

SUTTON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
SEPTEMBER 30, 2021

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

TABLE OF CONTENTS

FINANCIAL SECTION

- 1. Independent Auditor's Report
- 3. Management's Discussion and Analysis

Basic Financial Statements:

Government-wide Financial Statements:

- 10. Statement of Net Position
- 11. Statement of Activities

Fund Financial Statements:

- 12. Balance Sheet - Governmental Funds
- 13. Reconciliation of the Government Funds
- 14. Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
- 15. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- 16. Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual- General Fund
- 18. Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual- Road and Bridge Fund
- 19. Statement of Fiduciary Net Position - Fiduciary Funds
- 20. Notes to the Financial Statements

Required Supplementary Information:

- 68. Retirement System Information
- 72. OPEB Information – Analysis of Funding Progress

Combining and Individual Fund Statements and Schedules:

- 73. Combining Balance Sheet - Non-major Governmental Funds
- 75. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds

FINANCIAL SECTION

Management's Discussion and Analysis

As management of Sutton County, Texas, we offer readers of Sutton County, Texas' financial statements this narrative overview and analysis of the financial activities of Sutton County, Texas for the fiscal year ended September 30, 2021.

Financial Highlights

. The assets of Sutton County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$13,537,344 (net position). Of this amount, \$7,476,883 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

. The government's total net position increased by \$787,997. This increase is due to an increase in operating grants and contributions of \$576,857 and careful budget management.

As of the close of the current fiscal year, Sutton County, Texas' governmental funds reported combined ending fund balances of \$8,911,067, an increase of \$677,128 in comparison with the prior year. 76% of this total amount, \$6,753,721, is available for spending at the government's discretion (unassigned fund balance).

. At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,908,613, or 134 percent of total general fund expenditures. At the end of the current fiscal year, restricted fund balance for the road and bridge fund was \$901,654, or 90 percent of total road and bridge fund expenditures.

Overview of the Financial Statements:

This discussion and analysis are intended to serve as an introduction to Sutton County, Texas' basic financial statements. Sutton County, Texas' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Sutton County, Texas' finances, in a manner like a private-sector business. The statement of net position presents information on all of Sutton County, Texas' assets, and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Sutton County, Texas is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of Sutton County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Sutton County, Texas include road and bridge administration, public safety, public transportation, health and welfare, agriculture, and culture and recreation. The government-wide financial statements include only Sutton County, Texas itself (known as the primary government). The government-wide financial statements can be found on pages 10-11 of this report.

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

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

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

Sutton County, Texas maintains eighteen (19) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge fund, the law enforcement grants fund, and the records management fund which are major funds.

Data from the other sixteen (15) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Sutton County, Texas adopts an annual appropriated budget for its General Fund and Road and Bridge Fund. A budgetary comparison statement has been provided for the general fund and the road and bridge fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 12-19 of this report.

Proprietary funds: Sutton County, Texas has no proprietary funds.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 - 67 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Sutton County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 68-72 of this report.

The combining individual fund statements and schedules referred to earlier in connection with non-major governmental funds and agency funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 73-76 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Sutton County, Texas, assets exceeded liabilities by \$13,537,344 at the close of the most recent fiscal year.

A portion of Sutton County, Texas' net position (33 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Sutton County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Sutton County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

SUTTON COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2021	2020	2021	2020
Current and Other Assets	\$10,345,304	\$9,890,293	\$10,345,304	\$9,890,293
Capital Assets:	4,574,126	4,699,106	4,574,126	4,699,106
Total Assets	14,919,430	14,589,399	14,919,430	14,589,399
Total Deferred Outflows of Resources	1,131,150	428,502	1,131,150	428,502
Long-Term Liabilities	1,392,703	1,545,870	1,392,703	1,545,870
Other Liabilities	191,720	84,755	191,720	84,755
Total Liabilities	1,584,423	1,630,625	1,584,423	1,630,625
Total Deferred Inflows of Resources	928,813	637,929	928,813	637,929
Invested in Capital Assets, Net of Related Debt	4,420,649	4,504,824	4,420,649	4,504,824
Restricted	1,639,812	981,092	1,639,812	981,092
Unrestricted	7,476,883	7,263,431	7,476,883	7,263,431
Total Net Position	\$13,537,344	\$12,749,347	\$13,537,344	\$12,749,347

An additional portion of Sutton County, Texas' net position (12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$7,476,883) may be used to meet the governments on going obligations to citizens and creditors. At the end of the current fiscal year, Sutton County, Texas reported a positive balance in the governmental activities. At the end of the current fiscal year, Sutton County, Texas reported a positive balance in all three parts of the governmental activities net position. For the prior fiscal year, Sutton County, Texas reported a positive balance in all three parts of the governmental activities net position.

Governmental activities:

Governmental activities increased Sutton County, Texas' net position by \$787,997, thereby accounting for 100 percent of the total increase in the net position of Sutton County, Texas.

The government's total net position increased by \$787,997. This increase is due to an increase in operating grants and contributions of \$576,857 and careful budget management.

**SUTTON COUNTY, TEXAS
CHANGE IN NET POSITION**

	Governmental Activities		Total	
	2021	2020	2021	2020
Revenues:				
Program Revenues:				
Charges for Services	\$1,348,061	\$1,444,532	\$1,348,061	\$1,444,532
Operating Grants and Contributions	990,022	413,165	990,022	413,165
Capital Grants and Contributions		0	0	0
General Revenues:				
Maintenance and Operations Taxes	4,499,484	4,312,004	4,499,484	4,312,004
Unrestricted Investment Earnings	63,004	71,416	63,004	71,416
Miscellaneous	499,664	524,357	499,664	524,357
Total Revenue	7,400,235	6,765,474	7,400,235	6,765,474
Expenses:				
General Administration	733,257	879,287	733,257	879,287
Legal	126,427	135,867	126,427	135,867
Judicial	779,413	717,648	779,413	717,648
Financial Administration	521,908	621,278	521,908	621,278
Public Facilities	243,658	261,866	243,658	261,866
Public Safety	2,097,247	2,017,076	2,097,247	2,017,076
Public Transportation	1,148,053	1,081,797	1,148,053	1,081,797
Culture and Recreation	673,152	510,729	673,152	510,729
Health and Welfare	144,719	156,476	144,719	156,476
Conservation - Agriculture	136,754	163,027	136,754	163,027
Interest and Fiscal Charges	7,650	9,769	7,650	9,769
Total Expenses	6,612,238	6,554,820	6,612,238	6,554,820
Increase in Net Position Before Transfers and Special Items	787,997	210,654	787,997	210,654
Transfers	0	0	0	0
Increase in Net Position	787,997	210,654	787,997	210,654
Net Position at 9/30/2020 (restated)	12,749,347	12,538,693	12,749,347	12,538,693
Net Position at 9/30/2021	\$13,537,344	\$12,749,347	\$13,537,344	\$12,749,347

Functions/Programs	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$733,257	\$74,126	\$27,076	
Legal	126,427	58,104	28,000	
Judicial	779,413	907,998	42,788	
Financial Administration	521,908	24,282		
Public Facilities	243,658			
Public Safety	2,097,247	13,494	228,707	
Public Transportation	1,148,053	239,783	11,993	
Culture and Recreation	673,152	30,274	233,900	
Health and Welfare	144,719		417,558	
Conservation - Agriculture	136,754			
Interest and Fiscal Charges	7,650			
Total Government Activities	\$6,612,238	\$1,348,061	\$990,022	\$0

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$1,348,061	18%
Operating Grants and Contributions	990,022	13%
Maintenance and Operations Taxes	4,499,484	61%
Unrestricted Investment Earnings	63,004	1%
Miscellaneous	499,664	7%
	\$7,400,235	100%

Expenses remained stable except as discussed above.

Financial Analysis of the Government's Funds

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

Governmental funds:

The focus of Sutton County, Texas' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Sutton County, Texas' financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Sutton County, Texas' governmental funds reported combined ending fund balances of \$8,911,067, an increase of \$677,128 in comparison with the prior year. 76 percent of this total amount \$6,753,721 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining amount of \$2,157,346 is either restricted or committed.

The general fund is the chief operating fund of Sutton County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,908,613, while total fund balance reached \$6,908,613. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 134 percent of total general fund expenditures, while total fund balance represents 134 percent of that same amount.

The fund balance of Sutton County, Texas' general fund increased by \$84,669 during the current fiscal year. Key factors in this increase are as follows:

- . An increase in ad valorem taxes of \$148,584 and careful budget management.

At the end of the current fiscal year, restricted fund balance of the road and bridge fund was \$901,654, while total fund balance reached \$901,654. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 90 percent of total road and bridge fund expenditures, while total fund balance represents 90 percent of that same amount.

The fund balance of Sutton County, Texas' road and bridge fund increased by \$285,905 during the current fiscal year. Key factors in this increase are as follows:

- . Operating transfers in of \$250,000 and careful budget management.

There is no analysis for the law enforcement grants fund because it is a grant and any comparison from year to year would be illusory. There is no analysis for the records management fund because annual expending is dictated by need and any comparison from year to year would be illusory.

Budgetary Highlights

The County had an increase of \$19,780 between the original budget and the final amended budget in the general fund. This increase is immaterial.

Capital Asset and Debt Administration

Capital assets:

Sutton County, Texas' investment in capital assets for its governmental activities as of September 30, 2021, amounts to \$4,574,126 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in Sutton County, Texas' investment in capital assets for the current fiscal year was 2.66 percent.

Major capital asset events during the current fiscal year included the following: None

SUTTON COUNTY, TEXAS **CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities		Total	
	2021	2020	2021	2020
Land	\$245,073	\$245,073	\$245,073	\$245,073
Other Asserts	300,100	300,100	300,100	300,100
Construction in Progress	0	0	0	0
Building and Improvements	3,566,844	3,604,163	3,566,844	3,604,163
Machinery and Equipment	462,109	549,770	462,109	549,770
Intangible	0	0	0	0
Infrastructure	0	0	0	0
Total	<u>\$4,574,126</u>	<u>\$4,699,106</u>	<u>\$4,574,126</u>	<u>\$4,699,106</u>

Additional information on Sutton County, Texas' capital assets can be found in Note IV C on page 31 of this report.

Long-term debt:

Sutton County, Texas had no bonded debt outstanding on September 30, 2021.

The County expects its finances to remain the same as in the past. Inflation will play a factor but will affect both revenues and expenditures equally. There are no major events planned in the future.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the System. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time.

