

LIPSCOMB COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

**FOR YEAR ENDED
SEPTEMBER 30, 2022**

LIPSCOMB COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

	Page
PART I – INTRODUCTORY SECTION	
LIST OF PRINCIPAL COUNTY OFFICIALS.....	iii
PART II – FINANCIAL SECTION	
INDEPENDENT AUDITORS’ REPORT	1
BASIC FINANCIAL STATEMENTS	
<u>Government-wide Financial Statements</u>	
Statement of Net Position	4
Statement of Activities	6
<u>Fund Financial Statements</u>	
Balance Sheet – Governmental Funds	7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Statement of Net Position – Internal Service Fund	11
Statement of Revenues, Expenditures and Changes in Net Position – Internal Service Fund	12
Statement of Cash Flows – Internal Service Fund	13
Statement of Fiduciary Net Position – Custodial Funds	14
Statement of Changes in Fiduciary Net Position – Custodial Funds	15
<u>Notes to Basic Financial Statements</u>	16

LIPSCOMB COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

	Page
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	37
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund	39
Schedule of Changes in Net Pension Liability and Related Ratios.....	40
Schedule of Employer Contributions	41
OTHER SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Non-major Governmental Funds.....	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	45
Combining Statement of Fiduciary Net Position – Custodial Funds	47
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	48

This page left blank intentionally

PART I

INTRODUCTORY SECTION

LIPSCOMB COUNTY, TEXAS
PRINCIPAL COUNTY OFFICIALS
SEPTEMBER 30, 2022

Mickey Simpson	County Judge
Juan Cantu	Commissioner, Precinct #1
Merle Miller	Commissioner, Precinct #2
Scotty Schilling	Commissioner, Precinct #3
Dan Cockrell	Commissioner, Precinct #4
Steven R. Emmert	Judge, 31 st Judicial District
Franklin McDonough	District Attorney
Kim Blau	District/County Clerk
Matt Bartosiewicz	County Attorney
Gailan Winegarner	County Tax Assessor/Collector
Kimberly Long	County Treasurer
John Worthington	County Sheriff
Nancy Shepherd	Justice of the Peace

PART II
FINANCIAL SECTION



To The Honorable County Judge and
Commissioners Comprising the
Commissioners' Court of
Lipscomb County, Texas

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lipscomb County, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Lipscomb County, Texas's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lipscomb County, Texas, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lipscomb County, 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.

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 Lipscomb County, Texas'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance

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

In performing an audit in accordance with generally accepted auditing standards, 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 Lipscomb County, Texas'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 Lipscomb County, Texas's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of changes in net pension liability and related ratios, and the schedule of employer contributions on pages 37 – 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The County has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The MD&A, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The independent auditors' opinion is not affected by the omission of the MD&A.

Supplementary Information

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

DOSHIER, PICKENS & FRANCIS, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC

Amarillo, Texas

May 12, 2023

BASIC FINANCIAL STATEMENTS

LIPSCOMB COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

		<u>Governmental Activities</u>
ASSETS		
Cash and cash equivalents	\$	2,192,324
Investments		1,098,804
Accounts receivable, net		16,677
Delinquent taxes receivable, net		31,671
Due from other governmental entities		609,450
Prepaid expenses		7,934
Notes receivable:		
Due in more than one year		42,965
Net pension asset		2,019,285
Capital assets, net of accumulated depreciation		<u>7,140,320</u>
Total assets		<u>13,159,430</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions		189,709
Pension economic/demographic losses		26,386
Pension assumption changes		<u>180,329</u>
Total deferred outflows of resources		<u>396,424</u>

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

**LIPSCOMB COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	Governmental Activities
LIABILITIES	
Accounts payable	\$ 139,236
Due to other governmental entities	331,258
Noncurrent liabilities:	
Due in one year	4,300
Due in more than one year	38,449
	513,243
Total liabilities	513,243
DEFERRED INFLOWS OF RESOURCES	
Pension economic/demographic gains	56,905
Pension excess earnings	1,693,682
Pension assumption changes	71,825
	1,822,412
Total deferred inflows of resources	1,822,412
NET POSITION	
Net investment in capital assets	7,140,320
Restricted:	
By enabling legislations for special projects	285,244
Special projects	7,362
Capital projects	1,454,859
Future health insurance premiums	225,016
First-time home buyer program	17,000
Unrestricted	2,090,398
	2,090,398
Total net position	\$ 11,220,199

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

This page left blank intentionally

**LIPSCOMB COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Primary government					
Governmental Activities:					
Administrative	\$ 1,490,872	\$ 112,322	\$ 325,200	\$ 232,278	\$ (821,072)
Judicial	309,208	30,939	28,000	-	(250,269)
Public facilities	271,193	-	-	-	(271,193)
Public safety	930,724	1,225	5,400	6,204	(917,895)
Road and bridge	1,359,094	281,734	172,449	-	(904,911)
Public service	132,560	-	-	-	(132,560)
Total	<u>\$ 4,493,651</u>	<u>\$ 426,220</u>	<u>\$ 531,049</u>	<u>\$ 238,482</u>	<u>(3,297,900)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					2,603,013
Property taxes, levied for road and bridge					1,045,067
Investment earnings					48,374
Miscellaneous					32,726
Gain on sale of capital assets					42,882
Total general revenues					<u>3,772,062</u>
Change in net position					474,162
Net position - beginning					<u>10,746,037</u>
Net position - ending					<u>\$ 11,220,199</u>

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

**LIPSCOMB COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	General	Road and Bridge	Capital Projects
ASSETS			
Cash and cash equivalents	\$ 17,462	\$ 467,932	\$ -
Investments	-	-	548,097
Accounts receivable, net	16,677	-	-
Taxes receivable, net	22,320	9,351	-
Due from other funds	32,015	639,889	-
Due from other governments	10,436	4,965	-
Prepaid expenditures	7,934	-	-
	<u>106,844</u>	<u>1,122,137</u>	<u>548,097</u>
Total assets	<u>\$ 106,844</u>	<u>\$ 1,122,137</u>	<u>\$ 548,097</u>
LIABILITIES			
Accounts payable	\$ 61,748	\$ 77,478	\$ -
Due to other funds	639,373	32,015	-
Due to other governmental entities	3,286	-	-
	<u>704,407</u>	<u>109,493</u>	<u>-</u>
Total liabilities	<u>704,407</u>	<u>109,493</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	16,473	7,013	-
Unavailable revenue - other receivables	10,025	-	-
	<u>26,498</u>	<u>7,013</u>	<u>-</u>
Total deferred inflows of resources	<u>26,498</u>	<u>7,013</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Prepaid expenditures	7,934	-	-
Restricted:			
By enabling legislation for special projects	-	-	-
Special projects	-	-	-
Capital projects	-	-	-
First-time home buyer loans	17,000	-	-
Committed for:			
Road & bridge	-	940,037	-
Capital projects	-	65,594	548,097
Debt service	-	-	-
Unassigned (deficit)	(648,995)	-	-
	<u>(624,061)</u>	<u>1,005,631</u>	<u>548,097</u>
Total fund balances	<u>(624,061)</u>	<u>1,005,631</u>	<u>548,097</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 106,844</u>	<u>\$ 1,122,137</u>	<u>\$ 548,097</u>

