

ATASCOSA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
December 31, 2021

Atascosa County, Texas
Annual Financial Report
For the Fiscal Year Ended December 31, 2021

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Judge and Commissioner's Court
Atascosa County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atascosa County, Texas as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Atascosa County, Texas' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to *above* present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Atascosa County, Texas as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budget comparison for the general fund and the road and bridge funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Required Supplementary Information;

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the employee's retirement system information on pages 3–11 and 75-78 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Atascosa County, Texas's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2022, on our consideration of the Atascosa County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Atascosa County, Texas 's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Atascosa County, Texas' internal control over financial reporting and compliance.



BEYER & COMPANY
Certified Public Accountants
July 22, 2022

Management's Discussion and Analysis

Financial Highlights

- . The assets of Atascosa County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$60,536,252 (net position). Of this amount, \$25,499,726 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net position decreased by \$4,788,474. This decrease is attributable, in large part, to a substantial amount of depreciation expensed in the transportation function (\$8,776,332), increase in Operating Grants and Contributions of \$3,698,954, increase in Capital Grants and Contributions of \$1,352,688, and careful budget management.
- . As of the close of the current fiscal year, Atascosa County, Texas' governmental funds reported combined ending fund balances of \$5,720,581, an increase of \$3,337,536 in comparison with the prior year. Approximately 12% of this total amount, \$661,566, is available for spending at the government's discretion (unassigned fund balance). This increase is attributable, in large part, to a increase in Operating Grants and Contributions of \$3,698,954, increase in Capital Grants and Contributions of \$1,352,688, and careful budget management.
- . At the end of the current fiscal year, the unassigned fund balance for the general fund was \$1,428,250, or 6 percent of total general fund expenditures and the restricted fund balance for the road and bridge fund was \$938,001 or 12 percent of total road and bridge fund expenditures.
- . Atascosa County, Texas' total debt increased by \$332,795 (1 percent) during the current fiscal year. The key factor in this increase was the increase in GASB 68 payable of \$1,854,780.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Atascosa County, Texas' basic financial statements. Atascosa 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 Atascosa County, Texas' finances, in a manner like a private-sector business.

The statement of net position presents information on all of Atascosa 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 Atascosa 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 comp. leave).

The government-wide financial statements distinguish functions of Atascosa 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 Atascosa County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Atascosa County, Texas include an insurance fund.

The government-wide financial statements include only Atascosa County, Texas itself (known as the primary government),

The government-wide financial statements can be found on pages 12-13 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. Atascosa County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

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

Atascosa County, Texas maintains sixty-six (66) 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 and the road and bridge fund, both of which are major funds. Data from the other sixty-four (64) 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.

Atascosa 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.

The basic governmental fund financial statements can be found on pages 14-20 of this report. The basic proprietary fund financial statements can be found on pages 21-24 of this report.

Proprietary funds: Atascosa County, Texas maintains one type of proprietary fund. Internal Service funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Internal Service fund is an accommodation to the County. Atascosa County, Texas uses the Internal Service fund to account for monies used to their insurance program. The Internal Service fund is a major fund of the County.

Atascosa County, Texas also has three agency funds and two trust funds presented in this report. Such funds are not included in the county-wide statement but are shown separately on pages 25-26.

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 27-74 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Atascosa County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 75-78 of this report.

The combining statements referred to earlier in connection with major road and bridge funds and non-major governmental funds and internal service fund are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 79-94 of this report. The Single Audit Section can be found on pages 95-104 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 Atascosa County, Texas, assets exceeded liabilities by \$60,536,252 at the close of the most recent fiscal year.

By far the largest portion of Atascosa County, Texas' net position (51 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Atascosa County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Atascosa 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.

ATASCOSA COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2021	2020	2021	2020
Current and Other Assets	\$40,472,068	\$38,376,746	\$40,472,068	\$38,376,746
Capital Assets:	52,188,452	62,096,612	52,188,452	62,096,612
Total Assets	92,660,520	100,473,358	92,660,520	100,473,358
Total Deferred Outflows of Resources	5,213,617	2,657,190	5,213,617	2,657,190
Long-Term Liabilities	24,181,584	23,848,789	24,181,584	23,848,789
Other Liabilities	2,676,239	2,339,845	2,676,239	2,339,845
Total Liabilities	26,857,823	26,188,634	26,857,823	26,188,634
Total Deferred Inflows of Resources	10,480,062	11,617,188	10,480,062	11,617,188
Invested in Capital Assets, Net of Related Debt	30,683,949	39,131,464	30,683,949	39,131,464
Restricted	4,352,577	5,086,998	4,352,577	5,086,998
Unrestricted	25,499,726	21,106,264	25,499,726	21,106,264
Total Net Position	\$60,536,252	\$65,324,726	\$60,536,252	\$65,324,726

An additional portion of Atascosa County, Texas' net position (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$25,499,726) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Atascosa County, Texas reported a positive balance in all three parts of the governmental activities net position. For the prior fiscal year, Atascosa County, Texas reported a positive balance in all three parts of the governmental activities net position.

Governmental activities:

Governmental activities decreased Atascosa County, Texas' net position by \$4,788,475, thereby accounting for 100 percent of the total decline in the net position of Atascosa County, Texas.