Requests for Information

This financial report is designed to provide a general overview of Sutton County, Texas' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor, P.O. Box 16, Sonora, Texas 76950.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SUTTON COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government	
	Governmental	
	Activities	Total
<i>ASSETS</i>		
Cash and Cash Equivalents	\$9,079,174	\$9,079,174
Receivables (net of allowance for uncollectibles)	660,658	660,658
Net Pension Receivable	605,472	605,472
Capital assets not being depreciated:		
Land	245,073	245,073
Other Assets	300,100	300,100
Construction in Progress	0	0
Total Capital assets being depreciated, net		
Building and Improvements	3,566,844	3,566,844
Machinery and Equipment	462,109	462,109
Intangible	0	0
Infrastructure	0	0
Total Assets	<u>\$14,919,430</u>	<u>\$14,919,430</u>
DEFERRED OUTFLOWS OF RESOURCES		
GASB 68		
Deferred Outflow of Resources-Contributions (after 12/31/20)	296,682	296,682
Changes of assumptions	773,599	773,599
GASB 75		
Changes of assumptions	48,307	48,307
Differences between expected and actual experience	12,562	12,562
Total Deferred Outflows of Resources	<u>1,131,150</u>	<u>1,131,150</u>
LIABILITIES:		
Accounts Payable	\$163,720	\$163,720
Unearned Revenues	28,000	28,000
Noncurrent Liabilities:		
Due within one year	225,913	225,913
Due in more than one year	1,166,790	1,166,790
Total Liabilities	<u>1,584,423</u>	<u>1,584,423</u>
DEFERRED INFLOWS OF RESOURCES		
GASB 68		
Differences between expected and actual experience	228,168	228,168
Net difference between projected and actual earnings	700,645	700,645
Total Deferred Inflows of Resources	<u>928,813</u>	<u>928,813</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	4,420,649	4,420,649
Restricted		
Judicial	109,692	109,692
Legal	40	40
Public Safety	99,424	99,424
Public Transportation	1,060,498	1,060,498
Culture and Recreation	3,436	3,436
Health and Welfare	366,722	366,722
Unrestricted	7,476,883	7,476,883
Total Net Position	<u>\$13,537,344</u>	<u>\$13,537,344</u>

The accompanying notes are an integral part of this statement.

SUTTON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Governmental Activities	Net (Expense) Revenue and Changes in Total
Primary government						
Government activities:						
General Administration	\$733,257	\$74,126	\$27,076	\$0	(\$632,055)	(\$632,055)
Legal	126,427	58,104	28,000		(40,323)	(40,323)
Judicial	779,413	907,998	42,788		171,373	171,373
Financial Administration	521,908	24,282			(497,626)	(497,626)
Public Facilities	243,658				(243,658)	(243,658)
Public Safety	2,097,247	13,494	228,707		(1,855,046)	(1,855,046)
Public Transportation	1,148,053	239,783	11,993		(896,277)	(896,277)
Culture and Recreation	673,152	30,274	233,900		(408,978)	(408,978)
Health and Welfare	144,719		417,558		272,839	272,839
Conservation - Agriculture	136,754				(136,754)	(136,754)
Interest and Fiscal Charges	7,650				(7,650)	(7,650)
Total government activities	6,612,238	1,348,061	990,022	0	(4,274,155)	(4,274,155)
Total Primary Government	\$6,612,238	\$1,348,061	\$990,022	\$0	(4,274,155)	(4,274,155)
General Revenues						
Property Taxes, Levies for General Purposes					4,499,484	4,499,484
Unrestricted Investment Earnings					63,004	63,004
Miscellaneous					499,664	499,664
Total General Revenues and Transfers					5,062,152	5,062,152
Change in Net Position					787,997	787,997
Net Position - Beginning (Restated)					12,749,347	12,749,347
Net Position - Ending					\$13,537,344	\$13,537,344

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

SUTTON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Road and Bridge	Law Enforcement Grants	Records Management	Other Governmental Funds	Total Governmental Funds
<i>ASSETS</i>						
Cash and Cash Equivalents	\$7,047,502	\$916,376			\$1,256,594	\$9,220,472
Receivables (net of allowance for uncollectibles)	166,366	39,957			15	206,338
Total Assets	<u>\$7,213,868</u>	<u>\$956,333</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,256,609</u>	<u>\$9,426,810</u>
 <i>LIABILITIES AND FUND BALANCES:</i>						
Accounts Payable	\$126,716	\$22,493	\$12,974		\$1,537	\$163,720
Bank Overdraft			67,921	64,312	9,065	141,298
Deferred Revenue - County Attorney Fees	28,000					28,000
Total Liabilities	<u>154,716</u>	<u>22,493</u>	<u>80,895</u>	<u>64,312</u>	<u>10,602</u>	<u>333,018</u>
 <i>DEFERRED INFLOWS OF RESOURCES</i>						
Deferred Property Taxes	<u>150,539</u>	<u>32,186</u>				<u>182,725</u>
 <i>Fund Balances:</i>						
Restricted						
Judicial					109,692	109,692
Legal					40	40
Public Safety					99,424	99,424
Public Transportation		901,654			158,844	1,060,498
Culture and Recreation					3,436	3,436
Health and Welfare					366,722	366,722
Committed						
Building Improvement/ Public Safety					517,534	517,534
Unassigned	6,908,613		(80,895)	(64,312)	(9,685)	6,753,721
Total Fund Balance	<u>6,908,613</u>	<u>901,654</u>	<u>(80,895)</u>	<u>(64,312)</u>	<u>1,246,007</u>	<u>8,911,067</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$7,213,868</u>	<u>\$956,333</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,256,609</u>	<u>\$9,426,810</u>

The accompanying notes are an integral part of this statement.

SUTTON COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2021

Total Fund Balances - governmental funds balance sheet	\$8,911,067
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	4,574,126
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,262,129
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	182,725
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,392,703)</u>
Net Position of governmental activities - statement of Net Position	<u><u>\$13,537,344</u></u>

The accompanying notes are an integral part of this statement.

SUTTON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Road and Bridge	Law Enforcement Grants	Records Management	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>						
Taxes						
Property	\$3,662,261	\$807,274				\$4,469,535
Intergovernmental	295,210				694,812	990,022
Licenses and Permits		239,783				239,783
Charges for Services	337,734			17,766	64,066	419,566
Fines and Forfeitures	774,042					774,042
Interest	58,601	4,395			8	63,004
Miscellaneous	363,179	41,185			95,300	499,664
Total Revenues	5,491,027	1,092,637	0	17,766	854,186	7,455,616
<i>EXPENDITURES</i>						
Current:						
General Administration	734,070			22,831	0	756,901
Legal	140,054					140,054
Judicial	683,838				112,229	796,067
Financial Administration	536,533					536,533
Public Facilities	189,870				0	189,870
Public Safety	2,066,529		80,413		100,435	2,247,377
Public Transportation	3,880	978,179			82,540	1,064,599
Culture and Recreation	489,544				229,950	719,494
Health and Welfare	144,840					144,840
Conservation - Agriculture	134,298					134,298
Debt Service						
Principal Retirement	26,277	14,528				40,805
Interest and Fiscal Charges	3,625	4,025				7,650
Total Expenditures	5,153,358	996,732	80,413	22,831	525,154	6,778,488
Excess (Deficiency) of Revenues Over (Under) Expenditures	337,669	95,905	(80,413)	(5,065)	329,032	677,128
OTHER FINANCING SOURCES (USES):						
Operating Transfers In		250,000			63,000	313,000
Operating Transfers Out	(253,000)	(60,000)				(313,000)
Total Other Financing Sources (Uses)	(253,000)	190,000	0	0	63,000	0
Net Changes in Fund Balances	84,669	285,905	(80,413)	(5,065)	392,032	677,128
Fund Balances - Beginning (Restated)	6,823,944	615,749	(482)	(59,247)	853,975	8,233,939
Fund Balances - Ending	\$6,908,613	\$901,654	(\$80,895)	(\$64,312)	\$1,246,007	\$8,911,067

The accompanying notes are an integral part of this statement.

SUTTON COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2021

Net Changes in Fund Balances - total governmental funds	\$677,128
Amounts reported for governmental activities in the statement of Net Position ("SNP") are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(124,980)
(Increase) decrease in Compensated absences from beginning of period to end of period.	58,506
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	29,949
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	(85,330)
GASB 75	
Differences between expected and actual experience	37,654
Changes of assumptions	(45,527)
GASB 75 OPEB Payable. This is the change in these amounts this year.	53,856
GASB 68	
Deferred Outflow of Resources-Contribution. This is the change in these amounts this year.	(5,470)
Changes of assumptions	741,083
Differences between expected and actual experience	(85,130)
Net difference between projected and actual earnings	(230,846)
Increase in Net Pension Receivable	(273,701)
GASB 68 Net Pension Payable. This is the change in these amounts this year.	0
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	40,805
Change in Net Position of governmental activities - statement of activities	<u><u>\$787,997</u></u>

The accompanying notes are an integral part of this statement.

SUTTON COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<i>REVENUES</i>				
Taxes				
Property	\$3,800,000	\$3,800,000	\$3,662,261	(\$137,739)
Intergovernmental	284,437	284,437	295,210	10,773
Charges for Services	257,504	257,504	337,734	80,230
Fines and Forfeitures	835,000	835,000	774,042	(60,958)
Interest	59,380	59,380	58,601	(779)
Miscellaneous	416,609	416,609	363,179	(53,430)
Total Revenues	5,652,930	5,652,930	5,491,027	(161,903)

EXPENDITURES

Current:

General Administration				
Commissioner's Court	120,940	120,940	115,083	5,857
County Judge	214,004	218,508	174,345	44,163
County and District Clerk	283,392	283,067	242,865	40,202
Non-Departmental	279,489	280,254	201,777	78,477
Legal				
County Attorney	119,915	119,915	140,054	(20,139)
Judicial				
County Court	39,500	39,500	7,974	31,526
District Court	173,308	173,308	97,226	76,082
Justices of the Peace	503,171	503,171	478,607	24,564
District Attorney	137,630	137,630	100,031	37,599
Financial Administration				
County Treasurer	102,120	102,120	99,554	2,566
County Auditor	219,653	219,653	158,797	60,856
Tax Assessor-Collector	326,712	326,712	278,182	48,530
Public Facilities				
Courthouse Building	156,776	126,776	116,324	10,452
Annex	107,683	96,179	73,546	22,633
Public Safety				
Adult Probation	35,980	35,980	25,201	10,779
Ambulance	328,190	328,190	287,586	40,604
D.P.S./Parks and Wildlife	179,613	179,613	180,258	(645)
Jail	555,227	585,227	475,559	109,668
Probation	62,000	62,000	59,000	3,000
Sheriff	1,051,861	1,113,103	1,038,925	74,178