<u>Debt Service</u>	<u>Courthouse Restoration</u>	<u>American Rescue Fund</u>	<u>Total Nonmajor</u>	<u>Total Governmental</u>
\$ -	\$ 860,810	\$ 334,313	\$ 286,791	\$ 1,967,308
550,707	-	-	-	1,098,804
-	-	-	-	16,677
-	-	-	-	31,671
-	-	-	-	671,904
-	594,049	-	-	609,450
-	-	-	-	7,934
<u>\$ 550,707</u>	<u>\$ 1,454,859</u>	<u>\$ 334,313</u>	<u>\$ 286,791</u>	<u>\$ 4,403,748</u>
\$ -	\$ -	\$ -	\$ 10	\$ 139,236
-	-	-	516	671,904
-	-	327,972	-	331,258
-	-	327,972	526	1,142,398
-	-	-	-	23,486
-	-	-	-	10,025
-	-	-	-	33,511
-	-	-	-	7,934
-	-	-	285,244	285,244
-	-	6,341	1,021	7,362
-	1,454,859	-	-	1,454,859
-	-	-	-	17,000
-	-	-	-	940,037
-	-	-	-	613,691
550,707	-	-	-	550,707
-	-	-	-	(648,995)
<u>550,707</u>	<u>1,454,859</u>	<u>6,341</u>	<u>286,265</u>	<u>3,227,839</u>
<u>\$ 550,707</u>	<u>\$ 1,454,859</u>	<u>\$ 334,313</u>	<u>\$ 286,791</u>	<u>\$ 4,403,748</u>

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

This page left blank intentionally

LIPSCOMB COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance - governmental funds	\$	3,227,839
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		7,140,320
Certain accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred and shown as unavailable revenues in the fund financial statements.		33,511
Long-term assets are not due and receivable in the current period and therefore are not reported in the fund financial statements:		
Notes receivable		42,965
Pension contributions paid after the measurement date, December 31, 2021, and before September 30, 2022 are expensed in the governmental funds and shown as deferred outflows of resources in the government-wide financial statements.		
Pension contributions		189,709
The net pension asset is not a current financial resource and therefore, is not reported in the fund financial statement, but is reported in the governmental activities of the Statement of Net Position.		2,019,285
Pension losses, deficient earnings, and assumption changes are shown as deferred outflows of resources in the government-wide financial statements.		206,715
Pension gains, excess earnings, and assumption changes are shown as deferred inflows of resources in the government-wide financial statements.		(1,822,412)
The internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		225,016
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements:		
Accrued compensated absences		(42,749)
Net position - governmental activities	\$	11,220,199

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

LIPSCOMB COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>General</u>	<u>Road and Bridge</u>	<u>Capital Projects</u>
REVENUES			
Property taxes	\$ 2,599,488	\$ 1,042,783	\$ -
Licenses and fees	116,439	268,480	-
Fines and forfeitures	5,789	-	-
Intergovernmental	64,804	172,449	-
Investment earnings	10,424	9,759	4,112
Miscellaneous	23,968	5,347	-
	<u>2,820,912</u>	<u>1,498,818</u>	<u>4,112</u>
EXPENDITURES			
Current:			
Administrative	1,419,924	-	-
Judicial	340,535	-	-
Public facilities	235,509	-	-
Public safety	986,716	-	-
Road and bridge	-	1,401,180	-
Public service	135,911	-	-
Capital outlay	25,852	163,352	-
	<u>3,144,447</u>	<u>1,564,532</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(323,535)</u>	<u>(65,714)</u>	<u>4,112</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	-	13,800	-
Transfers in	355,731	-	-
Transfers out	-	(55,731)	-
	<u>355,731</u>	<u>(41,931)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	32,196	(107,645)	4,112
FUND BALANCES - BEGINNING (DEFICIT)	<u>(656,257)</u>	<u>1,113,276</u>	<u>543,985</u>
FUND BALANCES - ENDING (DEFICIT)	<u>\$ (624,061)</u>	<u>\$ 1,005,631</u>	<u>\$ 548,097</u>

<u>Debt Service</u>	<u>Courthouse Restoration</u>	<u>American Rescue Fund</u>	<u>Total Nonmajor</u>	<u>Total Governmental</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,642,271
-	-	-	28,739	413,658
-	-	-	-	5,789
-	232,278	300,000	-	769,531
4,132	10,972	5,966	42	45,407
-	-	-	3,411	32,726
<u>4,132</u>	<u>243,250</u>	<u>305,966</u>	<u>32,192</u>	<u>4,909,382</u>
-	-	-	923	1,420,847
-	-	-	2,211	342,746
-	-	-	-	235,509
-	-	-	672	987,388
-	-	-	-	1,401,180
-	-	-	-	135,911
-	91,871	-	47,314	328,389
<u>-</u>	<u>91,871</u>	<u>-</u>	<u>51,120</u>	<u>4,851,970</u>
<u>4,132</u>	<u>151,379</u>	<u>305,966</u>	<u>(18,928)</u>	<u>57,412</u>
-	-	-	-	13,800
-	-	-	-	355,731
-	-	(300,000)	-	(355,731)
<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>13,800</u>
4,132	151,379	5,966	(18,928)	71,212
<u>546,575</u>	<u>1,303,480</u>	<u>375.00</u>	<u>305,193</u>	<u>3,156,627</u>
<u>\$ 550,707</u>	<u>\$ 1,454,859</u>	<u>\$ 6,341</u>	<u>\$ 286,265</u>	<u>\$ 3,227,839</u>

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

**LIPSCOMB COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

Net change in fund balances - total governmental funds:	\$	71,212
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p> <p>This is the amount by which capital outlays, \$328,389, were exceeded by depreciation, \$474,223, in the current period.</p>		
		(145,834)
<p>In the Statement of Activities, only the gain on the sale, or trade-in, of capital assets is reported. However, in the governmental funds, only the proceeds from the sale, if any, increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital asset disposed of.</p>		
		(40,918)
<p>The Statement of Activities reports gains arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.</p>		
		70,000
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. This amount represents the change in unavailable revenues.</p>		
		12,582
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Compensated absences, net change		7,168
Pension deferred outflows of resources, net change		(215,117)
Pension deferred inflows of resources, net change		(1,339,492)
Net pension asset, net change		2,019,285
Net pension liability, net change		31,998
<p>The internal service fund is used by management to charge the costs of health insurance to individual funds. The net revenue (loss) of certain activities of the internal service fund is reported with governmental activities.</p>		
		3,278
Change in net position - governmental activities	\$	474,162

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

**LIPSCOMB COUNTY, TEXAS
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
SEPTEMBER 30, 2022**

	Employee Health Plan
ASSETS	
Restricted assets:	
Cash and cash equivalents	\$ 225,016
Total restricted assets	225,016
NET POSITION	
Restricted for future insurance claims	225,016
Total net position	\$ 225,016

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

LIPSCOMB COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Employee Health Plan
OPERATING REVENUES:	
Charges for services	\$ 523,792
Total operating revenues	523,792
OPERATING EXPENSES:	
Insurance premiums	523,481
Total operating expenses	523,481
NET OPERATING INCOME	311
NON-OPERATING REVENUES:	
Interest	2,967
Total non-operating revenues	2,967
CHANGE IN NET POSITION	3,278
NET POSITION - BEGINNING	221,738
NET POSITION - ENDING	\$ 225,016