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

	Governmental Activities		Total	
	2021	2020	2021	2020
Revenues:				
Program Revenues:				
Charges for Services	\$9,236,851	\$8,579,850	\$9,236,851	\$8,579,850
Operating Grants and Contributions	6,811,339	3,112,385	6,811,339	3,112,385
Capital Grants and Contributions	1,596,684	243,996	1,596,684	243,996
General Revenues:				
Maintenance and Operations Taxes	27,575,869	27,178,740	27,575,869	27,178,740
Sales Taxes	4,990,876	4,207,445	4,990,876	4,207,445
Other Taxes	87,136	33,574	87,136	33,574
Oil Royalties	186,114	153,728	186,114	153,728
Unrestricted Investment Earnings	95,615	226,315	95,615	226,315
Miscellaneous	1,261,533	946,333	1,261,533	946,333
Total Revenue	51,842,017	44,682,366	51,842,017	44,682,366
Expenses:				
General Administration	11,273,277	12,209,966	11,273,277	12,209,966
Legal	924,796	937,738	924,796	937,738
Judicial	6,601,079	4,421,927	6,601,079	4,421,927
Financial Administration	1,664,094	1,612,839	1,664,094	1,612,839
Public Facilities	2,932,893	2,681,358	2,932,893	2,681,358
Public Safety	16,599,647	16,416,606	16,599,647	16,416,606
Public Transportation	14,529,718	16,520,901	14,529,718	16,520,901
Culture and Recreation	42,162	42,499	42,162	42,499
Health and Welfare	1,201,633	1,737,511	1,201,633	1,737,511
Conservation - Agriculture	213,973	256,483	213,973	256,483
Interest and Fiscal Charges	647,219	693,742	647,219	693,742
Total Expenses	56,630,491	57,531,570	56,630,491	57,531,570
Increase in Net Position Before Transfers and Special Items	(4,788,474)	(12,849,204)	(4,788,474)	(12,849,204)
Transfers	0	0	0	0
Increase in Net Position	(4,788,474)	(12,849,204)	(4,788,474)	(12,849,204)
Net Position at 12/31/2020 - Restated	65,324,726	78,173,930	65,324,726	78,173,930
Net Position at 12/31/2021	\$60,536,252	\$65,324,726	\$60,536,252	\$65,324,726

The government's total net position decreased by \$4,788,475 during the current fiscal year. This decrease is attributable, in large part, to a substantial amount of depreciation expensed in the transportation function \$8,776,332, increase in Operating Grants and Contributions of \$3,698,954, increase in Capital Grants and Contributions of \$1,352,688, and careful budget management.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$11,273,277	\$5,443,905	\$177,060	\$1,583,006
Legal	924,796	24,995	28,000	
Judicial	6,601,079	485,743	1,275,387	
Financial Administration	1,664,094	830,152		
Public Facilities	2,932,893			13,678
Public Safety	16,599,647	1,656,099	78,944	
Public Transportation	14,529,718	691,182	220,619	
Culture and Recreation	42,162			
Health and Welfare	1,201,633	104,775	5,031,329	
Conservation - Agriculture	213,973			
Interest and Fiscal Charges	647,219			
Total Government Activities	<u>\$56,630,491</u>	<u>\$9,236,851</u>	<u>\$6,811,339</u>	<u>\$1,596,684</u>

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$9,236,851	18%
Operating Grants and Contributions	6,811,339	13%
Capital Grants and Contributions	1,596,684	3%
Maintenance and Operations Taxes	27,575,869	53%
Sales Taxes	4,990,876	10%
Other Taxes	87,136	0%
Oil Royalties	186,114	0%
Unrestricted Investment Earnings	95,615	0%
Miscellaneous	1,261,533	3%
	<u>\$51,842,017</u>	<u>100%</u>

For the most part, except as provided above, increases, or decreases in expenses closely paralleled inflation, growth in population, the recession, or demand for services.

Business-Type Activities

There were no business-type activities since the only internal service fund was blended into the governmental activities.

Financial Analysis of the Government's Funds

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

Governmental funds:

The focus of Atascosa County, Texas' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Atascosa 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, Atascosa County, Texas' governmental funds reported combined ending fund balances of \$5,720,581, an increase of \$3,337,536 in comparison with the prior year. Approximately 12% of this total amount, \$661,566, is available for spending at the government's discretion (unassigned fund balance). The remainder of fund balance is non-spendable, restricted, or committed.

The general fund is the chief operating fund of Atascosa County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,428,250, while total fund balance reached \$1,463,718. 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 6 percent of total general fund expenditures, while total fund balance represents 6 percent of that same amount.

The fund balance of Atascosa County, Texas' general fund increased by \$3,596,086 during the current fiscal year. Key factors in this increase are as follows:

- . This increase is attributable, in large part, to an increase in Operating Grants and Contributions and Capital Grants and Contributions of \$5,010,176, and careful budget management.

At the end of the current fiscal year, restricted fund balance of the road and bridge fund was \$938,001, while total fund balance reached \$986,809. As a measure of the road and bridge fund's liquidity, it may be useful to compare both restricted fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 12 percent of total road and bridge fund expenditures, while total fund balance represents 13 percent of that same amount.

The fund balance of Atascosa County, Texas' road and bridge fund decreased by \$1,119,529 during the current fiscal year. Key factors in this decrease are as follows:

- . This decrease is attributable, in large part, to a reduction in net transfers in of \$1,112,120 and careful budget management.

Budgetary Highlights

There was an increase between the general fund original budget and the final amended budget of \$6,504,739. The largest increase was in the TDEM, ACIDC, CSLFRF, HOT department which increased BY \$4,992,936. The largest increase this department was in the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) which increased \$4,967,936. This increase was for COVID related expenses.

Capital Asset and Debt Administration

Capital assets:

Atascosa County, Texas' investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$52,188,452 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total decrease in Atascosa County, Texas' investment in capital assets for the current fiscal year was 15.96 percent.

There were several equipment purchases and construction during the year.

ATASCOSA COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Total	
	2021	2020	2021	2020
Land	\$1,258,601	\$1,492,897	\$1,258,601	\$1,492,897
Buildings	21,709,877	22,325,396	21,709,877	22,325,396
Building Improvements	14,640,796	15,659,338	14,640,796	15,659,338
Machinery and Equipment	9,570,271	8,838,810	9,570,271	8,838,810
Infrastructure	5,008,907	13,780,171	5,008,907	13,780,171
Total	<u>\$52,188,452</u>	<u>\$62,096,612</u>	<u>\$52,188,452</u>	<u>\$62,096,612</u>

Additional information on Atascosa County, Texas' capital assets can be found in note IV C on page 42 of this report.

Long-term debt:

At the end of the current fiscal year, Atascosa County, Texas had the following bonded debt.

	<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>						
General Obligation Bonds	\$22,340,000		\$1,265,000	\$21,075,000	\$1,310,000	\$19,765,000
Grand Total	\$22,340,000	\$0	\$1,265,000	\$21,075,000	\$1,310,000	\$19,765,000

Atascosa County, Texas' total bonded debt decreased by \$1,265,000 (6 percent) during the current fiscal year. The key factor in this decrease was the payment of bonds of \$1,265,000.