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Public Transportation				
Street Lights	\$5,000	\$5,000	\$3,880	\$1,120
Culture and Recreation				
Library	221,537	219,537	199,669	19,868
Cemetery	159,579	159,579	154,013	5,566
County Park	146,383	136,383	135,862	521
Health and Welfare				
Health	2,009	2,009	2,002	7
Welfare	143,545	143,545	105,142	38,403
Van Driver	37,695	37,695	37,696	(1)
Conservation - Agriculture				
Agriculture Extension Service	134,855	145,393	105,387	40,006
4-H Center	66,600	36,600	28,911	7,689
Debt Service				
Principal Retirement	50,704	47,264	26,277	20,987
Interest and Fiscal Charges	5,000	5,000	3,625	1,375
Total Expenditures	<u>5,970,071</u>	<u>5,989,851</u>	<u>5,153,358</u>	<u>836,493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(317,141)</u>	<u>(336,921)</u>	<u>337,669</u>	<u>674,590</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	(43,000)	(43,000)	(253,000)	(210,000)
Total Other Financing Sources (Uses)	<u>(43,000)</u>	<u>(43,000)</u>	<u>(253,000)</u>	<u>(210,000)</u>
Net Changes in Fund Balances	(\$360,141)	(\$379,921)	84,669	\$464,590
Fund Balances - Beginning (Restated)	6,823,944	6,823,944	6,823,944	
Fund Balances - Ending	<u>\$6,463,803</u>	<u>\$6,444,023</u>	<u>\$6,908,613</u>	<u>\$464,590</u>

The accompanying notes are an integral part of this statement.

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$725,000	\$725,000	\$807,274	\$82,274
Licenses and Permits	250,000	250,000	239,783	(10,217)
Interest	5,000	5,000	4,395	(605)
Miscellaneous	46,200	46,200	41,185	(5,015)
Total Revenues	<u>1,026,200</u>	<u>1,026,200</u>	<u>1,092,637</u>	<u>66,437</u>
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	1,131,729	1,131,729	978,179	153,550
Debt Service				
Principal Retirement	15,000	15,000	14,528	472
Interest and Fiscal Charges	4,200	4,200	4,025	175
Total Expenditures	<u>1,150,929</u>	<u>1,150,929</u>	<u>996,732</u>	<u>154,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,729)	(124,729)	95,905	220,634
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	40,000	40,000	250,000	210,000
Operating Transfers In	(60,000)	(60,000)	(60,000)	0
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>190,000</u>	<u>210,000</u>
Net Changes in Fund Balances	(144,729)	(144,729)	285,905	430,634
Fund Balances - Beginning	615,749	615,749	615,749	
Fund Balances - Ending	<u>\$471,020</u>	<u>\$471,020</u>	<u>\$901,654</u>	<u>\$430,634</u>

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

SUTTON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2021

	State Tax Fund	Employee Benefit Fund	County Officer Accounts	TOTAL
ASSETS				
Cash and Cash Equivalents	\$384,949	\$431,011	\$5,234,660	\$6,050,620
Receivables				0
Total Assets	<u>\$384,949</u>	<u>\$431,011</u>	<u>\$5,234,660</u>	<u>\$6,050,620</u>
LIABILITIES:				
Accounts Payable				\$0
Due to Others	384,949	431,011	5,234,660	6,050,620
Total Liabilities	<u>\$384,949</u>	<u>\$431,011</u>	<u>\$5,234,660</u>	<u>\$6,050,620</u>

Note: The Agency funds were the only fiduciary fund type of the County in the 2021 year.

SUTTON COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Agency Funds			
	State Tax Fund	Employee Benefit Fund	County Officer Accounts	TOTAL
ADDITIONS				
Contributions:				
Received from Employees		\$84,517		\$84,517
Court Fees	569,825		10,383	580,208
Intergovernmental				0
Total Contributions	<u>569,825</u>	<u>84,517</u>	<u>10,383</u>	<u>664,725</u>
Investment Earnings:				
Interest Received				0
Total Investment Earnings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Less Investment Expense				
Net Investment Earnings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ADDITIONS	<u>569,825</u>	<u>84,517</u>	<u>10,383</u>	<u>664,725</u>
DEDUCTIONS				
Distributions to other governments and Others	617,905			617,905
Distributions to others				0
Employee Insurance		103,368		103,368
Other Services and Charges				0
Total Deductions	<u>617,905</u>	<u>103,368</u>	<u>0</u>	<u>721,273</u>
Change in Net Position	(48,080)	(18,851)	10,383	(56,548)
Net Position-Beginning	433,029	449,862	5,224,277	6,107,168
Net Position-Ending	<u>\$384,949</u>	<u>\$431,011</u>	<u>\$5,234,660</u>	<u>\$6,050,620</u>

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

SUTTON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

I. Summary of Significant Accounting Policies

A. Reporting entity

Sutton County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. The accounting policies of Sutton County, Texas, (the County) conform to generally accepted accounting principles. The County also applies all relevant Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

The accounts of the County are organized 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

B. Government-Wide and Fund Financial Statements

The County’s government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental activities for the County accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the County’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities, which are presented as internal balances and eliminated in the total primary government column. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The statement of revenues, expenditures and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, intergovernmental revenues and charges for services. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The road and bridge fund accounts for the activities of the government's road and bridge operations.

The law enforcement grants fund accounts for grant monies specifically earmarked for law enforcement.

The records management fund accounts for monies specifically earmarked for records management purposes.

- C. Fiduciary fund financial statements include a statement of net position. The County’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value.

2. Receivables and Payables

Activity 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 interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at September 30, 2021 and 10 percent of the delinquent outstanding property taxes at September 30, 2021.

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased.

There were no prepaid items at September 30, 2021.

4. Restricted Net Position

The County had no restricted assets at September 30, 2021.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The county had no such projects for the year.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Years

Buildings	50
Building Improvements	20
Public Domain Infrastructure	50
System Infrastructure	30
Vehicles	5
Office Equipment	5
Computer Equipment	5

6. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and unpaid accumulated sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

8. Fund Balances – Governmental Funds

As of September 30, 2021, fund balances of the governmental funds are classified as follows:

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of Commissioners’ Court. Commissioners’ Court is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Commissioners’ Court.

Unassigned — all other spendable amounts.

As of September 30, 2021, fund balances are composed of the following:

Fund Balances:	
Restricted	
Judicial	109,692
Legal	40
Public Safety	99,424
Public Transportation	1,060,498
Culture and Recreation	3,436
Health and Welfare	366,722
Committed	
Building Improvement/ Public Safety	517,534
Unassigned	<u>6,753,721</u>
Total Fund Balance	<u>8,911,067</u>

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

In fiscal year 2011, the Commissioners’ Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year end to be at least equal to 25 to 33 percent of the subsequent year’s budgeted General Fund expenditures.

9. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category. They are deferred under GASB 68 and GASB 75.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. They are deferred under GASB 68 and GASB 75.

The County reports unearned revenue on its fund financial statements. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the County and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized. Pursuant to GASB 65 we have included deferred ad valorem taxes as deferred inflows in the fund financial statements.

10. Net position flow assumption

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

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this \$1,392,703 difference are as follows:

GASB 75 Payable	\$1,122,057
Compensated Absences	117,169
Capital Lease	153,477
	<u>\$1,392,703</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$4,574,126 difference are as follows:

Capital Assets Not Being Depreciated	\$545,173
Capital Assets Being Depreciated	10,936,096
Depreciation Expense	(6,907,143)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	\$4,574,126

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles.*)" The details of this \$182,725 difference are as follows:

Property Taxes Receivable	\$196,027
Allowance for Doubtful Accounts	(13,302)
Net	\$182,725

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$1,262,129 difference are as follows:

Fines and Fees Receivable	\$2,907,807
Allowance for Doubtful Accounts	(2,453,487)
Net Pension Receivable	605,472
GASB 68	
Deferred Outflow of Resources-Contributions (after 12/31/20)	296,682
Changes of assumptions	773,599
Net difference between projected and actual earnings	(700,645)
Differences between expected and actual experience	(228,168)
GASB 75	
Differences between expected and actual experience	12,562
Changes of assumptions	48,307
Net	\$1,262,129

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this (\$124,980) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$0
Capital Outlay - Additions - Being Depreciated	258,688
Capital Outlay - Deletions	0
Depreciation Expense	(383,668)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u><u>(\$124,980)</u></u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioners' Court.

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year.

The County Judge is, by statute, the Budget Officer of the County. She usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court.

The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash.

When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund.

Budgets for the 2021 fiscal year were adopted for the General Fund and the Road and Bridge Fund.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2021, excess of expenditures over appropriations did not occur in any fund.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2021 except for the Law Enforcement Grant Fund which had a deficit of \$80,895, the Records Management Fund which had a deficit of \$64,312, and the Border Prosecution Fund which had a deficit of \$9,685. These deficits are expected to be liquidated by future resources of these funds.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments:

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

As of September 30, 2021, the government had the following investments: None

Policies Governing Deposits and Investments:

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

Custodial credit risk - deposits. In the case of deposits, there is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of September 30, 2021, the government's bank balance of \$15,415,740 was not exposed to custodial credit risk because it was fully insured and collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$15,746,004 and the FDIC coverage is \$250,700. The book amount of cash at September 30, 2021 is \$9,079,174.