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

**LIPSCOMB COUNTY, TEXAS
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Employee Health Plan
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from County and participants	\$ 523,792
Cash payments for insurance premiums	(523,481)
Net Cash Provided by Operating Activities	311
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest from cash deposits	2,967
Net Cash Provided by Investing Activities	2,967
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,278
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	221,738
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 225,016
RECONCILIATION OF NET OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:	
Net operating income	\$ 311
Net Cash Provided by Operating Activities	\$ 311

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

LIPSCOMB COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	ASSETS	Custodial Funds
Cash and cash equivalents		\$ 102,791
Total assets		102,791
	LIABILITIES	
Due to other governments		34,259
Total liabilities		34,259
	NET POSITION	
Restricted for: Individuals		68,532
Total net position		\$ 68,532

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

LIPSCOMB COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
Additions	
Tax collections	\$ 9,998,215
Trust/Escrow contributions	8,242
Investment earnings	<u>1,987</u>
Total additions	<u>10,008,444</u>
 Deductions	
Payments to local governments	10,004,615
Trust/Escrow disbursements	<u>10,022</u>
Total deductions	<u>10,014,637</u>
 NET CHANGE IN NET POSITION	 (6,193)
 NET POSITION - BEGINNING	 <u>74,725</u>
 NET POSITION - ENDING	 <u><u>\$ 68,532</u></u>

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

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lipscomb County, Texas (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles) (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. Financial Reporting Entity

The County, incorporated in 1916, is a public corporation and political subdivision of the State of Texas. The County is governed by the Commissioners Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County provides a variety of services to advance the welfare, morale, comfort, safety and convenience of the County and its citizens.

The definition of the reporting entity is based primarily on the notion of financial accountability. The elected officials governing the County are accountable to their constituents for their public policy decisions, regardless of whether those decisions are carried out directly through the operations of the County or by their appointees through the operations of a separate entity. Therefore, the County is not only financially accountable for the organizations that make up its legal entity, but also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either, it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the County.

B. Financial Statement Presentation, Measurement Focus and Basis of Accounting

Government-Wide Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-like activities*, which rely to a significant extent on fees and charges for support.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Fines and forfeitures are recognized when they have been assessed and adjudicated and earned. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

B. Financial Statement Presentation, Measurement Focus and Basis of Accounting – Continuation

The Statement of Activities demonstrates the degree to which the direct expenses of the County’s programs are offset by those programs’ revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the program and 2) grants and contributions that are restricted to meeting the operational and/or capital requirements of a particular program. Taxes and other items not included among program revenue are reported instead as *general revenue*. In miscellaneous general revenues are non-program specific contributions including capital assets contributions.

Fiduciary funds are excluded in the government-wide presentation of the financial statements.

Fund-Level Statements

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes and other revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Grant and entitlement revenues are also susceptible to accrual. These funds are accounted for on a spending “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Any proprietary funds, including internal service, and fiduciary funds, including agency funds, are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using an economic resources measurement focus.

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The County reports the following major governmental funds:

The **General Fund** is the general operating fund of the County. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for administrative, judicial, public facilities, public safety, public service, and capital acquisition.

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

B. Financial Statement Presentation, Measurement Focus and Basis of Accounting – Continuation

Fund-Level Statements – Continuation

The **Road and Bridge Fund** is a special revenue fund used to account for the revenues derived from property taxes and license fees levied for purposes of road and bridge expenditures.

The **Capital Projects Fund** is used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

The **Debt Service Fund** is used to account for the accumulation and disbursement of resources associated with the County's debt obligations. Property taxes and interest income provide the resources necessary to pay the annual principal and interest payments.

The **Courthouse Restoration Fund** is a capital projects fund used to account for grants received as well as the expenditures for the purposes of restoring the County Courthouse.

The **American Rescue Fund** is a special revenue fund used to account for funds received through the various federal agencies passed through the State of Texas. The pass-thru grant was used to reimburse the County for incurred costs as well as purchase qualified equipment related to the COVID-19 pandemic.

Additionally, the County reports the following fund types:

Internal Service Fund – The *Internal Service Fund* account for the financing of services provided by one department to other departments of the County on a cost-reimbursement basis. The Health Insurance program of the County is accounted for as an Internal Service Fund.

Special Revenue Funds – *Special Revenue Funds* account for the proceeds of specific revenue sources (other than fiduciary funds) that are legally restricted to expenditures for specified purposes.

Custodial Funds – *Custodial Funds* account for assets received by the governmental unit in its capacity as trustee or agent for the County, other governmental entities, or individuals. The receipts and disbursements of such funds are governed by the terms of the statutes, ordinances, regulations or other authority. Custodial funds do not involve a formal trust agreement.

C. Use of Restricted Assets

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, deposits within public fund investment pools and highly liquid investments with an original maturity of three months or less when purchased. Statutes authorize the County to keep funds in demand deposits, time deposits, or securities of the United States. The County's custodial banks are required to pledge for the purpose of securing County funds, securities of the following kind, in an amount equal to the amount of such County funds: bonds and notes of the United States, securities of indebtedness of the United States, bonds of the State of Texas, or of any county, city, or independent school district, and various other bonds as described in Texas Statutes.

The County is required by Government Code Chapter 2256, The Public Funds Investment Act ("Act"), to adopt, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management, and include a list of the types of authorized investments in which the investing entity's funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment policies. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the area of investment practices, management has established and reported appropriate policies. The County adheres to the requirements of the Act. Additionally, investment practices of the County are in accordance with local policies.

2. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the noncurrent portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Amounts due from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Notes receivable represent amounts outstanding from the first-time home buyer program that was funded by the Department of Housing and is administered by the Panhandle Regional Planning Commission. A first-time homebuyer can receive a second mortgage of up to \$5,000 if all qualifications are met to participate in the program. No payment is due on the loan until either the first mortgage is paid off or the property is sold. As of September 30, 2022 the County has notes with eight individuals outstanding with no stated interest rate.

Charges for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unavailable revenue in the fund statements. Receivables are shown net of an allowance for uncollectible accounts of \$402,891.

Payables consist of vendor obligations for goods and services as well as funds payable to others when the criteria for their release have been met.

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

3. Property Tax Calendar and Revenues

Property taxes are based on taxable value at January 1 and become due October 1 and past due after January 31 of the following year. Tax collections during the months of October through December are entitled to discounts offered by the County. Tax collections after February 1 are treated as late payments and are subject to penalty and interest. Uncollected taxes from the current tax roll become delinquent on July 1 and are subject to additional penalties and interest. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior years' levies are shown net of an allowance for uncollectible accounts of \$61,398.

4. Restricted Assets/Funds

The following accounts reflect restricted status by third-party or statutory obligations for specific purposes:

- Other Non-Major Governmental fund balances (amounts restricted for other specific purposes such as management, preservation, and archiving of public records, personnel and security for the courthouse, technology requirements for the justice court, enhancement of the county attorney operations with fees from processing dishonored and forged checks, the maintenance of the commissary in the Sheriff's Department, and the State pass-through grants related to the COVID-19 pandemic. All restrictions are enacted according to Texas statutes.)

5. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The County uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed. In the fund financial statements, they are offset by a designation of nonspendable fund balance which indicates they do not represent "available spendable resources".

6. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. The County has opted not to retroactively report infrastructure assets (assets acquired prior to October 1, 2003). According to the County's capitalization policy, capital assets, such as equipment, are defined as individual assets (or systems of assets) having a cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

The cost 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 lives:

Buildings	20 - 40 years
Equipment	5 - 25 years

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow or resources (expense/expenditure) until then. The government has multiple items that qualify for reporting in this category. They are the contributions and other items related to the County's pension plan reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. One item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and fines and fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are related to the changes in the County's net pension liability and are reported in the government-wide statement of net position.

8. Compensated Absences

A liability for unused vacation and comp time for all full-time employees is calculated and reported in the government-wide financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered
- leave or compensation is not contingent on a specific event (such as illness).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

Regular full-time employees are entitled to vacation of up to three weeks per year as earned. Vacation time earned, but not taken, is paid upon termination, but cannot be accumulated beyond one calendar year, except as provided by personnel manual. Compensation time is accrued at one and one-half the employee's regular rate for each hour worked over forty hours in a work week (except law enforcement). After it is accrued, it is treated like vacation time earned and is paid upon termination. Sick leave accrues at 10 hours per month with a maximum accumulation limit of 360 hours; however, no unused sick leave will be paid upon termination. Accrued vacation leave and comp time are accrued in the government-wide financial statements.

9. Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's Texas County and District Retirement System Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

10. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Non-spendable Fund Balance – includes amounts that are (a) not in spendable forms, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.

Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority, the Commissioners’ Court. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution or ordinance).

Assigned Fund Balance – includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (a) Commissioners’ Court or (b) a body (budget, finance committee, or County Official) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as non-spendable, restricted or committed.

Unassigned Fund Balance – this classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

11. Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three categories.

Net Investment in Capital Assets – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, or constitutional provisions.

Unrestricted Net Position – This amount includes all net positions that do not meet the definition of “net investment in capital assets” or “restricted net position.”

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

12. Fund Balance Policies

When the County incurs an expenditure for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first, then unrestricted funds. When expenditures are 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.

Committed fund balance amounts may be used for other purposes with appropriate action by the Commissioners' Court to either modify or rescind a fund balance commitment. Commitments are typically done through adoption and amendment of the budget.

The County's highest level of decision-making authority is the Commissioners' Court. The Court has not yet delegated the authority to assign fund balance amounts to a specific individual nor does it have a policy to authorize the assignment of fund balances outside the Court.

13. Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

1. Prior to September 1, the proposed budget is submitted to the Commissioners' Court.
2. The Commissioners' Court provides for a public hearing on the County budget subsequent to August 15, and prior to the levy of taxes by the Commissioners' Court.
3. Prior to October 1, the budget is legally adopted by order of the Commissioners' Court for the General Fund and Road and Bridge Special Revenue Fund.

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continuation

A. Budgetary Information – Continuation

4. The budget is prepared by fund and department with the legal level of control at the department level. Administrative control is maintained through the establishment of more detailed account or object class budgets within the departments. Emergency expenditures to meet unusual and unforeseen conditions which could not, by reasonable diligent thought and attention, have been included in the original budget, whereby total expenditures of a department have been increased must be authorized by the Court as emergency amendments to the original budget. Management may not amend the budget at any level without approval of the Commissioners' Court. The Court has the authority to make such changes in the budget, in its judgment of facts, the law warrant, and the interest of the taxpayers demand, provided the amounts budgeted for the current expenditures from the various funds for the County do not exceed appropriations, including fund balances from the prior fiscal periods. Amounts shown in the financial statements represent the original budget amounts and all supplemental appropriations. Supplemental appropriations to the original adopted budget are in the Final Budget Amounts column of the Budgetary Comparison Schedule for the General Fund and Road and Bridge Special Revenue Fund.
5. Budgets for the General Fund and Road and Bridge Fund are adopted on a basis consistent with GAAP on the modified accrual basis of accounting on an annual basis.
6. Formal budgetary integration on an annual basis is employed as a management control device during the year for the General Fund and Road and Bridge Special Revenue Fund.
7. All appropriations, except those in grant funds, lapse at the end of the County's fiscal year and may be re-budgeted the next year.

B. Excess of Disbursements Over Appropriations

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation

Expenditures exceeded the budget in various functional areas in the General Fund and Road and Bridge Fund

Action Taken

A combination of underspending in other functional categories, and excess revenues over budget, as well as the County planning to use fund balance carryovers have covered such overspendings.

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS

Following is a reconciliation of the County’s cash and deposit balances as of September 30, 2022:

Cash and deposit balances consist of:

Petty cash funds	\$	3,600
Bank deposits		2,291,515
		2,291,515
Total	\$	2,295,115

Cash and deposit balances are reported in the basic financial statements as follows:

Government-wide Statement of Net Position:		
Unrestricted	\$	2,192,324
Fiduciary Funds Statement of Net Position		102,791
		102,791
Total	\$	2,295,115

As of September 30, 2022, the County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Governmental Activities		
Certificates of deposit (interest rates at 1.48%)	\$ 1,098,804	183
		183
Total fair value	\$ 1,098,804	
Portfolio weighted average maturity		183

Custodial credit risk – deposits. As of September 30, 2022, the carrying amount of the County's deposits with financial institutions was \$3,390,319 and the bank's balance was \$3,500,620. Of the bank balance, \$1,228,252 was insured through the Federal Depository Insurance Corporation (FDIC) and \$2,272,368 was collateralized with securities held by the pledging institution’s agent in the County’s name.

Interest rate risk is the risk that adverse changes in interest rates will result in an adverse effect on the fair value of an investment. The County manages its exposure to interest rate risk by maintaining its cash in interest-bearing demand accounts, readily available TexPool shares, or in certificates of deposit with weighted average maturities of two years or less.

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law and County policy limit investments in local government pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single insurer. As of September 30, 2022, 100% of the County’s carrying value of cash deposited with the County’s depository banks and was adequately secured as described above.

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 4 – CAPITAL ASSETS

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB Statement No. 34, depreciation policies were adopted to include useful lives and classification by function. As stated earlier, the County has opted not to report its infrastructure retroactively.

Capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers / Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and land improvements	\$ 20,853	\$ -	\$ -	\$ -	\$ 20,853
Construction in progress	124,318	30,613	-	(154,931)	-
Total capital assets, not being depreciated	145,171	30,613	-	(154,931)	20,853
Capital assets, being depreciated:					
Buildings and improvements	7,942,994	92,955	-	-	8,035,949
Equipment	6,896,419	274,821	(120,911)	154,931	7,205,260
Total capital assets, being depreciated	14,839,413	367,776	(120,911)	154,931	15,241,209
Less accumulated depreciation for:					
Buildings and improvements	(1,404,112)	(275,364)	-	-	(1,679,476)
Equipment	(6,323,400)	(198,859)	79,993	-	(6,442,266)
Total accumulated depreciation	(7,727,512)	(474,223)	79,993	-	(8,121,742)
Total capital assets, being depreciated, net	7,111,901	(106,447)	(40,918)	154,931	7,119,467
Governmental activities capital assets, net	\$ 7,257,072	\$ (75,834)	\$ (40,918)	\$ -	\$ 7,140,320

Depreciation expense for the year ended September 30, 2022 was charged to the functions/programs of the primary government as follows:

Governmental activities	
Administrative	\$ 240,083
Judicial	2,012
Public safety	80,460
Public facilities	59,802
Road and bridge	91,866
Total Depreciation Expense	\$ 474,223

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 5 – PROPERTY TAX

The State of Texas Constitutional tax rate limit for both operations and debt service is \$.80 on each \$100 of assessed valuation. The tax rate on the 2021 tax roll was \$.631512 per \$100, which means that the County has a tax margin of \$.168488 per \$100 and could raise up to \$708,265 additional revenue from the 2021 assessed valuation of \$420,364,758 before the limit is reached.