Additional information on Atascosa County, Texas' long-term debt can be found in note IV F on pages 44-46 of this report.

Economic Factors

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 County. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with an overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's business office, 1 Courthouse Circle, Jourdanton, Texas 78026.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ATASCOSA COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government Governmental Activities	Total
<i>ASSETS</i>		
Cash and Cash Equivalents	\$15,717,800	\$15,717,800
Receivables (net of allowance for uncollectibles)	24,667,541	24,667,541
Pension Receivable	0	0
Inventory	36,461	36,461
Prepaid Expenses	50,266	50,266
Capital Assets Not Being Depreciated:		
Land	1,258,601	1,258,601
Total Capital Assets Being Depreciated, Net		
Building and Improvements	21,709,877	21,709,877
Machinery and Equipment	14,640,796	14,640,796
Infrastructure	9,570,271	9,570,271
Intangible	5,008,907	5,008,907
Total Assets	<u>\$92,660,520</u>	<u>\$92,660,520</u>
<i>DEFERRED OUTFLOWS OF RESOURCES</i>		
GASB 68		
Deferred Outflow of Resources-Contributions (after 12/31/20)	2,556,760	2,556,760
Changes of assumptions	2,656,857	2,656,857
Total Deferred Outflows of Resources	<u>5,213,617</u>	<u>5,213,617</u>
<i>LIABILITIES:</i>		
Accounts Payable	\$781,151	\$781,151
Accrued Wages Payable	1,590,638	1,590,638
Accrued Interest Payable	198,332	198,332
Unearned Revenues	106,118	106,118
Noncurrent Liabilities:		
Due Within One Year	1,595,902	1,595,902
Due in More Than One Year	22,585,682	22,585,682
Total Liabilities	<u>26,857,823</u>	<u>26,857,823</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>		
GASB 68		
Net difference between projected and actual earnings	1,784,951	1,784,951
Differences between expected and actual experience	485,573	485,573
Unavailable Revenue - Advanced Tax Collections	8,209,538	8,209,538
Total Deferred Inflows of Resources	<u>10,480,062</u>	<u>10,480,062</u>
<i>NET POSITION</i>		
Invested in Capital Assets, Net of Related Debt	30,683,949	30,683,949
Restricted		
Construction	70,203	70,203
Debt Service	156,710	156,710
Elections	144,405	144,405
Financial Administration	8,030	8,030
General Administration	390,140	390,140
Health and Welfare	558,461	558,461
Judicial	479,038	479,038
Judicial - District Attorney	156,112	156,112
Public Safety	418,369	418,369
Public Safety - Sheriff	200,074	200,074
Public Transportation	964,260	964,260
Records Archives	806,775	806,775
Unrestricted	25,499,726	25,499,726
Total Net Position	<u>\$60,536,252</u>	<u>\$60,536,252</u>

The accompanying notes are an integral part of this statement.

ATASCOSA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense)	Net (Expense)
		Charges for	Operating	Capital	Revenue and	Revenue and
		Services	Grants and	Grants and	Changes in	Changes in
			Contributions	Contributions	Net Position	Net Position
					Governmental	Total
Primary Government						
Government Activities:						
General Administration	\$11,273,277	\$5,443,905	\$177,060	\$1,583,006	(\$4,069,306)	(\$4,069,306)
Legal	924,796	24,995	28,000		(871,801)	(871,801)
Judicial	6,601,079	485,743	1,275,387		(4,839,949)	(4,839,949)
Financial Administration	1,664,094	830,152			(833,942)	(833,942)
Public Facilities	2,932,893			13,678	(2,919,215)	(2,919,215)
Public Safety	16,599,647	1,656,099	78,944		(14,864,604)	(14,864,604)
Public Transportation	14,529,718	691,182	220,619		(13,617,917)	(13,617,917)
Culture and Recreation	42,162				(42,162)	(42,162)
Health and Welfare	1,201,633	104,775	5,031,329		3,934,471	3,934,471
Conservation - Agriculture	213,973		0		(213,973)	(213,973)
Interest and Fiscal Charges	647,219				(647,219)	(647,219)
Total Government Activities	<u>56,630,491</u>	<u>9,236,851</u>	<u>6,811,339</u>	<u>1,596,684</u>	<u>(38,985,617)</u>	<u>(38,985,617)</u>
Total Primary Government	<u>\$56,630,491</u>	<u>\$9,236,851</u>	<u>\$6,811,339</u>	<u>\$1,596,684</u>	<u>(38,985,617)</u>	<u>(38,985,617)</u>
General Revenues						
Property Taxes, Levies for General Purposes					27,575,869	27,575,869
Sales Taxes					4,990,876	4,990,876
Other Taxes					87,136	87,136
Oil Royalties					186,114	186,114
Unrestricted Investment Earnings					95,615	95,615
Miscellaneous					1,261,533	1,261,533
Total General Revenues and Transfers					<u>34,197,143</u>	<u>34,197,143</u>
Change in Net Position					(4,788,474)	(4,788,474)
Net Position - Beginning - Restated					<u>65,324,726</u>	<u>65,324,726</u>
Net Position - Ending					<u>\$60,536,252</u>	<u>\$60,536,252</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ATASCOSA COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<i>ASSETS</i>				
Cash and Cash Equivalents	\$7,952,833	\$2,424,066	\$5,232,574	\$15,609,473
Receivables (net of allowance for uncollectibles)	17,039,352	3,181,050	1,559,268	21,779,670
Inventory		36,461		36,461
Prepaid Items	35,468	12,347	2,451	50,266
Total Assets	<u>\$25,027,653</u>	<u>\$5,653,924</u>	<u>\$6,794,293</u>	<u>\$37,475,870</u>
<i>LIABILITIES AND FUND BALANCES:</i>				
<i>Liabilities</i>				
Accounts Payable	\$621,649	\$111,011	\$48,491	\$781,151
Accrued Wages Payable	1,017,812	177,071	395,755	1,590,638
Bank Overdraft		41,452	868,148	909,600
Deferred Revenue			106,118	106,118
Total Liabilities	<u>1,639,461</u>	<u>329,534</u>	<u>1,418,512</u>	<u>3,387,507</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>				
Unavailable Revenue - Advanced Tax Collections	6,444,886	1,160,003	604,648	8,209,537
Deferred Property Taxes	15,479,588	3,177,578	1,501,079	20,158,245
Total Deferred Inflows of Resources	<u>21,924,474</u>	<u>4,337,581</u>	<u>2,105,727</u>	<u>28,367,782</u>
<i>Fund Balances:</i>				
<i>Non-Spendable</i>				
Inventory		36,461		36,461
Prepaid Items	35,468	12,347	611,080	658,895
<i>Restricted</i>				
Construction			70,203	70,203
Debt Service			156,710	156,710
Elections			144,405	144,405
Financial Administration			8,030	8,030
General Administration			390,140	390,140
Health and Welfare			558,461	558,461
Judicial			479,038	479,038
Judicial - District Attorney			156,112	156,112
Public Safety			418,369	418,369
Public Safety - Sheriff			200,074	200,074
Public Transportation		938,001	26,259	964,260
Records Archives			806,775	806,775
<i>Committed</i>				
Public Safety - Sheriff			11,082	11,082
Unassigned	1,428,250		(766,684)	661,566
Total Fund Balance	<u>1,463,718</u>	<u>986,809</u>	<u>3,270,054</u>	<u>5,720,581</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$25,027,653</u>	<u>\$5,653,924</u>	<u>\$6,794,293</u>	<u>\$37,475,870</u>