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables at year end for the government's individual major funds and non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Road and Bridge	Other Governmental Funds	Total
<u>Receivables</u>				
Taxes	\$161,526	\$34,502		\$196,027
Fees and Fines	2,907,807			2,907,807
Officers Fees	15,805	7,771		23,575
Other	22		15	37
Gross Receivables	3,085,159	42,272	15	3,127,447
Less: Allowance for Uncollectibles	2,464,474	2,315		2,466,789
Net Total Receivables	<u>\$620,685</u>	<u>\$39,957</u>	<u>\$15</u>	<u>\$660,658</u>

C. Capital Assets

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

Governmental Activities:	Beginning			Ending
	Balances	Increases	Decreases	Balances
Capital assets not being depreciated:				
Land	\$245,073			\$245,073
Other Assets	300,100			300,100
Construction in Progress	0			0
Total capital assets not being depreciated:	<u>545,173</u>	<u>0</u>	<u>0</u>	<u>545,173</u>
Capital assets being depreciated:				
Building and Improvements	6,084,960	104,015		6,188,975
Machinery, Equipment and Vehicles	2,619,762	154,673	9,000	2,765,435
Intangible	73,947			73,947
Infrastructure	1,907,739			1,907,739
Total capital assets being depreciated:	<u>10,686,408</u>	<u>258,688</u>	<u>9,000</u>	<u>10,936,096</u>
Less: Accumulated Depreciation for:				
Building and Improvements	2,480,797	141,334		2,622,131
Machinery, Equipment and Vehicles	2,069,992	242,334	9,000	2,303,326
Intangible	73,947			73,947
Infrastructure	1,907,739			1,907,739
Total Accumulated Depreciation	<u>6,532,475</u>	<u>383,668</u>	<u>9,000</u>	<u>6,907,143</u>
Total Capital Assets Depreciated, Net	<u>4,153,933</u>	<u>(124,980)</u>	<u>0</u>	<u>4,028,953</u>
Governmental Activities capital assets, Net	<u>\$4,699,106</u>	<u>(\$124,980)</u>	<u>\$0</u>	<u>\$4,574,126</u>

Depreciation expense was charged to the major expense functions as follows:

Governmental Activities	
General Administration	\$7,949
Judicial	9,909
Legal	1,300
Financial Administration	7,278
Public Facilities	68,982
Public Safety	122,339
Public Transportation	112,452
Culture and Recreation	46,875
Conservation - Agriculture	6,585
Total Depreciation Expense - Governmental Activities	<u>\$383,668</u>

Construction commitments: None

D. Interfund Receivables, Payables, and Transfers

There were no advances at September 30, 2021.

There was no Due to/from other funds at September 30, 2021.

The following were the transfers for the year ended September 30, 2021.

<i>ACCOUNT</i>	<i>AMOUNT</i>	<i>REASON</i>	<i>TYPE</i>
<u>FROM GENERAL FUND</u>			
TO FLOOD CONTROL FUND	\$3,000	FLOOD CONTROL	RECURRING
TO ROAD AND BRIDGE	250,000	ROAD MAINTENANCE	RECURRING
<u>FROM ROAD & BRIDGE FUND</u>			
TO FMFC EQUIPMENT REPLACEMENT	60,000	ROAD EQUIPMENT	RECURRING
	<u>\$313,000</u>		

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$18,627 for the year ended September 30, 2021. The future minimum lease payments for these leases are as follows:

Year Ending Sep. 30,	<u>Amount</u>
2022	\$12,244
2023	11,518
2024	10,065
2025	<u>3,279</u>
Total	<u>\$37,106</u>

Rent expenditures were \$6,500 for the year ended September 30, 2021. Sublease rental income was \$0 for the year ended September 30, 2021. Rental income was \$1 for the year ended September 30, 2021.

F. Long-Term Debt

Capital Leases: The government has entered into three capital lease agreements as lessee for financing the acquisition of various equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date. The security pledged for the capital leases is the equipment financed.

Assets acquired through capital leases are as follows:

	Governmental Activities			
	CATERPILLAR WHEEL LOADER	CLERK VOTING EQUIPMENT	THREE POLICE TAHOES	TOTAL
Asset: Cost	\$154,778	\$43,788	\$160,678	\$359,244
Less: Accumulated Depreciation	154,778	35,030	96,407	286,215
Total	\$0	\$8,758	\$64,271	\$73,029

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021, were as follows:

YEAR	Governmental Activities			
	CATERPILLAR WHEEL LOADER	CLERK VOTING EQUIPMENT	THREE POLICE TAHOES	TOTAL
2022	85,000	9,196	29,902	124,098
2023			27,000	27,000
TOTAL MINIMUM LEASE PAYMENTS	85,000	9,196	56,902	151,098
LESS: AMOUNT REPRESENTING INTEREST	3,712	(8,527)	2,436	(2,379)
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	\$81,288	\$17,723	\$54,466	\$153,477

The above debt is to be serviced by the General Fund and the Road and Bridge Fund.

Changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<u>Governmental Activities:</u>						
GASB 75	\$1,175,913	\$1,122,057	\$1,175,913	\$1,122,057	\$0	\$1,122,057
Capital Lease	194,282		40,805	153,477	108,744	44,733
Compensated Absences	175,675	117,169	175,675	117,169	117,169	0
GASB 68	0			0	0	0
Total Governmental Activities	<u>1,545,870</u>	<u>1,239,226</u>	<u>1,392,393</u>	<u>1,392,703</u>	<u>225,913</u>	<u>1,166,790</u>
Grand Total	<u>\$1,545,870</u>	<u>\$1,239,226</u>	<u>\$1,392,393</u>	<u>\$1,392,703</u>	<u>\$225,913</u>	<u>\$1,166,790</u>

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2021-22 year is \$117,169.

The government-wide statement of activities includes \$225,913 as "noncurrent liabilities, due within one year".

The total amount of interest expensed in 2020-2021 is \$7,650.

V. Other Information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Claim liabilities are estimated considering the effects of inflation, recent claim settlement trends (including frequency and amounts of payouts) and other economic and social factors (including the effects of specific, incremental claim adjustment expense, salvage and subrogation).

	<u>Year Ended</u> <u>September 30, 2020</u>	<u>Year Ended</u> <u>September 30, 2021</u>
Unpaid claims, beginning of fiscal year	\$0	\$0
Incurred claims (including IBNRs)	0	0
Claim payments	0	0
Unpaid claims, end of fiscal year	<u>\$0</u>	<u>\$0</u>

1. General Liability Insurance

The County is insured for general, police officers and automobile liability.

The County has joined together with other governments in the Texas Association of Counties Risk Management Pool. The County pays an annual premium to Risk Management for auto vehicle insurance coverage. The agreement with Risk Management provides that Risk Management will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 to \$300,000 for each insurance event. The County anticipates no contingent losses.

Texas Association of Counties Risk Management Pool has published its own financial report that can be obtained from the Texas Association of Counties Risk Management Pool.

The County continues to carries commercial fidelity bonds for elected officials and for management.

2. Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Association of Counties Risk Management Pool.

3. Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Association of Counties Risk Management Pool.

4. Group Health and Life Insurance

The County maintains a group health insurance plan for active employees and their eligible dependents. Costs are recorded in the fund from which the employees' compensation is paid.

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Workforce Commission (TWC).

B. Related Party Transaction –

There are no related party transaction requiring disclosure for the fiscal year end September 30, 2021.

C. Subsequent Events:

On May 23, 2022, the County approved to apply for the State Library and Archives Commission CAP-22021 Reimbursement Grant for \$9,366.00.

On August 8, 2022, the County approved the lease purchase agreement with John Deere for a Skid Steer for a total of \$106,965.00.

On September 12, 2022, the County approved the bid for truck scales from A-1 Scale Service, Inc. in the amount of \$156,300.00.

On September 26, 2022, the County accepted Sheriff Oscar Chavez's letter of resignation effective October 23, 2022.

D. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial. The government was not a defendant in any lawsuits for the fiscal year of September 30, 2021.

E. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year. The County had a prior period adjustment whereby governmental activities' Net Position and governmental funds were restated upward by \$23,333 due to the omission of the County Attorney State Grant. This restatement had the corresponding effect on the beginning net position, as follows:

	Net Position As Previously Reported	County Attorney Grant	Net Position As Restated
Governmental Activities:			
Net Position	\$12,726,014	\$23,333	\$12,749,347
Total Governmental Activities	<u>\$12,726,014</u>	<u>\$23,333</u>	<u>\$12,749,347</u>
	As Previously Reported	County Attorney Grant	As Restated
Governmental Funds:			
Fund Balances	\$8,210,606	\$23,333	\$8,233,939
Total Governmental Funds	<u>\$8,210,606</u>	<u>\$23,333</u>	<u>\$8,233,939</u>

F. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)	Net Pension Liability / (Asset)	
	December 31, 2019	December 31, 2020
Total pension liability	\$17,834,147	\$19,551,856
Fiduciary net position	18,713,319	20,157,328
Net pension liability/(asset)	(879,173)	(605,472)
Fiduciary net position as a % of total pension liability	104.93%	103.10%
Pensionable covered payroll	\$2,717,818	\$2,933,919
Net Pension liability as a % of covered payroll	-32.35%	-20.64%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Note: Rounding differences may exit above or in other tables in this report.

Discount Rate

Discount rate	8.10%	7.60%
Long-term expected rate of return, net of investment expense	8.10%	7.60%
Municipal bond rate	Does not apply	Does not apply

Other Key Actuarial Assumptions

All actuarial assumptions that determined the total pension liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68. The economic assumptions were reviewed at the march 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

See Appendix B of this report (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the total pension liability and other GASB 68 metrics.

See Appendix C (Actuarial Methods and Assumptions Used for Funding Valuation) of this report for a full description of the actuarial assumptions used in the funding valuation.

	Beginning Date	Ending Date
Valuation date	December 31, 2019	December 31, 2020
Measurement date	December 31, 2019	December 31, 2020
Employer's fiscal year	October 1, 2020	September 30, 2021

Long-Term Expected Rate of Return

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

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

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

Depletion of Plan Assets / GASB Discount Rate

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

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

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

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

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

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

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected 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.

As additional documentation for auditing purposes, we have shown the projection of the Fiduciary Net Position in the following exhibit ("Projection of Fiduciary Net Position").