The State of Texas Constitutional tax rate limit for the maintenance of farm-to-market roads or flood control is \$.30 on each \$100 of assessed valuation. The tax rate on the 2021 tax roll was \$.096103 per \$100, which means that the County has a tax margin of \$.203897 per \$100 and could raise up to \$852,704 additional revenue from the 2021 assessed valuation of \$418,202,511 before the limit is reached.

The State of Texas Constitutional tax rate limit for the maintenance of public roads, commonly referred to as the special road and bridge fund, is \$.15 on each \$100 of assessed valuation. The tax rate on the 2021 tax roll was \$.15 per \$100, which means that the County has a tax margin of \$.00 per \$100 and cannot raise any additional revenue from the 2021 assessed valuation of \$4,20,364,758.

Real and personal property values are assessed for the period January 1 to December 31, as of January 1 at which date property taxes attach as an enforceable lien on property. Taxes are levied by October 1 of the current year and are collected from October 1 to June 30 of the following year. Payments received in October through December are entitled to discounts offered by the County. Payments received after February 1 are considered late and are subject to penalty and interest. Taxes become delinquent on July 1 of the following year.

NOTE 6 – RETIREMENT PLAN

Plan Description: Lipscomb County provides retirement and death benefits for all of its employees, except temporary employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of several nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 and is available at www.tcdrs.org.

Benefits Provided: The plan provisions are adopted by the governing body of the County (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 contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 – RETIREMENT PLAN – Continuation

Employees Covered by Benefit Terms: At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	51
Inactive employees entitled to but not yet receiving benefits	52
Active employees	45

Contributions: The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually.

The County contributed using the actuarially determined rate of 9.09% with a supplemental rate of 3.55% for the months of the accounting year in 2021 and 10.05% with a supplemental rate of 2.59% for the months of the accounting year in 2022. The contribution rate payable by the employee members is 7.0% for fiscal year 2022 as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

Net Pension Liability: The County’s net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date.

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

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017 – 2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pensions liability as of December 31, 2021. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 – RETIREMENT PLAN – Continuation

TCDRS system-wide economic assumptions:

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The assumed long-term investment return of 7.5% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.5% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	2.50%

The payroll growth assumption is for the aggregate covered payroll of an employer.

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 are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2022 information for a 10-year time horizon.

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

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 – RETIREMENT PLAN – Continuation

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

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	3.80%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Funds of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

(1) Target asset allocation adopted at the March 2022 TCDRS Board Meeting.

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.6%, per Cliffwater's 2022 capital market assumptions.

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

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

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

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 – RETIREMENT PLAN – Continuation

Discount Rate: The discount rate used to measure the total pension liability was 7.60%. 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, alternatives 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 benefit 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.

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 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 – RETIREMENT PLAN – Continuation

Changes in the Net Pension Liability / (Asset):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances as of December 31, 2020	\$ 12,385,742	\$ 12,353,744	\$ 31,998
Changes for the year:			
Service cost	341,813	-	341,813
Interest on total pension liability (1)	939,559	-	939,559
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	(113,811)	-	(113,811)
Effect of assumptions changes or inputs	(143,651)	-	(143,651)
Refund of contributions	(6,393)	(6,393)	-
Benefit payments	(737,105)	(737,105)	-
Administrative expenses	-	(7,945)	7,945
Member contributions	-	147,379	(147,379)
Net investment income	-	2,675,581	(2,675,581)
Employer contributions	-	266,125	(266,125)
Other (3)	-	(5,947)	5,947
	<u> </u>	<u> </u>	<u> </u>
Balances as of December 31, 2021	<u>\$ 12,666,154</u>	<u>\$ 14,685,439</u>	<u>\$ (2,019,285)</u>

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

(2) No plan changes valued.

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

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
	<u> </u>	<u> </u>	<u> </u>
Total pension liability	\$ 13,956,009	\$ 12,666,154	\$ 11,547,586
Fiduciary net position	<u>14,685,439</u>	<u>14,685,439</u>	<u>14,685,439</u>
Net pension liability / (asset)	<u>\$ (729,430)</u>	<u>\$ (2,019,285)</u>	<u>\$ (3,137,853)</u>

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 – RETIREMENT PLAN – Continuation

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

Pension Expense / (Income):

	January 1, 2021 to December 31, 2021
Service cost	\$ 341,813
Interest on total pension liability (1)	939,559
Effect of plan changes	-
Administrative expenses	7,945
Member contributions	(147,379)
Expected investment return net of investment expenses	(926,056)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(81,067)
Recognition of assumption changes or inputs	108,502
Recognition of investment gains or losses	(488,215)
Other (2)	5,947
Pension expense / (income)	\$ (238,951)

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

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

Deferred Inflows / Outflows of Resources: As of September 30, 2022, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 56,905	\$ 26,386
Changes of assumptions	71,825	180,329
Net difference between projected and actual earnings	1,693,682	-
Contributions made subsequent to measurement date	N/A	189,709

Continued

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 – RETIREMENT PLAN – Continuation

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

Year ended December 31:	
2022	\$ (289,091)
2023	(573,717)
2024	(402,984)
2025	(349,905)
2026	-
Thereafter	-

NOTE 7 – POST-EMPLOYMENT DEFINED BENEFIT GROUP TERM LIFE INSURANCE PLAN

Plan Description

Lipscomb County, Texas participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County & District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GLTF). This optional plan provides group term life insurance coverage to current eligible employees.

The GTLF is a separate trust administered by the TCDRS board of trustees. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County & District System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800-823-7782.

Funding Policy

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. Lipscomb County, Texas contributions to the GTLF for the year ended September 30, 2022, 2021 and 2020, were \$7,633, \$7,701, and \$8,811, respectively, which equaled the contractually required contributions each year.

NOTE 8 – CONCENTRATION OF TAXPAYERS

As of September 30, 2022, the following taxpayers accounted for a significant portion of the County's total tax levy.

Taxpayer	Industry	Tax Amount	Percent of Total Levy
Taxpayer A	Oil & Gas	\$ 322,127	8.74 %
Taxpayer B	Oil & Gas	212,226	5.76

**LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 – INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS

Individual Fund Inter-fund Receivables and Payables

Fund	Inter-fund Receivables	Inter-fund Payables
General Fund	\$ 32,015	\$ 639,373
Special Revenue:		
Road and Bridge	639,889	32,015
HAVA Cares	-	516
	<u>\$ 671,904</u>	<u>\$ 671,904</u>

The primary purpose of inter-fund receivables and payables are the reimbursement of the general fund for cash disbursements through both the accounts payable and payroll clearing funds.