The accompanying notes are an integral part of this statement.

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

Total Fund Balances - governmental funds balance sheet	\$5,720,581
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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.	52,188,452
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,887,871

GASB 68

Deferred Outflow of Resources-Contribution	2,556,760
Net difference between projected and actual earnings	(1,784,951)
Changes of assumptions	2,656,857
Differences between expected and actual experience	(485,573)

Internal Service funds are used by management to account for funds for

Insurance. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	1,017,927
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Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	20,158,244
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Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(24,379,916)
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Net Position of Governmental Activities - Statement of Net Position	
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	<u>\$60,536,252</u>
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The accompanying notes are an integral part of this statement.

ATASCOSA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>				
Taxes				
Property	\$21,149,734	\$4,446,313	\$2,036,923	\$27,632,970
Sales	4,990,876			4,990,876
Hotel/Motel	42,716			42,716
Other	44,420			44,420
Intergovernmental	6,739,385	220,619	1,448,019	8,408,023
Licenses and Permits		582,201		582,201
Charges for Services	2,328,675		1,362,498	3,691,173
Fines and Forfeitures	345,839	108,981	582	455,402
Oil Royalties	186,114			186,114
Interest	89,932	1,641	2,220	93,793
Miscellaneous	574,750	72,491	614,292	1,261,533
Total Revenues	36,492,441	5,432,246	5,464,534	47,389,221
<i>EXPENDITURES</i>				
Current:				
General Administration	4,286,712		235,790	4,522,502
Legal	885,477			885,477
Judicial	4,088,481		2,079,464	6,167,945
Financial Administration	1,646,856			1,646,856
Public Facilities	1,637,857			1,637,857
Public Safety	11,536,752		4,689,418	16,226,170
Public Transportation		7,707,607		7,707,607
Culture and Recreation	42,162			42,162
Health and Welfare	13,500		1,187,731	1,201,231
Conservation - Agriculture	213,606		0	213,606
Records Archives			98,834	98,834
Capital Projects -				
Capital Outlay and Other	1,021,842		8,750	1,030,592
Debt Service				
Principal Retirement	195,645		1,265,000	1,460,645
Interest Retirement	11,791		698,410	710,201
Total Expenditures	25,580,681	7,707,607	10,263,397	43,551,685
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	10,911,760	(2,275,361)	(4,798,863)	3,837,536
<i>OTHER FINANCING SOURCES (USES):</i>				
Operating Transfers In		7,030,116	5,659,842	12,689,958
Operating Transfers Out	(7,315,674)	(5,874,284)	0	(13,189,958)
Total Other Financing Sources (Uses)	(7,315,674)	1,155,832	5,659,842	(500,000)
Net Changes in Fund Balances	3,596,086	(1,119,529)	860,979	3,337,536
Fund Balances - Beginning	(2,132,368)	2,106,338	2,409,075	2,383,045
Fund Balances - Ending	1,463,718	986,809	3,270,054	5,720,581

The accompanying notes are an integral part of this statement.

ATASCOSA COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2021

Net Changes in Fund Balances - Total Governmental Funds \$3,337,536

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. (9,908,160)

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. (140,908)

GASB 68

Deferred Outflow of Resources-Contribution. This is the change in these amounts this year. (30,167)

Net difference between projected and actual earnings. This is the change in these amounts this year. (606,960)

Changes of assumptions. This is the change in these amounts this year. 2,586,594

Differences between expected and actual experience. This is the change in these amounts this year. 228,721

(Increase) decrease in Net Pension Liability from beginning of period to end of period. (1,893,040)

Amortization of Bond Premium 54,263

(Increase) decrease in accrued interest payable from beginning of period to end of period. 7,077

Certain property tax revenues are deferred in the funds. This is the change in these amounts this year. 8,719

Internal Service funds are used by management to account for funds for insurance. (57,101)

The net revenue of certain activities of Internal Service funds is reported with
governmental activities. 164,307

Repayment of loan principal is an expenditure in the funds but not an expense in the SOA. 1,460,645

Change in Net Position of Governmental Activities - Statement of Activities (\$4,788,474)

The accompanying notes are an integral part of this statement.