Projection of Fiduciary Net Position

Calendar Year Ending	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)- (d)+(e)
2021	\$20,157,328	\$401,745	\$1,254,102	\$20,157	\$1,499,408	\$20,784,222
2022	20,784,222	398,625	1,181,329	20,784	1,549,627	21,530,361
2023	21,530,361	379,950	1,319,266	21,530	1,600,464	22,169,979
2024	22,169,979	365,068	1,388,175	22,170	1,645,925	22,770,627
2025	22,770,627	351,022	1,450,399	22,771	1,688,707	23,337,186
2026	23,337,186	337,024	1,510,636	23,337	1,728,975	23,869,212
2027	23,869,212	322,280	1,570,032	23,869	1,766,623	24,364,214
2028	24,364,214	308,639	1,622,543	24,364	1,801,757	24,827,703
2029	24,827,703	292,363	1,716,259	24,828	1,832,862	25,211,841
2030	25,211,841	280,566	1,754,501	25,212	1,860,175	25,572,869
2031	25,572,869	266,376	1,816,152	25,573	1,884,771	25,882,291
2032	25,882,291	254,162	1,850,526	25,882	1,906,537	26,166,582
2033	26,166,582	243,973	1,882,527	26,167	1,926,559	26,428,420
2034	26,428,420	233,245	1,956,746	26,428	1,943,280	26,621,771
2035	26,621,771	223,134	1,991,048	26,622	1,956,311	26,783,546
2036	26,783,546	213,438	2,014,654	26,784	1,967,357	26,922,903
2037	26,922,903	203,892	2,041,284	26,923	1,976,594	27,035,182
2038	27,035,182	194,847	2,073,105	27,035	1,983,598	27,113,487
2039	27,113,487	186,176	2,135,893	27,113	1,986,881	27,123,538
2040	27,123,538	177,744	2,158,976	27,124	1,986,469	27,101,651
2041	27,101,651	169,380	2,179,411	27,102	1,983,732	27,048,250
2042	27,048,250	140,790	2,183,379	27,048	1,978,461	26,957,074
2043	26,957,074	132,081	2,187,017	26,957	1,971,074	26,846,255
2044	26,846,255	124,310	2,183,441	26,846	1,962,500	26,722,778
2045	26,722,778	116,121	2,190,206	26,723	1,952,562	26,574,532
2046	26,574,532	109,935	2,178,710	26,575	1,941,499	26,420,681
2047	26,420,681	103,231	2,164,834	26,421	1,930,080	26,262,737
2048	26,262,737	97,382	2,147,308	26,263	1,918,517	26,105,065
2049	26,105,065	92,248	2,154,784	26,105	1,906,070	25,922,494
2050	25,922,494	87,725	2,119,290	25,922	1,893,357	25,758,364
2051	25,758,364	82,861	2,103,851	25,758	1,881,283	25,592,899
2052	25,592,899	78,012	2,079,519	25,593	1,869,441	25,435,240
2053	25,435,240	74,671	2,070,670	25,435	1,857,670	25,271,476
2054	25,271,476	71,261	2,033,607	25,271	1,846,485	25,130,344
2055	25,130,344	68,194	1,994,835	25,130	1,837,097	25,015,670
2056	25,015,670	65,779	1,955,023	25,016	1,829,781	24,931,191
2057	24,931,191	64,234	1,909,503	24,931	1,825,004	24,885,995

2058	24,885,995	62,986	1,854,363	24,886	1,823,581	24,893,313
2059	24,893,313	62,036	1,798,280	24,893	1,826,194	24,958,370
2060	24,958,370	61,351	1,743,439	24,958	1,833,156	25,084,480
2061	25,084,480	61,208	1,685,307	25,084	1,844,899	25,280,196
2062	25,280,196	61,274	1,625,864	25,280	1,861,986	25,552,312
2063	25,552,312	61,562	1,566,191	25,552	1,884,893	25,907,024
2064	25,907,024	61,926	1,512,153	25,907	1,913,867	26,344,757
2065	26,344,757	63,205	1,443,878	26,345	1,949,713	26,887,452
2066	26,887,452	64,362	1,380,887	26,887	1,993,331	27,537,371
2067	27,537,371	65,864	1,314,338	27,537	2,045,239	28,306,599
2068	28,306,599	67,298	1,252,624	28,307	2,106,028	29,198,994
2069	29,198,994	69,191	1,186,556	29,199	2,176,352	30,228,782
2070	30,228,782	71,166	1,122,406	30,229	2,257,044	31,404,357
2071	31,404,357	73,102	1,061,706	31,404	2,348,680	32,733,029
2072	32,733,029	75,115	1,002,827	32,733	2,451,881	34,224,465
2073	34,224,465	77,368	942,754	34,224	2,567,500	35,892,355
2074	35,892,355	79,689	884,226	35,892	2,696,467	37,748,393
2075	37,748,393	82,080	827,101	37,748	2,839,677	39,805,301
2076	39,805,301	84,542	771,284	39,805	2,998,099	42,076,853
2077	42,076,853	87,078	716,577	42,077	3,172,788	44,578,065
2078	44,578,065	89,691	662,914	44,578	3,364,886	47,325,150
2079	47,325,150	92,381	610,334	47,325	3,575,623	50,335,495
2080	50,335,495	95,153	558,942	50,335	3,806,318	53,627,689
2081	53,627,689	98,007	508,900	53,628	4,058,375	57,221,543
2082	57,221,543	100,948	460,353	57,222	4,333,295	61,138,211
2083	61,138,211	103,976	413,513	61,138	4,632,676	65,400,212
2084	65,400,212	107,095	368,609	65,400	4,958,220	70,031,518
2085	70,031,518	110,308	325,808	70,032	5,311,743	75,057,729
2086	75,057,729	113,618	285,336	75,058	5,695,181	80,506,134
2087	80,506,134	117,026	247,404	80,506	6,110,599	86,405,849
2088	86,405,849	120,537	212,263	86,406	6,560,199	92,787,916
2089	92,787,916	124,153	180,119	92,788	7,046,332	99,685,494
2090	99,685,494	127,878	151,107	99,685	7,571,512	107,134,092
2091	107,134,092	131,714	125,292	107,134	8,138,433	115,171,813
2092	115,171,813	135,665	102,679	115,172	8,749,991	123,839,618
2093	123,839,618	139,735	83,174	123,840	9,409,301	133,181,640
2094	133,181,640	143,927	66,577	133,182	10,119,721	143,245,529
2095	143,245,529	148,245	52,632	143,246	10,884,883	154,082,779
2096	154,082,779	152,692	41,095	154,083	11,708,706	165,748,999
2097	165,748,999	157,273	31,697	165,749	12,595,425	178,304,251
2098	178,304,251	161,991	24,122	178,304	13,549,614	191,813,430
2099	191,813,430	166,851	18,074	191,813	14,576,215	206,346,609
2100	206,346,609	171,857	13,310	206,347	15,680,559	221,979,368

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total	Fiduciary	Net Pension
	Pension	Net Position	Liability /
	Liability	(b)	(Asset)
	(a)		(a) - (b)
Balances as of December 31, 2019	\$17,834,147	\$18,713,319	(\$879,172)
Changes of the year:			
Service cost	327,321		327,321
Interest on total pension liability	1,436,433		1,436,433
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	(183,380)		(183,380)
Effect of assumptions changes or inputs	1,009,787		1,009,787
Refund of contributions	0	0	0
Benefit payments	(872,451)	(872,451)	0
Administrative expenses		(14,749)	14,749
Member contributions		205,374	(205,374)
Net investment income		1,932,268	(1,932,268)
Employer contributions		205,374	(205,374)
Other	0	(11,808)	11,808
Balances as of December 31, 2020	\$19,551,857	\$20,157,327	(\$605,470)

Sensitive Analysis

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

	1% Decrease	Current Discount Rate	1% Increase
	6.60%	7.60%	8.60%
Total pension liability	\$21,855,611	\$19,551,856	\$17,600,399
Fiduciary net position	20,157,328	20,157,328	20,157,328
Net pension liability/(asset)	\$1,698,283	(\$605,472)	(\$2,556,929)

Pension Expense / (Income)

Pension Expense / (Income)	January 1, 2020 to December 31, 2020
Service cost	\$327,321
Interest on total pension liability	1,436,433
Effect of plan changes	0
Administrative expenses	14,749
Member contributions	(205,374)
Expected investment return net of investment expenses	(1,496,389)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(98,250)
Recognition of assumption changes or inputs	268,704
Recognition of investment gains or losses	(205,033)
Other	11,808
Pension expense	\$53,969

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

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$236,460	\$8,292
Changes of assumptions	0	773,599
Net difference between projected and actual earnings	700,645	0
Contributions made subsequent to measurement date	N/A	Employer determined

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

Year ending December 31:	
2021	(\$54,067)
2022	141,480
2023	(155,452)
2024	(87,175)
2025	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2020	
Original Amount	Date Established	Original Recognition Period	Amount Recognized for 2020	Inflows	Outflows
(a)	(b)	(c)	(a) / (c)		
Investment (gains) or losses					
(\$435,879)	12/31/2020	5	(\$87,176)	\$348,703	\$0
(1,388,197)	12/31/2019	5	(277,639)	832,919	0
1,703,426	12/31/2018	5	340,685	0	681,371
(1,001,962)	12/31/2017	5	(200,392)	200,394	0
97,441	12/31/2016	5	19,488	0	0
Economic/demographic (gains) or losses					
(183,380)	12/31/2020	4	(45,845)	137,535	0
13,820	12/31/2019	5	2,764	0	8,292
(218,793)	12/31/2018	5	(43,759)	87,516	0
(57,048)	12/31/2017	5	(11,410)	11,409	0
Assumption changes or inputs					
1,009,787	12/31/2020	4	252,447	0	757,340
0	12/31/2019	5	0	0	0
0	12/31/2018	5	0	0	0
81,287	12/31/2017	5	16,257	0	16,259

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31							2013
	2020	2019	2018	2017	2016	2015	2014	2009
Total Pension Liability								
Service cost	\$327,321	\$310,037	\$312,305	\$315,275	\$320,508	\$294,914	\$323,443	N/A
Interest on total pension liability	1,436,433	1,366,045	1,316,780	1,247,334	1,164,239	1,105,562	1,047,272	N/A
Effect of plan changes	0	0	0	0	0	-35,090	0	N/A
Effect of assumption changes or inputs	1009787	0	0	81,287	0	149,757	0	N/A
Effect of economic/demographic (gains) or losses	-183,380	13,820	-218,793	-57,048	-33,960	-220,875	-201,020	N/A
Benefit payments/refunds of contributions	<u>-872,451</u>	<u>-805,265</u>	<u>-794,584</u>	<u>-661,030</u>	<u>-508,076</u>	<u>-543,636</u>	<u>-442,906</u>	<u>N/A</u>
Net change in total pension liability	1,717,710	884,637	615,708	925,818	942,711	750,632	726,789	N/A
Total pension liability, beginning	<u>17,834,147</u>	<u>16,949,510</u>	<u>16,333,801</u>	<u>15,407,984</u>	<u>14,465,274</u>	<u>13,714,641</u>	<u>12,987,851</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$19,551,857</u>	<u>\$17,834,147</u>	<u>\$16,949,509</u>	<u>\$16,333,802</u>	<u>\$15,407,985</u>	<u>\$14,465,273</u>	<u>\$13,714,640</u>	<u>N/A</u>
Fiduciary Net Position								
Employer contributions	\$205,374	\$190,247	\$189,211	\$183,382	\$183,595	\$177,388	\$176,865	N/A
Member contributions	205,374	190,247	189,211	183,382	183,595	177,388	176,865	N/A
Investment income net of investment expenses	1,932,268	2,703,604	-325,571	2,229,494	1,063,321	-65,391	940,907	N/A
Benefit payments/refunds of contributions	-872,451	-805,265	-794,584	-661,030	-508,076	-543,636	-442,906	N/A
Administrative expenses	-14,749	-14,260	-13,221	-11,456	-11,577	-10,455	-11,020	N/A
Other	<u>-11,808</u>	<u>-11,936</u>	<u>-10,668</u>	<u>-4,052</u>	<u>-18,481</u>	<u>181</u>	<u>-101,898</u>	<u>N/A</u>
Net change in fiduciary net position	1,444,008	2,252,637	-765,622	1,919,720	892,377	-264,525	738,813	N/A
Fiduciary net position, beginning	<u>18,713,319</u>	<u>16,460,683</u>	<u>17,226,306</u>	<u>15,306,586</u>	<u>14,414,208</u>	<u>14,678,734</u>	<u>13,939,922</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$20,157,327</u>	<u>\$18,713,320</u>	<u>\$16,460,684</u>	<u>\$17,226,306</u>	<u>\$15,306,585</u>	<u>\$14,414,209</u>	<u>\$14,678,735</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>(\$605,470)</u>	<u>(\$879,173)</u>	<u>\$488,825</u>	<u>(\$892,504)</u>	<u>\$101,400</u>	<u>\$51,064</u>	<u>(\$964,095)</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	103.10%	104.93%	97.12%	105.46%	99.34%	99.65%	107.03%	N/A
Pensionable covered payroll	\$2,933,919	\$2,717,818	\$2,703,009	\$2,819,738	\$2,622,790	\$2,534,111	\$2,526,640	N/A
Net pension liability/(asset) as % of covered payroll	-20.64%	-32.35%	18.08%	-34.07%	3.87%	2.02%	-38.16%	N/A