Individual Fund Inter-fund Transfers

Fund	Inter-fund Transfers In	Inter-fund Transfers Out
General Fund	\$ 355,731	\$ -
Special Revenue Funds:		
Road and Bridge	-	55,731
American Rescue	-	300,000
	<u>\$ 355,731</u>	<u>\$ 355,731</u>

The primary purpose of inter-fund transfers was to move prior period costs associated with the Courthouse Restoration project into the capital projects fund in order to be able to track total project costs.

NOTE 10 – ACCRUED COMPENSATED ABSENCES

Accrued compensated absences activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 49,917	\$ 50,512	\$ (57,680)	\$ 42,749	\$ 4,300

LIPSCOMB COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 11 – RISK MANAGEMENT

The County's major areas of risk management are: public officials', law enforcement, and automobile liability, general comprehensive liability and property damage, workers' compensation, and employee health insurance. The County has obtained insurance with an insurance company and a public entity risk pool in which all risk is transferred to those entities for all the above areas. The County pays a deductible per incident except on the employee health insurance in which the deductible is the responsibility of the employee. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage for the current year or the previous three years.

NOTE 12 – PROBATION DEPARTMENTS

Community Supervision and Corrections (Adult Probation)

The 31st District CSCD is a joint venture between Wheeler, Lipscomb, Hemphill and Roberts Counties. There is not an issued audit opinion on the restitution, probation fees, or any county funding.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

LIPSCOMB COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,621,021	\$ 2,621,021	\$ 2,599,488	\$ (21,533)
Licenses and fees	104,500	104,500	116,439	11,939
Fines and forfeitures	20,000	20,000	5,789	(14,211)
Intergovernmental	-	-	64,804	64,804
Investment earnings	70,000	70,000	10,424	(59,576)
Miscellaneous	60,000	60,000	23,968	(36,032)
	<u>2,875,521</u>	<u>2,875,521</u>	<u>2,820,912</u>	<u>(54,609)</u>
EXPENDITURES				
Current:				
Administrative				
County Judge	173,569	173,569	190,889	(17,320)
Commissioners' Court	217,716	217,716	219,238	(1,522)
County and District Clerk	249,319	249,319	211,447	37,872
Administrative	273,500	273,500	367,950	(94,450)
County Treasurer	180,491	180,491	188,014	(7,523)
Tax Assessor/Collector	252,696	252,696	242,386	10,310
	<u>1,347,291</u>	<u>1,347,291</u>	<u>1,419,924</u>	<u>(72,633)</u>
Judicial				
District court	89,716	89,716	92,853	(3,137)
Justice of the Peace	93,025	93,025	92,021	1,004
Miscellaneous court	126,811	126,811	155,661	(28,850)
	<u>309,552</u>	<u>309,552</u>	<u>340,535</u>	<u>(30,983)</u>
Public facilities				
Courthouse and other buildings	205,171	205,171	215,109	(9,938)
Parks	-	-	1,500	(1,500)
Cemeteries	13,650	13,650	18,900	(5,250)
	<u>218,821</u>	<u>218,821</u>	<u>235,509</u>	<u>(16,688)</u>
Public safety				
Fire departments	75,000	75,000	75,000	-
County Sheriff	926,580	926,580	911,716	14,864
	<u>1,001,580</u>	<u>1,001,580</u>	<u>986,716</u>	<u>14,864</u>

Continued

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Continuation	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Public service				
Health and welfare	\$ 37,000	\$ 37,000	\$ 29,475	\$ 7,525
Ag extension service	158,994	158,994	106,436	52,558
Historical commission	5,000	5,000	-	5,000
Total public service	<u>200,994</u>	<u>200,994</u>	<u>135,911</u>	<u>65,083</u>
Capital outlay	<u>134,000</u>	<u>134,000</u>	<u>25,852</u>	<u>108,148</u>
Total expenditures	<u>3,212,238</u>	<u>3,212,238</u>	<u>3,144,447</u>	<u>67,791</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(336,717)</u>	<u>(336,717)</u>	<u>(323,535)</u>	<u>13,182</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>355,731</u>	<u>355,731</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>355,731</u>	<u>355,731</u>
NET CHANGE IN FUND BALANCE	(336,717)	(336,717)	32,196	368,913
FUND BALANCE - BEGINNING (DEFICIT)	<u>(656,257)</u>	<u>(656,257)</u>	<u>(656,257)</u>	<u>-</u>
FUND BALANCE - ENDING (DEFICIT)	<u>\$ (992,974)</u>	<u>\$ (992,974)</u>	<u>\$ (624,061)</u>	<u>\$ 368,913</u>

This page left blank intentionally

LIPSCOMB COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 1,065,947	\$ 1,043,506	\$ 1,042,783	\$ (723)
Licenses and fees	94,500	268,480	268,480	-
Intergovernmental	15,685	15,820	172,449	156,629
Investment earnings	1,000	9,759	9,759	-
Miscellaneous	30,000	62,392	5,347	(57,045)
	<u>1,207,132</u>	<u>1,399,957</u>	<u>1,498,818</u>	<u>98,861</u>
EXPENDITURES				
Current:				
Road and bridge				
Precinct #1	318,473	296,087	343,621	(47,534)
Precinct #2	425,861	353,580	434,064	(80,484)
Precinct #3	396,282	327,536	356,421	(28,885)
Precinct #4	271,351	236,795	266,305	(29,510)
All county	-	769	769	-
	<u>1,411,967</u>	<u>1,214,767</u>	<u>1,401,180</u>	<u>(186,413)</u>
Capital outlay	-	163,352	163,352	-
	<u>1,411,967</u>	<u>1,378,119</u>	<u>1,564,532</u>	<u>(186,413)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(204,835)</u>	<u>21,838</u>	<u>(65,714)</u>	<u>(87,552)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	-	-	13,800	13,800
Transfers out	-	-	(55,731)	(55,731)
	<u>-</u>	<u>-</u>	<u>(41,931)</u>	<u>(41,931)</u>
NET CHANGE IN FUND BALANCE				
	(204,835)	21,838	(107,645)	(129,483)
FUND BALANCE - BEGINNING				
	<u>1,113,276</u>	<u>1,113,276</u>	<u>1,113,276</u>	<u>-</u>
FUND BALANCE - ENDING				
	<u>\$ 908,441</u>	<u>\$ 1,135,114</u>	<u>\$ 1,005,631</u>	<u>\$ (129,483)</u>

LIPSCOMB COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Years (will ultimately be displayed as available)