ATASCOSA COUNTY, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Taxes				
Property	\$20,636,862	\$20,636,862	\$21,149,734	\$512,872
Sales	6,250,000	6,250,000	4,990,876	(1,259,124)
Hotel/Motel		25,000	42,716	17,716
Other	40,000	40,000	44,420	4,420
Intergovernmental	915,229	7,394,966	6,739,385	(655,581)
Charges for Services	3,576,050	3,576,050	2,328,675	(1,247,375)
Fines and Forfeitures	311,700	311,700	345,839	34,139
Oil Royalties	300,000	300,000	186,114	(113,886)
Interest	190,000	190,000	89,932	(100,068)
Miscellaneous	502,300	502,300	574,750	72,450
Total Revenues	32,722,141	39,226,878	36,492,441	(2,734,437)

EXPENDITURES

Current:

General Administration				
County Clerk	937,104	937,104	840,279	96,825
County Commissioners				0
County Judge	241,816	241,816	235,506	6,310
Elections	358,378	358,378	257,602	100,776
IT Department	368,165	368,165	350,599	17,566
Non-Departmental	2,767,716	2,713,893	2,016,902	696,991
Statutory County Judge	400,734	400,734	393,120	7,614
Veterans Service	207,388	207,388	192,704	14,684
Legal				
County Attorney	927,497	927,497	885,477	42,020
Judicial				
Child Protection Court	1,000	1,000	45	955
County Court	1,125,500	2,637,303	2,485,224	152,079
Court Expense	248,794	251,157	189,931	61,226
District Clerk	531,772	531,772	450,887	80,885
District Judge				0
Justice of the Peace	1,077,751	1,077,751	962,394	115,357
Financial Administration				
County Auditor	381,951	381,952	357,630	24,322
County Treasurer	387,255	392,255	387,621	4,634
Tax Assessor-Collector	1,025,302	1,025,302	901,605	123,697
Public Facilities				
Buildings and Yards	878,353	907,940	907,941	(1)
Utility	991,600	991,598	729,916	261,682
Public Safety				
Animal Control	691,670	702,774	698,449	4,325
ACIDC				0
Constables	763,079	763,079	705,344	57,735
Crimestoppers	60,264	61,033	60,460	573
D.P.S.	140,510	140,510	119,146	21,364
Emergency Management	167,444	167,444	151,626	15,818
Emergency Management Coordinator	108,701	108,701	55,375	53,326
Fire	215,000	215,000	211,500	3,500
Jail	4,335,136	4,335,136	4,082,215	252,921
Juvenile Probation	308,081	308,081	308,081	0
Reserve Deputies				0
Rural Addressing - 911	28,560	28,560	22,351	6,209
Sheriff	3,818,679	3,818,679	3,437,359	381,320
Sheriff - 911	911,548	911,548	898,947	12,601
TDEM, ACIDC, CSLFRF, HOT	505,000	5,497,936	785,899	4,712,037

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture and Recreation				
County Library	\$42,500	\$42,501	\$42,162	\$339
Health and Welfare				
Pauper	10,000	15,000	13,500	1,500
Conservation - Agriculture				
Agriculture Extension Service	216,647	216,647	213,606	3,041
Debt Service				
Principal Retirement	195,645	195,645	195,645	0
Interest Retirement	11,791	11,791	11,791	0
Total Expenditures	25,388,331	31,893,070	24,558,839	7,334,231
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	7,333,810	7,333,808	11,933,602	4,599,794
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	12,116	12,116		(12,116)
Operating Transfers Out	(7,345,919)	(7,345,919)	(7,315,674)	30,245
Total Other Financing Sources (Uses)	(7,333,803)	(7,333,803)	(7,315,674)	18,129
Net Changes in Fund Balances - Budgetary Basis	7	5	4,617,928	\$4,617,923
Reconciliation:				
Changes in Accrued Wages Payable			(1,021,842)	
Net Changes in Fund Balances			3,596,086	
Fund Balances - Beginning			(2,132,368)	
Fund Balances - Ending			\$1,463,718	

The accompanying notes are an integral part of this statement.

ATASCOSA COUNTY, TEXAS

ROAD AND BRIDGE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$4,190,976	\$4,190,976	\$4,446,313	\$255,337
Intergovernmental	2,869,430	2,869,430	220,619	(2,648,811)
Licenses and Permits	628,000	628,000	582,201	(45,799)
Fines and Forfeitures	125,000	125,000	108,981	(16,019)
Interest	30,000	25,500	1,641	(23,859)
Miscellaneous	31,500	77,355	72,491	(4,864)
Total Revenues	7,874,906	7,916,261	5,432,246	(2,484,015)
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	10,128,742	10,128,742	7,530,537	2,598,205
Total Expenditures	10,128,742	10,128,742	7,530,537	2,598,205
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(2,253,836)	(2,212,481)	(2,098,291)	114,190
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	8,130,116	8,130,116	7,030,116	(1,100,000)
Operating Transfers Out	(5,876,283)	(5,876,283)	(5,874,284)	1,999
Total Other Financing Sources (Uses)	2,253,833	2,253,833	1,155,832	(1,098,001)
Net Changes in Fund Balances - Budgetary Basis	(\$3)	\$41,352	(942,459)	(\$983,811)
Reconciliation:				
Changes in Accrued Wages Payable			(177,070)	
Net Changes in Fund Balances			(1,119,529)	
Fund Balances - Beginning			2,106,338	
Fund Balances - Ending			\$986,809	

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

ATASCOSA COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Internal Service	Internal Service	Total Proprietary Funds
	Insurance Current Year	Insurance Prior Year	Current Year
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$1,017,927	\$1,275,856	\$1,017,927
Receivables (net of allowance for uncollectibles)			0
Total Current Assets	1,017,927	1,275,856	1,017,927
TOTAL ASSETS	<u>\$1,017,927</u>	<u>\$1,275,856</u>	<u>\$1,017,927</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS			
Liabilities			
Current Liabilities (payable from current assets)		\$422,236	\$0
Total Current Liabilities	0	422,236	0
TOTAL LIABILITIES	0	422,236	0
NET POSITION			
Restricted - Expendable	1,017,927	853,620	1,017,927
TOTAL NET POSITION	<u>\$1,017,927</u>	<u>\$853,620</u>	<u>\$1,017,927</u>

