEMENTS																
31	283 - 2002 JAIL ADDITION	9/30/03		3,067,042							3,067,042	1,942,465	S/L	30		102,235
32	284 - 1997 CO JAIL FACILI	1/01/01		1,284,650							1,284,650	1,081,253	S/L	30		42,822
267	565- TRANE 5 TON HEAT PUMP SY	2/11/20		15,900							15,900	4,240	S/L	10		1,590
294	591 - (2) 100G WATER HEATERS-	10/13/20		12,805							12,805	5,122	S/L	5		2,561
TOTAL 130 - BUILDINGS & IMPROV				4,380,397		0	0	0	0	0	4,380,397	3,033,080				149,208
150 - EQUIPMENT																
241	536-30LB COMM WASHER JAIL	9/11/18		6,505							6,505	3,793	S/L	7		929
268	566- RECPDRER/SERVER FOR JAIL	2/11/20		7,308							7,308	3,898	S/L	5		1,462
296	593 - JAIL CONTROL PANEL	1/12/21		147,431							147,431	25,800	S/L	10		14,743
TOTAL 150 - EQUIPMENT				161,244		0	0	0	0	0	161,244	33,491				17,134
TOTAL DEPRECIATION				4,541,641		0	0	0	0	0	4,541,641	3,066,571				166,342
GRAND TOTAL DEPRECIATION				46,650,451		0	0	0	0	0	46,650,451	18,561,023				2,297,524
DEPRECIATION ASSETS SOLD				10,600		0	0	0	0	0	10,600	10,600				0
DEPR REMAINING ASSETS				46,639,851		0	0	0	0	0	46,639,851	18,550,423				2,297,524



SIGNATURE CERTIFICATE




REFERENCE NUMBER
EFB4549F-0A27-49C6-A4B0-7F4808DC681F

TRANSACTION DETAILS	DOCUMENT DETAILS
<p>Reference Number EFB4549F-0A27-49C6-A4B0-7F4808DC681F</p> <p>Transaction Type Packager</p> <p>Sent At 03/09/2024 09:35 CST</p> <p>Executed At 03/11/2024 10:41 CDT</p> <p>Identity Method email</p> <p>Distribution Method email</p> <p>Signed Checksum 8eb26729891ba4ee26b2c7551cd2acca8adc590e87bf504c8da1c518d760fb9c</p> <p>Signer Sequencing Disabled</p> <p>Document Passcode Disabled</p>	<p>Document Name Draft of Audit Report and Other Items to Review for the County of Reagan fye 9-30-23</p> <p>Filename 1_County_of_Reagan_Draft_fye_9-30-23.pdf</p> <p>Pages 89 pages</p> <p>Content Type application/pdf</p> <p>File Size 10.2 MB</p> <p>Original Checksum f64ede73b0864123fb94368ad323c4a6803517bc74f61ac0a42df0da2cac4f49</p>

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
<p>Name Ginna Hruska</p> <p>Email ginna.hruska@reagancounty.org</p> <p>Components 6</p>	<p>Status signed</p> <p>Multi-factor Digital Fingerprint Checksum 20f6396c0fcd6815550fc7cf29f98e240f49e008e220b78770fa86ec8f8669</p> <p>IP Address 172.108.207.114</p> <p>Device Microsoft Edge via Windows</p> <p>Typed Signature </p> <p>Signature Reference ID 34434F03</p>	<p>Viewed At 03/11/2024 08:45 CDT</p> <p>Identity Authenticated At 03/11/2024 10:41 CDT</p> <p>Signed At 03/11/2024 10:41 CDT</p>
<p>Name Leticia Quinonez</p> <p>Email leticia@reagancounty.org</p> <p>Components 1</p>	<p>Status signed</p> <p>Multi-factor Digital Fingerprint Checksum 3ed6298191f33a9f6917dafd583137328a8fbf7ff163f94c63e3e6688fbb1000</p> <p>IP Address 172.108.207.114</p> <p>Device Microsoft Edge via Windows</p> <p>Typed Signature </p> <p>Signature Reference ID D4125F80</p>	<p>Viewed At 03/11/2024 10:33 CDT</p> <p>Identity Authenticated At 03/11/2024 10:41 CDT</p> <p>Signed At 03/11/2024 10:41 CDT</p>

SIGNER	E-SIGNATURE	EVENTS
Name Jim O'Bryan	Status signed	Viewed At 03/11/2024 10:07 CDT
Email jim@reagancounty.org	Multi-factor Digital Fingerprint Checksum c6062eaaacd6838e712a27e529c0c6b976b28dd65b22a2c99e8607a58840929b7	Identity Authenticated At 03/11/2024 10:17 CDT
Components 6	IP Address 172.108.207.114	Signed At 03/11/2024 10:17 CDT
	Device Microsoft Edge via Windows	
	Drawn Signature 	
	Signature Reference ID 5118F645	
	Signature Biometric Count 5	

AUDITS

TIMESTAMP	AUDIT
03/09/2024 09:35 CST	Ashley Lentner (ashleyl@eckertcpa.com) created document 'Draft of Audit Report and Other Items to Review for the County of Reagan_fye_9-30-23.pdf' on Firefox via Windows from 52.3.21T.188.
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03/09/2024 09:35 CST	Jim O'Bryan (jim@reagancounty.org) was emailed a link to sign.
03/09/2024 09:35 CST	Leticia Quinonez (leticia@reagancounty.org) was emailed a link to sign.
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