	Year Ended December 31,			
	2021	2020	2019	2018
Total Pension Liability:				
Service cost	\$ 341,813	\$ 344,983	\$ 312,329	\$ 293,595
Interest on total pension liability (1)	939,559	908,922	881,727	854,270
Effect of plan changes	-	-	-	43,517
Effect of assumption changes or inputs	(143,651)	540,985	-	-
Effect of economic/demographic (gains) or losses	(113,811)	79,158	(151,643)	(189,447)
Benefit payments/refunds of contributions	(743,498)	(715,237)	(762,490)	(603,999)
Net change in total pension liability	280,412	1,158,811	279,923	397,936
Total pension liability, beginning	12,385,742	11,226,931	10,947,008	10,549,072
Total pension liability, ending (a)	<u>\$ 12,666,154</u>	<u>\$ 12,385,742</u>	<u>\$ 11,226,931</u>	<u>\$ 10,947,008</u>
Fiduciary Net Position:				
Employer contributions	266,125	296,972	\$ 296,293	\$ 344,839
Member contributions	147,379	164,462	164,087	164,057
Investment income net of investment expenses	2,675,581	1,181,465	1,659,231	(194,844)
Benefit payments/refunds of contributions	(743,498)	(715,237)	(762,490)	(603,999)
Administrative expenses	(7,945)	(9,039)	(8,719)	(8,114)
Other	(5,947)	(6,377)	(8,749)	(1,789)
Net change in fiduciary net position	2,331,695	912,246	1,339,653	(299,850)
Fiduciary net position, beginning	12,353,744	11,441,498	10,101,845	10,401,695
Fiduciary net position, ending (b)	<u>\$ 14,685,439</u>	<u>\$ 12,353,744</u>	<u>\$ 11,441,498</u>	<u>\$ 10,101,845</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ (2,019,285)</u>	<u>\$ 31,998</u>	<u>\$ (214,567)</u>	<u>\$ 845,163</u>
Fiduciary net position as a % of total pension liability	115.94%	99.74%	101.91%	92.28%
Pensionable covered payroll	\$ 2,105,415	\$ 2,349,460	\$ 2,344,099	\$ 2,343,673
Net pension liability as a % of covered payroll	-95.91%	1.36%	-9.15%	36.06%

Year Ended December 31,

2017	2016	2015	2014	2013	2012
\$ 310,928	\$ 314,509	\$ 297,042	\$ 277,967	\$ N/A	\$ N/A
811,592	760,771	724,103	691,976	N/A	N/A
-	-	(19,407)	-	N/A	N/A
129,734	-	111,257	-	N/A	N/A
(99,047)	(39,319)	(87,747)	(109,615)	N/A	N/A
<u>(613,776)</u>	<u>(518,624)</u>	<u>(552,893)</u>	<u>(484,607)</u>	<u>N/A</u>	<u>N/A</u>
539,431	517,337	472,355	375,721	N/A	N/A
<u>10,009,641</u>	<u>9,492,304</u>	<u>9,019,949</u>	<u>8,644,228</u>	<u>N/A</u>	<u>N/A</u>
<u>\$ 10,549,072</u>	<u>\$ 10,009,641</u>	<u>\$ 9,492,304</u>	<u>\$ 9,019,949</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
\$ 275,303	\$ 285,253	\$ 265,566	\$ 253,287	\$ N/A	\$ N/A
152,462	157,973	147,070	140,270	N/A	N/A
1,347,185	641,109	50,285	570,636	N/A	N/A
(613,776)	(518,624)	(552,893)	(484,607)	N/A	N/A
(6,917)	(6,979)	(6,268)	(6,582)	N/A	N/A
<u>(2,559)</u>	<u>3,944</u>	<u>25,896</u>	<u>(63,682)</u>	<u>N/A</u>	<u>N/A</u>
1,151,698	562,676	(70,344)	409,322	N/A	N/A
<u>9,249,997</u>	<u>8,687,321</u>	<u>8,757,665</u>	<u>8,348,343</u>	<u>N/A</u>	<u>N/A</u>
<u>\$ 10,401,695</u>	<u>\$ 9,249,997</u>	<u>\$ 8,687,321</u>	<u>8,757,665</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>\$ 147,377</u>	<u>\$ 759,644</u>	<u>\$ 804,983</u>	<u>262,284</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
98.60%	92.41%	91.52%	97.09%	N/A	N/A
\$ 2,178,030	\$ 2,244,548	\$ 2,101,007	\$ 2,003,857	\$ N/A	\$ N/A
6.77%	33.84%	38.31%	13.09%	N/A	N/A

LIPSCOMB COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years (will ultimately be displayed as available)

Year Ending September 30:	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 260,469	\$ 260,469	\$ -	\$ 2,060,673	12.6%
2016	261,084	285,873	(24,789)	2,261,652	12.6%
2017	249,923	276,746	(26,823)	2,189,449	12.6%
2018	236,549	275,935	(39,386)	2,183,033	12.6%
2019	248,852	338,575	(89,723)	2,294,109	14.8%
2020	252,064	307,398	(55,334)	2,431,943	12.6%
2021	197,744	266,674	(68,930)	2,109,760	12.6%
2022	199,560	257,460	(57,900)	2,036,871	12.6%

LIPSCOMB COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years (will ultimately be displayed as available)

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	2.3 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation.
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation.
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the PUB-2010 General Retirees Table for males and 120% of the PUB-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected 2019: New inflation, mortality and other assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule 2016: No changes in plan provisions were reflected in the Schedule 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017 2018: No changes in plan provisions were reflected in the Schedule 2019: Employer contributions reflect that a 10% CPI COLA was adopted 2020: No changes in plan provisions were reflected in the Schedule 2021: No changes in plan provisions were reflected in the Schedule

This page left blank intentionally

OTHER SUPPLEMENTARY INFORMATION

This page left blank intentionally

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific sources that are legally restricted to expenditures for specified purposes.

Records Management – The Records Management Funds account for revenues derived from the records management and preservation fees collected by the County and District Clerk on all recorded documents. The revenues are to be used for specific records preservation and automation projects in the County and District Clerk's office.

Records Preservation – The Records Preservation Fund accounts for revenues from fees collected on criminal and civil court cases by the District and County Clerk. The revenues are to be used for specific records management projects in any office in the County.

Justice Court Technology – The Justice Court Technology Fund accounts for revenues from technology fees collected by a justice court from defendants convicted of a misdemeanor offense. The revenues may be used only to finance the purchase of technology enhancements for a justice court.

Courthouse Security – The Courthouse Security Fund accounts for revenues derived from the courthouse security fees collected by the District and County Clerk as well as the Justice of the Peace. The revenues are to be used to help fund security measures or services for buildings housing a district or county court.

Hot Check – The County Attorney Hot Check Fund is used to account for revenues derived from the fees assessed on the collection and processing of dishonored and forged checks. The funds can be used at the County Attorney's discretion to defray the salaries and expenses of the prosecutor's office.

Jail Commissary – The Sheriff's Commissary Fund accounts for the proceeds received by the Sheriff's office from incarcerated persons on the sale of commissary items. The funds are restricted by law to be used to maintain the commissary and for the benefit of the Sheriff's Department.

HAVA Cares – The HAVA Cares Fund accounts for grants received through various federal agencies passed through the State of Texas. The pass-thru grants were used to reimburse the County for incurred costs as well as purchase qualified equipment related to the COVID-19 pandemic.

Truancy Prevention – The Truancy Prevention Fund accounts for the fees collected upon convictions of nonjailable misdemeanors. They are dedicated by law to finance the salary, benefits, training, travel expenses, office supplies, and other necessary expenses relating to the position of a juvenile case manager.

Justice Court Support – The Justice Court Support Fund accounts for fees collected by all persons filing a civil case in a justice court. The fees are dedicated by law to defray the costs of services provided by a justice court.

Language Access – The Language Access Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to provide language access services for individuals appearing before the court or receiving court services.