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

ATASCOSA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Internal Service	Internal Service	Total Proprietary Funds
	Insurance Current Year	Insurance Prior Year	Current Year
OPERATING REVENUES:			
Charges for Services (User Fees)	\$4,648,983	\$4,899,903	\$4,648,983
Miscellaneous		\$282,972	\$0
TOTAL OPERATING REVENUES	4,648,983	5,182,875	4,648,983
OPERATING EXPENSES			
Insurance Costs	4,985,559	5,588,091	4,985,559
Administrative Fees		38,669	0
Other	939	385	939
TOTAL OPERATING EXPENSES	4,986,498	5,627,145	4,986,498
OPERATING INCOME (LOSS)	(337,515)	(444,270)	(337,515)
NON-OPERATING REVENUES (EXPENSES):			
Interest Income	1,822	8,565	1,822
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,822	8,565	1,822
Income Before Transfers	(335,693)	(435,705)	(335,693)
Transfers In (Out)	500,000	0	500,000
Change in Net Position	164,307	(435,705)	164,307
Total Net Position - Beginning	853,620	1,289,325	853,620
Total Net Position - Ending	\$1,017,927	\$853,620	\$1,017,927

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

ATASCOSA COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Internal Service	Internal Service	Total Proprietary Funds
	Insurance Current Year	Insurance Prior Year	Current Year
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$4,648,983	\$5,182,875	\$4,648,983
Payments to Suppliers	(5,408,734)	(5,204,909)	(5,408,734)
Net Cash Provided (Used) By Operating Activities:	(759,751)	(22,034)	(759,751)
Cash Flows from Non-Capital and Related Financing Activities			
Transfers In	500,000	0	500,000
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	500,000	0	500,000
Cash Flows from Investing Activities			
Interest Received	1,822	8,565	1,822
Net Cash Provided (Used) By Investing Activities	1,822	8,565	1,822
Net Increase (Decrease) in Cash Equivalents	(257,929)	(13,469)	(257,929)
Cash and Cash Equivalents at Beginning of Year	1,275,856	1,289,325	1,275,856
Cash and Cash Equivalents at End of Year	\$1,017,927	\$1,275,856	\$1,017,927

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

(continued)

(continued)

	Internal Service	Internal Service	Total Proprietary Funds
	Insurance	Insurance	
	Current Year	Prior Year	Current Year
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(\$337,515)	(\$444,270)	(\$337,515)
Changes in Current Items			
Decrease (Increase) in Accounts Receivable	0	0	0
Increase (Decrease) in Accounts Payable	(422,236)	422,236	(422,236)
Net Cash Provided (Used) by Operating Activities	<u>(\$759,751)</u>	<u>(\$22,034)</u>	<u>(\$759,751)</u>

Noncash Investing, Capital, and Financing Activities: None

Note: The above funds are all Enterprise Funds.

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

ATASCOSA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Agency Funds			Private Purpose Trust Funds	
	Unemployment Fund	Court Costs	County Offices	Historical Society	Permanent School Fund
ASSETS					
Cash and Cash Equivalents		\$264,783	\$4,318,595	\$18,915	\$37,063
Receivables (net of allowance for uncollectibles)		29,365	0		
Total Assets	\$0	\$294,148	\$4,318,595	\$18,915	\$37,063
LIABILITIES					
Accounts Payable	\$3,661	\$0	\$0	\$1,091	
Due to Others		294,148	4,318,595		
Bank Overdraft	43,570				
Total Liabilities	47,231	294,148	4,318,595	1,091	0
NET POSITION					
Restricted for:					
Held in Trust-Unexpendable					
Unemployment	(47,231)				
Historical Purposes				17,824	
Public School Purposes					37,063
Total Net Position	(\$47,231)	\$0	\$0	\$17,824	\$37,063

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

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

	Agency Funds			Private Purpose Trust Funds	
	Unem- ployment Fund	Court Costs	County Offices	Historical Society	Permanent School Fund
ADDITIONS					
Contributions:					
Private Donations	\$25,750			\$600	
County Officer Fees			4,318,595		
Court Fees		548,966			
Intergovernmental					
Total Contributions	25,750	548,966	4,318,595	600	0
Investment Earnings:					
Interest Received	1			5	12
Total Investment Earnings	1	0	0	5	12
Less Investment Expense					
Net Investment Earnings	1	0	0	5	12
TOTAL ADDITIONS	25,751	548,966	4,318,595	605	12
DEDUCTIONS					
Benefits	36,986				
Distributions to other governments and others			3,648,446		
Distributions to other governments		516,731			
Culture and Recreation-History				5,128	
Total Deductions	36,986	516,731	3,648,446	5,128	0
Change in Net Position	(11,235)	32,235	670,149	(4,523)	12
Net Position-Beginning	(35,996)	261,913	3,648,446	22,347	37,051
Net Position-Ending	(\$47,231)	\$294,148	\$4,318,595	\$17,824	\$37,063

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

ATASCOSA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

I. Summary of Significant Accounting Policies

A. Reporting entity

Atascosa 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), environmental protections (sanitation), 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 Atascosa County, Texas, (the County) conform to generally accepted accounting principles.

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. Fiduciary activities of the County are not included in these statements.

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.

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

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, sales 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.

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows for each major proprietary fund and for the non-major funds aggregated.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the statement of net position. The statement of revenues, expenses and changes in fund net position present increases (revenues) and decreases (expenses) in total 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the insurance fund are charges to employees for their health insurance. Operating expenses for enterprise funds include the cost of insurance premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. 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.

The government reports the following major proprietary funds: The insurance fund accounts for the monies used for the County’s insurance program.

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide statements. The County’s fiduciary funds include the following: The county officer accounts, the unemployment insurance fund, and the court costs fund are used to account for the fines and fees collected and remitted by the County officers in the course of their operations. The Historical Society fund is used to administer monies for the benefit of Atascosa County history maintenance. The permanent school fund is used to administer monies for construction.

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. For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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 December 31, 2021 and 10 percent of the delinquent outstanding property taxes at December 31, 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 consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Compensated Absences, Comp. Time, and Sick Pay

It is the government's policy to permit employees to accumulate earned but unused vacation, comp. time, and sick pay benefits.

There is not a liability for sick pay benefits or vacation since the government does not have a policy to pay these amounts when employees separate from service with the government.

All comp. time is accrued when incurred in the government-wide financial statements. A liability for this amount is reported in government-wide financial statements.

5. Restricted Assets

The County had no restricted assets at December 31, 2021.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There were several equipment purchases and construction during the year.