Schedule of Employer Contributions

Year Ending 31-Dec	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	\$140,252	\$176,576	(\$36,324)	\$2,522,509	7.00%
2012	142,732	173,459	(30,727)	2,477,983	7.00%
2013	158,999	179,515	(20,516)	2,564,503	7.00%
2014	175,096	176,865	(1,769)	2,526,640	7.00%
2015	165,224	177,388	(12,164)	2,534,111	7.00%
2016	159,466	183,595	(24,130)	2,622,790	7.00%
2017	143,824	183,382	(39,558)	2,619,738	7.00%
2018	153,801	189,211	(35,409)	2,703,009	7.00%
2019	150,567	190,247	(39,680)	2,717,818	7.00%
2020	162,833	205,374	(42,542)	2,933,919	7.00%

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 contributions are reported.

Methods and assumptions used to determine contribution rates:

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

Appendix A— GASB 68 Plan Description for Sutton County

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

- a. Sutton County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 150%) and is then converted to an annuity.
 - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Sutton County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2020 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

Members	Dec. 31, 2019	Dec. 31, 2020
Number of inactive employees entitled to but not yet receiving benefits:	51	51
Number of active employees:	70	72
Average monthly salary:	\$3,179	\$3,372
Average age:	49.55	50.62
Average length of service in years:	12.38	12.52
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	40	42
Average monthly benefit:	\$1,753	\$1,809

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2020 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Sutton County December 31, 2020 Summary Valuation Report for further details.

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

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported,
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	5 years
Smoothing period	Non-asymptotic
Recognition	None
method Corridor	Same as funding valuation: See Appendix C
Inflation	Same as funding valuation: See Appendix C
Salary Increases	8.10% (Gross of administrative expenses)
Investment Rate of Return	
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Sutton County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Same as funding valuation: See Appendix C
Turnover	Same as funding valuation: See Appendix C
Mortality	Same as funding valuation: See Appendix C

Appendix C—Actuarial Methods and Assumptions Used for Funding Valuation

Except where indicated in the section of this GASS 68 report entitled "Actuarial Methods and Assumptions Used for GASS Calculations", the assumptions used in this analysis for the December 31, 2020 financial reporting metrics are the same as those used in the December 31, 2020 actuarial valuation analysis for Sutton County.

The following is a description of the assumptions used in the December 31, 2020 actuarial valuation analysis for Sutton County. This information may also be found in the Sutton County December 31, 2020 Summary Valuation Report.

Economic Assumptions

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 1.6% per year for a career employee. (See Table 1 for Merit Salary Increases.)

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	3.00%

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

Table 1
Merit Salary Increase

Years of Service	Entry Age			
	Before 30	Ages 30- 39	Ages 40- 49	50 and later
0	5.00%	4.50%	4.00%	3.50%
1	4.25	3.75	3.25	2.75
2	3.85	3.35	2.85	2.35
3	3.50	3.00	2.50	2.00
4	3.15	2.65	2.25	1.85
5	2.90	2.55	2.15	1.70
6	2.65	2.30	1.95	1.55
7	2.45	2.10	1.75	1.40
8	2.30	1.95	1.60	1.25
9	2.15	1.80	1.45	1.10
10	2.00	1.70	1.40	1.05
11	1.90	1.50	1.25	1.00
12	1.80	1.50	1.15	0.95
13	1.70	1.40	1.05	0.90
14	1.60	1.30	0.95	0.85
15	1.50	1.23	0.90	0.80
16	1.40	1.15	0.85	0.75
17	1.30	1.05	0.80	0.70
18	1.23	0.97	0.75	0.65
19	1.15	0.90	0.70	0.60
20	1.10	0.85	0.65	0.55
21	1.05	0.80	0.60	0.50
22	1.00	0.75	0.55	0.50
23	0.95	0.70	0.50	0.50
24	0.90	0.65	0.50	0.50
25	0.85	0.60	0.50	0.50
26	0.80	0.60	0.50	0.50
27	0.75	0.60	0.50	0.50
28	0.70	0.60	0.50	0.50
29	0.65	0.60	0.50	0.50
30 & up	0.60	0.60	0.50	0.50

Demographic Assumptions

TCDRS system-wide demographic assumptions:

Replacement of Terminated Members — New employees are assumed to replace any terminated members and have similar entry ages.

Disability — The rates of disability used in this valuation are illustrated in Table 2. Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a custom table based on TCDRS experience.

**Table 2
Annual Rates of Disability**

Age	Work Related Male and Female	All Other Causes Male and Female	Age	Work Related Male and Female	All Other Causes Male and Female
less than			43	0.004%	0.058%
25	0.000%	0.000%	44	0.004	0.063
25	0.000	0.000	45	0.004	0.069
26	0.000	0.000	46	0.005	0.076
27	0.000	0.000	47	0.006	0.084
28	0.000	0.008	48	0.007	0.095
29	0.000	0.008	49	0.009	0.109
30	0.000	0.009	50	0.010	0.125
31	0.000	0.010	51	0.012	0.142
32	0.000	0.010	52	0.013	0.162
33	0.000	0.011	53	0.015	0.183
34	0.000	0.014	54	0.018	0.203
35	0.001	0.018	55	0.018	0.222
36	0.001	0.022	56	0.018	0.238
37	0.002	0.028	57	0.018	0.250
38	0.002	0.033	58	0.018	0.259
39	0.002	0.038	59	0.018	0.270
40	0.002	0.042	60 & Above	0.018	0.000
41	0.003	0.047			
42	0.003	0.053			

The probability of disablement from all other causes is applicable for members who are vested but not eligible for service retirement. Before a member is vested, only the work-related disability provisions are applicable.

Mortality

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Family Composition — For current retirees, beneficiary information is supplied by TCDRS. For purposes of calculating the Survivor Benefit for current depositing and non-depositing members, male members are assumed to have a female beneficiary who is three years younger. Female members are assumed to have a male beneficiary who is three years older.

Service Retirement — Members eligible for service retirement are assumed to retire at the rates shown in Table 3.

Table 3
Annual Rates of Service Retirement

Age	Male	Female	Age	Male	Female
40-44	4.5%	4.5%	62	20.0%	20.0%
45-40	9.0	9.0	63	15.0	15.0
50	10.0	10.0	64	15.0	15.0
51	9.0	9.0	65	25.0	25.0
52	9.0	9.0	66	25.0	25.0
53	9.0	9.0	67	22.0	22.0
54	10.0	10.0	68	20.0	20.0
55	10.0	10.0	69	20.0	20.0
56	10.0	10.0	70	22.0	22.0
57	10.0	10.0	71	22.0	22.0
58	12.0	12.0	72	22.0	22.0
59	12.0	12.0	73	22.0	22.0
60	12.0	12.0	74	22.0	22.0
61	12.0	12.0			

Employer-specific demographic assumptions:

Other Terminations of Employment — The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement are illustrated in Table 4. The rates vary by length of service, entry-age group (age at hire) and gender. No termination after eligibility for retirement is assumed.

Table 4
Annual Rates of Termination

Years of Service	Entry Age 20		Entry Age 30		Entry Age 40		Entry Age 50	
	Male	Female	Male	Female	Male	Female	Male	Female
0	23.4%	25.3%	19.5%	21.1%	16.6%	17.9%	15.6%	16.9%
1	16.0	17.4	13.4	14.6	11.4	12.4	10.8	11.6
2	11.9	12.9	10.1	10.9	8.5	9.3	8.1	8.8
3	9.5	10.2	8.1	8.8	6.9	7.4	6.4	7.0
4	7.8	8.5	6.7	7.3	5.7	6.2	5.4	5.8
5	6.9	7.6	6.0	6.6	5.1	5.6	4.8	5.3
6	6.2	6.7	5.4	5.8	4.6	5.0	4.3	4.7
7	5.5	6.0	4.8	5.3	4.1	4.5	3.9	4.2
8	4.6	4.9	4.1	4.3	3.4	3.7	3.2	3.5
9	4.3	4.7	3.9	4.2	3.3	3.6	3.2	3.4
10	3.9	4.1	3.5	3.8	2.9	3.2	2.8	3.0
11	3.4	3.6	3.1	3.4	2.7	2.9	2.5	2.7
12	3.1	3.3	2.8	3.1	2.4	2.6	2.2	2.5
13	2.7	2.9	2.5	2.8	2.2	2.4	2.0	2.2
14	2.5	2.6	2.3	2.5	2.0	2.1	1.8	2.0
15	2.1	2.3	2.0	2.2	1.7	1.9	1.6	1.8
16	1.8	2.0	1.8	1.9	1.5	1.6	1.4	1.5
17	1.6	1.8	1.5	1.7	1.3	1.4	1.3	1.3
18	1.4	1.5	1.3	1.5	1.1	1.3	1.1	1.2
19	1.2	1.3	1.2	1.3	1.1	1.1	1.0	1.1
20	1.1	1.2	1.1	1.2	1.0	1.0	0.9	1.0
21	1.0	1.1	1.0	1.1	0.9	0.9	0.8	0.9
22	0.9	1.1	0.9	1.1	0.8	0.8	0.8	0.8
23	0.9	1.0	0.9	1.0	0.7	0.8	0.7	0.8
24	0.8	0.9	0.8	0.9	0.7	0.8	0.7	0.7
25	0.8	0.8	0.8	0.8	0.6	0.7	0.6	0.7
26	0.7	0.8	0.7	0.8	0.6	0.7	0.6	0.6
27	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6
28	0.7	0.6	0.7	0.6	0.5	0.6	0.5	0.5
29	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.5
30 & Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Withdrawals — Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to your plan are shown in Table 5. For non-depositing members who are not vested, 100% are assumed to elect a withdrawal.