Dispute Resolution – The Dispute Resolution Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to establish and maintain an alternative dispute resolution system in accordance with Chapter 152, Civil Practice and Remedies Code.

**LIPSCOMB COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022**

	Records Management	Records Preservation	Justice Court Technology
ASSETS			
Cash and cash equivalents	\$ 200,929	\$ 29,228	\$ 1,620
Total assets	\$ 200,929	\$ 29,228	\$ 1,620
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Total liabilities	-	-	-
FUND BALANCES			
Restricted:			
By enabling legislation for special projects	200,929	29,228	1,620
Special projects	-	-	-
Total fund balances	200,929	29,228	1,620
Total liabilities and fund balances	\$ 200,929	\$ 29,228	\$ 1,620

<u>Courthouse Security</u>	<u>Hot Check</u>	<u>Jail Commissary</u>	<u>HAVA Cares</u>	<u>Truancy Prevention</u>	<u>Justice Court Support</u>
\$ 47,796	\$ 2,008	\$ 2,160	\$ 1,547	\$ 1,305	\$ 150
<u>\$ 47,796</u>	<u>\$ 2,008</u>	<u>\$ 2,160</u>	<u>\$ 1,547</u>	<u>\$ 1,305</u>	<u>\$ 150</u>
\$ -	\$ -	\$ -	\$ 10	\$ -	\$ -
-	-	-	516	-	-
-	-	-	526	-	-
47,796	2,008	2,160	-	1,305	150
-	-	-	1,021	-	-
<u>47,796</u>	<u>2,008</u>	<u>2,160</u>	<u>1,021</u>	<u>1,305</u>	<u>150</u>
<u>\$ 47,796</u>	<u>\$ 2,008</u>	<u>\$ 2,160</u>	<u>\$ 1,547</u>	<u>\$ 1,305</u>	<u>\$ 150</u>

Continued

This page left blank intentionally

**LIPSCOMB COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022**

Continuation

	Language Access	Dispute Resolution	Total Nonmajor Funds
ASSETS			
Cash and cash equivalents	\$ 18	\$ 30	\$ 286,791
Total assets	\$ 18	\$ 30	\$ 286,791
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 10
Due to other funds	-	-	516
Total liabilities	-	-	526
FUND BALANCES			
Restricted:			
By enabling legislation for special projects	18	30	285,244
Special projects	-	-	1,021
Total fund balances	18	30	286,265
Total liabilities and fund balances	\$ 18	\$ 30	\$ 286,791

LIPSCOMB COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Records Management	Records Preservation	Justice Court Technology
REVENUES			
Licenses and fees	\$ 22,187	\$ 516	\$ 1,306
Interest	-	-	-
Miscellaneous	-	-	2,100
	<hr/>	<hr/>	<hr/>
Total revenues	22,187	516	3,406
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Administrative	407	-	-
Judicial	-	-	2,199
Public safety	-	-	-
Capital outlay	26,816	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	27,223	-	2,199
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,036)	516	1,207
FUND BALANCES - BEGINNING	<hr/> 205,965	<hr/> 28,712	<hr/> 413
FUND BALANCES - ENDING	<hr/> <hr/> \$ 200,929	<hr/> <hr/> \$ 29,228	<hr/> <hr/> \$ 1,620

<u>Courthouse Security</u>	<u>Hot Check</u>	<u>Jail Commissary</u>	<u>HAVA Cares</u>	<u>Truancy Prevention</u>	<u>Justice Court Support</u>
\$ 3,182	\$ 45	\$ -	\$ -	\$ 1,305	\$ 150
-	-	27	15	-	-
-	-	1,311	-	-	-
<u>3,182</u>	<u>45</u>	<u>1,338</u>	<u>15</u>	<u>1,305</u>	<u>150</u>
-	-	-	516	-	-
-	12	-	-	-	-
-	-	672	-	-	-
-	-	-	20,498	-	-
<u>-</u>	<u>12</u>	<u>672</u>	<u>21,014</u>	<u>-</u>	<u>-</u>
3,182	33	666	(20,999)	1,305	150
<u>44,614</u>	<u>1,975</u>	<u>1,494</u>	<u>22,020</u>	<u>-</u>	<u>-</u>
<u>\$ 47,796</u>	<u>\$ 2,008</u>	<u>\$ 2,160</u>	<u>\$ 1,021</u>	<u>\$ 1,305</u>	<u>\$ 150</u>

Continued

LIPSCOMB COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Continuation

	<u>Language Access</u>	<u>Dispute Resolution</u>	<u>Total Nonmajor Funds</u>
REVENUES			
Licenses and fees	\$ 18	\$ 30	\$ 28,739
Interest	-	-	42
Miscellaneous	-	-	3,411
	<u>18</u>	<u>30</u>	<u>32,192</u>
Total revenues	<u>18</u>	<u>30</u>	<u>32,192</u>
EXPENDITURES			
Current:			
Administrative	-	-	923
Judicial	-	-	2,211
Public safety	-	-	672
Capital outlay	-	-	47,314
	<u>-</u>	<u>-</u>	<u>47,314</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>51,120</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18	30	(18,928)
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>305,193</u>
FUND BALANCES - ENDING	<u>\$ 18</u>	<u>\$ 30</u>	<u>\$ 286,265</u>

FIDUCIARY FUNDS

AGENCY FUNDS

The Agency Funds account for assets received in the capacity of trustee or agent for the County, other governmental entity or individual.

Tax Assessor Collector – The Tax Assessor Collector Fund accounts for money collected by the Tax Assessor Collector and remitted to various taxing jurisdictions.

County and District Clerk – The County and District Clerk Fund accounts for registry funds held by the County and District Clerk.

LIPSCOMB COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	<u>Tax Assessor Collector</u>	<u>County and District Clerk</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 57,064	\$ 45,727	\$ 102,791
Total assets	<u>57,064</u>	<u>45,727</u>	<u>102,791</u>
LIABILITIES			
Due to other governments	<u>33,948</u>	<u>311</u>	<u>34,259</u>
Total liabilities	<u>33,948</u>	<u>311</u>	<u>34,259</u>
NET POSITION			
Restricted for:			
Individuals	<u>23,116</u>	<u>45,416</u>	<u>68,532</u>
Total net position	<u><u>\$ 23,116</u></u>	<u><u>\$ 45,416</u></u>	<u><u>\$ 68,532</u></u>

LIPSCOMB COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Tax Assessor Collector</u>	<u>County and District Clerk</u>	<u>Total</u>
Additions			
Tax collections	\$ 9,998,215	\$ -	\$ 9,998,215
Trust/Escrow contributions	-	8,242	8,242
Investment earnings	1,987	-	1,987
	<u>10,000,202</u>	<u>8,242</u>	<u>10,008,444</u>
Deductions			
Payments to local governments	10,004,615	-	10,004,615
Trust/Escrow disbursements	-	10,022	10,022
	<u>10,004,615</u>	<u>10,022</u>	<u>10,014,637</u>
NET CHANGE IN NET POSITION	(4,413)	(1,780)	(6,193)
NET POSITION - BEGINNING	<u>27,529</u>	<u>47,196</u>	<u>74,725</u>
NET POSITION - ENDING	<u>\$ 23,116</u>	<u>\$ 45,416</u>	<u>\$ 68,532</u>