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

<i>Assets</i>	<i>Years</i>
Buildings	50
Building Improvements	20
Public Domain Infrastructure	50
System Infrastructure	30
Vehicles	5
Office Equipment	5
Computer Equipment	5

7. Long-Term Obligations

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

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

8. 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 only has one item that qualifies for reporting in this category. It is deferred under GASB 68.

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. We have included advanced tax collections and deferred property taxes as deferred inflows in the fund financial statements. We have also included items that qualify for reporting under GASB 68.

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. We have included advanced tax collections and deferred property taxes as deferred inflows in the fund financial statements.

9. 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 and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

10. Fund balance flow assumptions

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

11. Fund Balances – Governmental Funds

As of December 31, 2021, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Inventory	\$36,461
Prepaid Items	658,895
Restricted	
Construction	70,203
Debt Service	156,710
Elections	144,405
Financial Administration	8,030
General Administration	390,140
Health and Welfare	558,461
Judicial	479,038
Judicial - District Attorney	156,112
Public Safety	418,369
Public Safety - Sheriff	200,074
Public Transportation	964,260
Records Archives	806,775
Committed	
Public Safety - Sheriff	11,082
Unassigned	661,566
Total Fund Balance	<u><u>\$5,720,581</u></u>

As of December 31, 2021, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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.

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 35 percent of the subsequent year's budgeted General Fund expenditures.

12. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

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, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$24,379,916 difference are as follows:

Bonds Payable	\$21,075,000
Capital Lease	429,503
Bond Issuance Premium	676,630
GASB 68 Payable	1,854,780
Accrued Interest Payable	198,332
Compensated Absences	145,671
	<u>\$24,379,916</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a 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 \$52,188,452 difference are as follows:

Capital Assets Not Being Depreciated	\$1,258,601
Capital Assets Being Depreciated	422,981,199
Depreciation Expense	(372,051,348)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$52,188,452</u>

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 \$20,158,244 difference are as follows:

Property Taxes Receivable	\$20,665,144
Allowance for Doubtful Accounts	<u>(506,900)</u>
Net	<u><u>\$20,158,244</u></u>

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 \$2,887,871 difference are as follows:

Fines and Fees Receivable	\$8,775,041
Allowance for Doubtful Accounts	<u>(5,887,170)</u>
Net	<u><u>\$2,887,871</u></u>

- 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 (\$9,908,160) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	(\$234,296)
Capital Outlay - Additions - Being Depreciated	2,542,979
Capital Outlay - Deletions	(138,041)
Depreciation Expense	(12,078,802)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u><u>(\$9,908,160)</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. He 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 all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2021 fiscal year were adopted for the General Fund and the Road and Bridge Funds.

B. Excess of Expenditures over Appropriations

For the year ended December 31, 2021, expenditures did not exceed appropriations in the general fund or the road and bridge fund.

C. Deficit Fund Equity

The County had no deficit fund balances as of December 31, 2021, except for the following: Road and Bridge General - \$962,931, Road and Bridge No. 2 - \$89,227, General Permanent Improvement Annex - \$363,948, General Permanent Improvement - \$323,844, YSC – Post Adj Fund - \$79,950, Border Prosecution Fund - \$24,666, Generation Trailer Grant Fund - \$333, Hot Check Fund - \$145, Hazard Mitigation Program - \$10,913, Special Elections Fund - \$69,219, and the DA OVGA Grant 1663889 - \$3,588. These deficits are expected to be liquidated by future resources of the respective 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 substantial compliance with the requirements of the Act and with local policies.

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

Deposits:

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has an investment policy for custodial credit risk. As of December 31, 2021, the government's bank balance of \$10,402,775 was not exposed to custodial credit risk; except for Atascosa National Bank whereby the bank balance of \$537,601 exceeded the FDIC coverage of \$250,00 by \$287,601. For the remaining accounts, the fair market value of the securities pledged is \$14,249,599; the FDIC coverage is \$515,778. The book balance of the deposits was \$3,580,378. The collateral is securities held by the pledging financial institution's trust department or agent, in the government's name.

Investments:

The Interlocal Cooperation Act, chapter 791 of the Texas Government Code, and the Public Funds Investment Act, chapter 2256 of the Texas Government Code, provide for the creation of public funds investment pools, such as TexPool, through which political subdivisions and other entities may invest public funds. TexPool uses amortized cost to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. TexPool does not place any limitations or restrictions such as notice periods or maximum transaction amounts, on withdrawals. TexPool has a credit rating of AAAm from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. TexPool invests in a high quality portfolio of debt securities investments that are legally permissible for local governments in the state. All funds participate in a pooling of cash and investment income in order to maximize investment opportunities. Each fund may liquidate its equity in the pool on demand. The County's investments are authorized by County resolutions, bond ordinances, and State statutes. The County is authorized to invest in obligations of the U.S. Government and its agencies or instrumentalities; direct obligations of Texas and its agencies and instrumentalities; obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent rating; insured or collateralized certificates of deposit; fully collateralized repurchase agreements; and government pools. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County's investments by fair value level are classified in Level 2 of the fair value hierarchy and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The County has no Level 1 investments (investments valued using prices quoted in active markets for identical securities) or Level 3 investments (investments valued using significant unobservable inputs).

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
TexPool Funds	\$12,137,422	Less than 1 year	Less than 1 year

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk. The County's investment policy is to apply the "prudent investor" standard: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The County's investments were rated as follows: TexPool Funds AAAM.

Concentration of Credit Risk. The County places no limit on the amount that may be invested in any one issuer. The County's portfolio is 100 invested in an external investment pool.