Table 5
Probability of Withdrawal

Years of Service	Probability	Years of Service	Probability
0	100%	15	40
1	100	16	38
2	100	17	36
3	100	18	33
4	100	19	30
5	100	20	28
6	100	21	26
7	100	22	24
8	47	23	22
9	46	24	20
10	45	25	18
11	44	26	16
12	43	27	14
13	42	28	12
14	41	29	10

F. OPEB Information

1.1 GASB 75 Accounting Information

The GASB statement No. 75 applies solely to the actuarial valuation for accounting measurements only. The accounting statement has a number of required disclosures for the sponsoring employer in addition to the complex actuarial calculations. Below is a high-level summary of the GASB No. 75 implications for Sutton County based on our current understanding of the guidance issued to date:

- Effective Date — Financial disclosures must comply with GASB 75 for fiscal years beginning after June 15, 2017 including annual updates to these measurements.
- Terminology — The actuarial accrued liability is referred to as the Total OPEB Liability, the fair market value of assets is referred to as the Plan Fiduciary Position, and the unfunded actuarial liability and balance sheet liability are referred to as the Net OPEB Liability.
- Net OPEB Liability — Plan sponsors must recognize the Net OPEB Liability on its balance sheet.
- Discount Rate Assumption — For OPEB plans without assets, the Total OPEB liability is measured using a 20-year municipal bond index rate (AA/Aa or higher). Using the September 30, 2021 S&P Municipal Bond 20 Year High Grade Rate Index, a 2.43% discount rate is used for the current measurement.
- OPEB Expense — GASB 75 requires a calculation of OPEB expense for the sponsor's financial statements that will result in more rapid cost recognition of changes in the Net OPEB Liability than prior rules. The GASB 75 OPEB expense will equal the sum of the following components:
 - Service Cost (Normal Cost) for additional benefits accrued.
 - Interest Cost on Total OPEB Liability.
 - Amortization of changes in the components of Net OPEB Liability:
 - Full and immediate recognition of plan changes and improvements.
 - Plan asset experience gains and losses amortized over 5 years (not applicable for this plan).
 - Plan liability experience gain/loss amortized over future service.
 - Impact of assumption changes amortized over future service.

1.2 Actuarial Assumptions and Methods

GASB standards require the use of "explicit" actuarial assumptions in the measurement of benefit obligations and costs. In other words, each assumption must stand on its own merits as a best estimate, taking into account both past experience and future expectations. Valuation results may vary significantly based on the choices made, and the most powerful assumption in any actuarial valuation is generally the discount rate.

Please see Exhibit 3.2 for a summary of the actuarial assumptions and methods used in the valuation for fiscal year ending September 30, 2021.

1.3 Healthcare Trend and Sensitivity Analysis

The healthcare trend assumption can also have a significant impact on the results of a postretirement medical plan valuation. This assumption is generally used to project increases in per capita claims cost and may also be used to project increases in plan deductibles, co-payments and participant contributions. In developing this assumption, GASB requires employers to consider general inflation as well as healthcare specific cost increases, changes in utilization and delivery patterns, differences by type of benefit, etc.

In recent years, healthcare costs have increased far more rapidly than general inflation - in fact significantly greater than the rate of growth of the U.S. economy gross domestic product (GDP). If this trend were to continue over the long-term, the illogical result would be a U.S. economy made up of nothing but healthcare goods and services. Generally accepted actuarial practice calls for an initial trend assumption that recognizes higher healthcare inflation rates in the short-term, gradually reducing to a long-term rate more consistent with the rate of GDP growth.

As summarized in Exhibit 3.3, Sutton County uses a medical trend assumption beginning at 9% and decreasing 1% per year to an ultimate rate of 5% for Pre-Medicare benefits. Post-Medicare benefits are not provided by the plan.

1.4 Insurance Premiums

The pre-65 costs are paid through insurance premiums. No coverage is provided after age 65. Please see Exhibit 3.2 for the claims development.

1.5 Census Data

The current year valuation was based on participant census data provided by Sutton County as of October 1, 2020. The GASB measurements were based on a roll-forward of that data to September 30, 2021. Although we have not performed a detailed audit of the census data provided, we have reviewed the data for reasonableness and consistency. Please see Exhibit 3.1 for a summary of current year participant statistics.

1.6 Substantive Plan

The substantive plan is the basis for measurement of postretirement benefit obligations and costs. The substantive plan includes the current and future terms of the plan, as well as the understanding of these terms by the employer and plan participants. The substantive plan extends beyond the written plan documents, insurance contracts and summary plan descriptions. It may also include a past practice of maintaining a consistent level of cost sharing - passing on healthcare cost increases with corresponding increases in participant deductible, co-payments and premiums.

Please see Exhibit 3.4 for a summary of postretirement medical plan provisions included in the current year valuation.

2.1 GASB 75 Disclosure

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Sutton County	
Balance at 9/30/2020	\$1,175,913
Changes for the year:	
Service Cost	15,083
Interest on Total OPEB Liability	24,344
Experience	-
Employer Contributions	-
Member Contributions	-
Net Investment Income	-
Benefit Payments	(73,692)
Administrative Expense	-
Assumption Changes	(19,591)
Changes in Benefit Terms	-
Net Changes	<u>(53,856)</u>
Balance at 9/30/2021	<u>\$1,122,057</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.

The following presents the Total OPEB liability, calculated using the assumed discount rate, as well as what the Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 1.43%	Current Discount Rate of 2.43%	1% Increase 3.43%
Total OPEB Liability	\$1,196,857	\$1,122,057	\$1,054,092

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.

The following presents the Total OPEB liability, as well as what the Total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Trend Rates	1% Increase
Total OPEB Liability	\$1,050,856	\$1,122,057	\$1,201,788

2.1 GASB 75 Information — (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - County

	FYE 9/30/2021
OPEB Expense Components	
Service Cost	\$15,083
Interest on Total OPEB Liability	24,344
Differences between expected and actual experience	(37,654)
Changes in Assumptions	25,936
Changes in Benefit Terms	-
Employee Contributions	-
Projected Earnings on OPEB Plan Investments	-
Differences between projected and actual earnings on plan investments	-
Administrative Expenses	-
Other Changes in Fiduciary Net Position	-
Total OPEB Expense	<u>\$27,709</u>

For the year ended September 30, 2021, the County should recognize an OPEB expense of \$27,709. At September 30, 2021, the Department should report deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	24,431	11,869
Changes in assumptions	63,001	14,694
Net differences between projected and actual investment earnings	-	-
County Contributions subsequent to Measurement Date	-	-
Total	<u>87,432</u>	<u>26,563</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:	
2022	\$25,869
2023	36,984
2024	(1,984)
2025	0
2026	0
Thereafter	0

2.1 GASB 75 Disclosure Information — (Continued)

Fiscal Year Ending 30-Sep	Differences Between Expected and Actual Experience	Recognition Period (Years)	2021	2022	2023	2024	2025	2026
2018	(\$209,697)	4.24	(\$49,457)	(\$11,869)	\$0	\$0	\$0	\$0
2020	48,037	4.07	11,803	11,803	11,803	825	0	0
Subtotal			(\$37,654)	(\$66)	\$11,803	\$825	\$0	\$0

Fiscal Year Ending 30-Sep	Changes in Assumptions	Recognition Period (Years)	2021	2022	2023	2024	2025	2026
2019	\$4,206	4.24	\$992	\$992	\$238	\$0	\$0	\$0
2020	121,453	4.07	29,841	29,841	29,841	2,089	0	0
2021	(19,591)	4.00	(4,897)	(4,898)	(4,898)	(4,898)	0	0
Subtotal			\$25,936	\$25,935	\$25,181	(\$2,809)	\$0	\$0

Total			(\$11,718)	\$25,869	\$36,984	(\$1,984)	\$0	\$0
-------	--	--	------------	----------	----------	-----------	-----	-----

3.1 Participant Coverage Statistics

Census Data	September 30, 2019	September 30, 2020
A. Activities		
1. Number	58	58
2. Average Age	52.45	52.45
3. Average Service	11.55	11.55
B. Retired Participants		
1. Number	8	8
2. Average Age	58.70	58.70

3.2 Actuarial Assumptions and Methods

Actuarial Cost Method - Entry Age Normal with Normal Cost as a level percent of pay

Discount Rate Assumption – 2.43%

Healthcare Trend Rates

<u>Year</u>	<u>Pre-Medicare</u>	<u>Post-Medicare</u>
2019	9.0%	N/A
2020	8.0%	N/A
2021	7.0%	N/A
2022	6.0%	N/A
2023+	5.0%	N/A

Average per capita benefit cost:
(Sample ages)

<u>Age</u>	<u>Annual Benefit Cost</u>
55	\$9,753
56	10,115
57	10,566
58	11,018
59	11,469
60	11,921
61	12,372
62	12,824
63	13,366
64	13,908
65+	0

100% of eligible participants retiring prior to age 65 will elect these benefits.

Inflation Assumption – 2.50% per year

Administrative Expenses — Included in per capita premium amounts

Mortality Rates — RP-2014 Mortality Table projected with MP-2020

3.2 Actuarial Assumptions and Methods (Continued)

Retirement Rates — Percentage of population assumed to retire:

Age	Rate
55-57	10%
58-61	12%
62	20%
63	15%
64	15%
65+	100%

Modified rates from 2017 TCDRS CAFR report.

Termination Rates — (Sample rates below)

Age	Termination
25	17.3%
35	13.8%
45	8.8%
55	2.8%

Rates from Croker-Sarason Table T-9

Changes in Actuarial Assumptions and Methods

The discount rate was changed from 2.14% to 2.43%.

3.3 Summary of Plan Provisions

Eligibility and Retiree Medical Benefits

Sutton County provides continuation of medical coverage for employees who retire prior to age 65 when Medicare coverage begins. Continued medical coverage will be provided to a retiring employee who has a minimum of 20 years of service with the County upon retirement. The County will pay 100% or the applicable premium under the same medical plan that covers active employees during the time between the employee's retirement date and the date he or she reaches age 65. The medical plan which covers active employees of the County is a PPO arrangement through Blue Cross and Blue Shield of Texas. The program does not provide life insurance benefits to retirees.

As of March 2016, all new employees who retire with a minimum of 20 years of service will only receive coverage for one year after retirement.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31							2013
	2020	2019	2018	2017	2016	2015	2014	- 2009
Total Pension Liability								
Service cost	\$327,321	\$310,037	\$312,305	\$315,275	\$320,508	\$294,914	\$323,443	N/A
Interest on total pension liability	1,436,433	1,366,045	1,316,780	1,247,334	1,164,239	1,105,562	1,047,272	N/A
Effect of plan changes	0	0	0	0	0	-35,090	0	N/A
Effect of assumption changes or inputs	1009787	0	0	81,287	0	149,757	0	N/A
Effect of economic/demographic (gains) or losses	-183,380	13,820	-218,793	-57,048	-33,960	-220,875	-201,020	N/A
Benefit payments/refunds of contributions	<u>-872,451</u>	<u>-805,265</u>	<u>-794,584</u>	<u>-661,030</u>	<u>-508,076</u>	<u>-543,636</u>	<u>-442,906</u>	<u>N/A</u>
Net change in total pension liability	1,717,710	884,637	615,708	925,818	942,711	750,632	726,789	<u>N/A</u>
Total pension liability, beginning	<u>17,834,147</u>	<u>16,949,510</u>	<u>16,333,801</u>	<u>15,407,984</u>	<u>14,465,274</u>	<u>13,714,641</u>	<u>12,987,851</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$19,551,857</u>	<u>\$17,834,147</u>	<u>\$16,949,509</u>	<u>\$16,333,802</u>	<u>\$15,407,985</u>	<u>\$14,465,273</u>	<u>\$13,714,640</u>	<u>N/A</u>
Fiduciary Net Position								
Employer contributions	\$205,374	\$190,247	\$189,211	\$183,382	\$183,595	\$177,388	\$176,865	N/A
Member contributions	205,374	190,247	189,211	183,382	183,595	177,388	176,865	N/A
Investment income net of investment expenses	1,932,268	2,703,604	-325,571	2,229,494	1,063,321	-65,391	940,907	N/A
Benefit payments/refunds of contributions	-872,451	-805,265	-794,584	-661,030	-508,076	-543,636	-442,906	N/A
Administrative expenses	-14,749	-14,260	-13,221	-11,456	-11,577	-10,455	-11,020	N/A
Other	<u>-11,808</u>	<u>-11,936</u>	<u>-10,668</u>	<u>-4,052</u>	<u>-18,481</u>	<u>181</u>	<u>-101,898</u>	<u>N/A</u>
Net change in fiduciary net position	1,444,008	2,252,637	-765,622	1,919,720	892,377	-264,525	738,813	N/A
Fiduciary net position, beginning	<u>18,713,319</u>	<u>16,460,683</u>	<u>17,226,306</u>	<u>15,306,586</u>	<u>14,414,208</u>	<u>14,678,734</u>	<u>13,939,922</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$20,157,327</u>	<u>\$18,713,320</u>	<u>\$16,460,684</u>	<u>\$17,226,306</u>	<u>\$15,306,585</u>	<u>\$14,414,209</u>	<u>\$14,678,735</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>(\$605,470)</u>	<u>(\$879,173)</u>	<u>\$488,825</u>	<u>(\$892,504)</u>	<u>\$101,400</u>	<u>\$51,064</u>	<u>(\$964,095)</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	103.10%	104.93%	97.12%	105.46%	99.34%	99.65%	107.03%	N/A
Pensionable covered payroll	\$2,933,919	\$2,717,818	\$2,703,009	\$2,819,738	\$2,622,790	\$2,534,111	\$2,526,640	N/A
Net pension liability/(asset) as % of covered payroll	-20.64%	-32.35%	18.08%	-34.07%	3.87%	2.02%	-38.16%	N/A

Schedule of Employer Contributions

Year	Actuarially	Actual	Contribution	Pensionable	Actual
Ending	Determined	Employer	Deficiency	Covered	Contribution
31-	Contribution	Contribution	(Excess)	Payroll	as a % of Covered
Dec					Payroll
2011	\$140,252	\$176,576	(\$36,324)	\$2,522,509	7.00%
2012	142,732	173,459	(30,727)	2,477,983	7.00%
2013	158,999	179,515	(20,516)	2,564,503	7.00%
2014	175,096	176,865	(1,769)	2,526,640	7.00%
2015	165,224	177,388	(12,164)	2,534,111	7.00%
2016	159,466	183,595	(24,130)	2,622,790	7.00%
2017	143,824	183,382	(39,558)	2,619,738	7.00%
2018	153,801	189,211	(35,409)	2,703,009	7.00%
2019	150,567	190,247	(39,680)	2,717,818	7.00%
2020	162,833	205,374	(42,542)	2,933,919	7.00%

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 contributions are reported.

Methods and assumptions used to determine contribution rates:

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

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2020 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Sutton County December 31, 2020 Summary Valuation Report for further details.

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

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

OPEB Retirement System Information:

OPEB Plans

Changes in the Total OPEB Liability

Changes for the year	<u>2021</u>
Service Cost	\$15,083
Interest on Total OPEB Liability	24,344
Experience	0
Employer Contributions	0
Member Contributions	0
Net Investment Income	0
Benefit Payments	(73,692)
Administrative Expense	0
Assumption Changes	(19,591)
Changes in Benefit Terms	<u>0</u>
Net Change	<u>(53,856)</u>
Total OPEB Liability - beginning of year	<u>\$1,175,913</u>
Total OPEB Liability - end of year	<u><u>\$1,122,057</u></u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SUTTON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

SPECIAL REVENUE

	911 FUND	AMERICAN RESCUE PLAN	APPELLATE COURT FUND	BORDER PROSECUTION	BUILDING IMPROVE./VEHICLE REPLACEMENT	COURT- HOUSE SECURITY
ASSETS						
Cash and Cash Equivalents	\$5,733	\$366,722	\$114		\$517,534	\$90,774
Receivables (net of allowance for uncollectibles)			15			
Total Assets	\$5,733	\$366,722	\$129	\$0	\$517,534	\$90,774
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable				\$620		
Bank Overdraft				9,065		
Total Liabilities	0	0	0	9,685	0	0
Fund Balances						
Restricted						
Judicial			129			
Legal						
Public Safety	5,733					90,774
Public Transportation						
Culture and Recreation						
Health and Welfare		366,722				
Committed						
Building Improvement/ Public Safety					517,534	
Unassigned				(9,685)		
Total Fund Balances	5,733	366,722	129	(9,685)	517,534	90,774
TOTAL LIABILITIES AND FUND BALANCES	\$5,733	\$366,722	\$129	\$0	\$517,534	\$90,774

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

SPECIAL REVENUE

FLOOD CONTROL	FMFC EQUIPMENT REPLACE	FMLR FUND	HOT CHECK FEES	LAW LIBRARY FUND	LEOSE TRAINING	PRE-TRIAL DIVERSION	SEIZURE FUND	TEXAS PECOS TRAIL	TOTAL
\$27,106	\$120,000	\$11,738	\$40	\$28,324	\$643	\$82,156	\$2,274	\$3,436	\$1,256,594
									15
\$27,106	\$120,000	\$11,738	\$40	\$28,324	\$643	\$82,156	\$2,274	\$3,436	\$1,256,609
									\$917
									\$1,537
									9,065
0	0	0	0	0	0	917	0	0	10,602
									109,692
									40
									99,424
27,106	120,000	11,738	40	28,324	643	81,239	2,274	3,436	158,844
									366,722
									517,534
									(9,685)
27,106	120,000	11,738	40	28,324	643	81,239	2,274	3,436	1,246,007
\$27,106	\$120,000	\$11,738	\$40	\$28,324	\$643	\$82,156	\$2,274	\$3,436	\$1,256,609

SUTTON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

SPECIAL REVENUE

	911 FUND	AMERICAN RESCUE PLAN	APPELLATE COURT FUND	BORDER PROSECUTION	BUILDING IMPROVE./VEHICLE REPLACEMENT	COURT- HOUSE SECURITY
<i>REVENUES</i>						
Intergovernmental		\$366,722		\$82,547		
Charges for Services			290			4,854
Interest	8					
Miscellaneous					95,300	
Total Revenues	8	366,722	290	82,547	95,300	4,854
<i>EXPENDITURES</i>						
Current:						
General Administration						
Judicial			291			
Public Facilities						
Public Safety				90,458		6,989
Public Transportation					68,336	
Culture and Recreation						
Total Expenditures	0	0	291	90,458	68,336	6,989
Excess (Deficiency) of Revenues Over (Under)						
Expenditures	8	366,722	(1)	(7,911)	26,964	(2,135)
OTHER FINANCING SOURCES (USES):						
Operating Transfers In						
Total Other Financing Sources (Uses)	0	0	0	0	0	0
Net Changes in Fund Balances	8	366,722	(1)	(7,911)	26,964	(2,135)
Fund Balances - Beginning	5,725	0	130	(1,774)	490,570	92,909
Fund Balances - Ending	\$5,733	\$366,722	\$129	(\$9,685)	\$517,534	\$90,774

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

SPECIAL REVENUE

FLOOD CONTROL	FMFC EQUIPMENT REPLACE	FMLR FUND	HOT CHECK FEES	LAW LIBRARY FUND	LEOSE TRAINING	PRE-TRIAL DIVERSION	SEIZURE FUND	TEXAS PECOS TRAIL	TOTAL
		\$11,993		1,680		57,242		\$233,550	694,812
									64,066
									8
									95,300
0	0	11,993	0	1,680	0	57,242	0	233,550	854,186
									0
						111,938			112,229
					919		2,069		100,435
2,211		11,993							82,540
								229,950	229,950
2,211	0	11,993	0	0	919	111,938	2,069	229,950	525,154
(2,211)	0	0	0	1,680	(919)	(54,696)	(2,069)	3,600	329,032
3,000	60,000								63,000
3,000	60,000	0	0	0	0	0	0	0	63,000
789	60,000	0	0	1,680	(919)	(54,696)	(2,069)	3,600	392,032
26,317	60,000	11,738	40	26,644	1,562	135,935	4,343	(164)	853,975
\$27,106	\$120,000	\$11,738	\$40	\$28,324	\$643	\$81,239	\$2,274	\$3,436	\$1,246,007