B. Receivables

Receivables as of 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 Govern- mental	Total
<u>Receivables</u>				
Taxes	\$15,866,984	\$3,259,515	\$1,538,645	\$20,665,144
Fees and Fines	8,775,041			8,775,041
Accounts	1,559,764	3,473	58,189	1,621,426
Gross Receivables	26,201,789	3,262,988	1,596,834	31,061,611
Less: Allowance for Uncollectibles	6,274,567	81,937	37,566	6,394,070
Net Total Receivables	<u>\$19,927,222</u>	<u>\$3,181,051</u>	<u>\$1,559,268</u>	<u>\$24,667,541</u>

C. Capital Assets

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

	Beginning			Ending
	Balances	Increases	Decreases	Balances
Capital assets not being depreciated:				
Land	\$1,492,897	\$53,350	\$287,646	\$1,258,601
Total capital assets not being depreciated:	1,492,897	53,350	287,646	1,258,601
Capital assets being depreciated:				
Buildings	28,967,086	73,035	1,500	29,038,621
Building Improvements	21,510,641	11,262	71,796	21,450,107
Machinery and Equipment	18,463,265	2,458,682	442,458	20,479,489
Infrastructure	352,012,982			352,012,982
Total capital assets being depreciated:	420,953,974	2,542,979	515,754	422,981,199
Less: Accumulated Depreciation for:				
Buildings	6,641,690	687,444	390	7,328,744
Building Improvements	5,851,303	979,547	21,539	6,809,311
Machinery and Equipment	9,624,455	1,640,547	355,784	10,909,218
Infrastructure	338,232,811	8,771,264		347,004,075
Total Accumulated Depreciation	360,350,259	12,078,802	377,713	372,051,348
Total Capital Assets Depreciated, Net	60,603,715	(9,535,823)	138,041	50,929,851
Governmental Activities capital assets, Net	\$62,096,612	(\$9,482,473)	\$425,687	\$52,188,452

Depreciation charged to the functions is as follows:

Governmental Activities	
General Administration	\$674,494
Legal	52,035
Judicial	136,146
Financial Administration	33,864
Public Facilities	1,447,427
Public Safety	956,746
Public Transportation	8,776,332
Health and Welfare	1,758
Total Depreciation Expense - Governmental Activities	<u>\$12,078,802</u>

Construction commitments

There were several equipment purchases and construction during the year.

D. Interfund Receivables, Payables, and Transfers

There were no advances at December 31, 2021.

There were no due to/from other funds at December 31, 2021.

Transfers for the year ended December 31, 2021, are as follows:

INTERFUND	
ACCOUNT	AMOUNT
GENERAL FUND	
TRANSFER TO I H C	\$1,713,050
TRANSFER TO YOUTH SERVICES	1,652,404
TRANSFER TO HEALTH INSURANCE	500,000
TRANSFER TO AEP	10,860
TRANSFER TO DISTRICT ATTORNEY	507,289
TRANSFER TO AMBULANCE	1,376,784
TRANSFER TO COURT SECURITY	302,473
TRANSFER TO FROST LEGAL	3,600
TRANSFER TO R & B	1,155,833
TRANSFER TO COURT COORDINATOR	93,381
	<u>\$7,315,674</u>
INTRAFUND	
ROAD AND BRIDGE GENERAL	
TRANSFER TO ROAD AND BRIDGE PRECINCTS	5,874,284
	<u>\$5,874,284</u>
	<u>\$13,189,958</u>

The above transfers are recurring. All the above transfers are for operating capital purposes.

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$108,159 for the year ended December 31, 2021. Rent expenditures were \$9,600 for the year ended December 31, 2021. Sublease rental income was \$0 for the year ended December 31, 2021. Rental income was \$1,100 for the year ended December 31, 2021.

The future minimum lease payments for these leases are as follows:

Year Ending	<u>Amount</u>
Dec. 31,	
2022	\$108,088
2023	55,483
2024	7,444
2025	<u>5,940</u>
Total	<u>\$176,954</u>

F. Long-Term Debt

Bonds

The County issued Tax Notes, Series 2016 in the amount of \$9,725,000. The proceeds from these notes were used to pay for future projects of the County. The balance at December 31, 2021 is \$8,440,000.

The County issued Tax Notes, Series 2017 in the amount of \$9,540,000. The proceeds from these notes were used to pay for future projects of the County. The balance at December 31, 2021 is \$8,635,000.

The County issued Tax Notes, Series 2020 in the amount of \$4,870,000. The proceeds from these notes were used to pay for future projects of the County. The balance at December 31, 2021 is \$4,000,000.

The bonds are direct obligations and pledge the full faith and credit of the government.

Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Rates</u>	<u>Amount</u>
Tax Notes - Series 2016	2.50% to 2.75%	8,440,000
Tax Notes - Series 2017	3.00% to 4.00%	8,635,000
Tax Notes - Series 2019	3.00% to 4.00%	4,000,000

The following is a summary of debt service requirements to maturity.

Year Ending December 31,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$1,310,000	\$653,585
2023	1,355,000	606,435
2024	1,105,000	561,610
2025	1,145,000	521,135
2026	1,185,000	479,185
2027-2031	6,535,000	1,761,618
2032-2036	6,520,000	746,299
2037-2038	1,920,000	47,825
TOTALS	<u>\$21,075,000</u>	<u>\$5,377,692</u>

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

Assets acquired through capital leases are as follows:

Asset:	SPILLMAN LAW ENFORCEMENT	
	<u>SOFTWARE</u>	<u>TOTAL</u>
Cost	\$744,601	\$744,601
Less: Accumulated Depreciation	148,920	148,920
Total	<u>\$595,681</u>	<u>\$595,681</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

SPILLMAN LAW			
ENFORCEMENT			
YEAR	SOFTWARE	TOTAL	
2022	\$149,164	\$149,164	
2023	149,164	149,164	
2024	149,164	149,164	
Total Minimum Lease Payments	447,492	447,492	
Less: Amount Representing Interest	17,989	17,989	
Present Value of Net Minimum Lease Payments	\$429,503	\$429,503	

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

Changes in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
General Obligation Bonds	\$22,340,000		\$1,265,000	\$21,075,000	\$1,310,000	\$19,765,000
Bond Issuance Premium	730,893		54,263	676,630		676,630
Capital Lease	625,148		195,645	429,503	140,231	289,272
GASB 68 Payable		1,854,780		1,854,780		1,854,780
Compensated Absences	152,748	145,671	152,748	145,671	145,671	0
Grand Total	\$23,848,789	\$2,000,451	\$1,667,656	\$24,181,584	\$1,595,902	\$22,585,682

The above bonds are serviced by the debt service funds established for the purpose of servicing the bonded debt. The capital leases are serviced by the general fund and the ambulance fund. The compensated absences are funded by the general and road and bridge funds.

The general and road and bridge funds are used to service the compensated absences. The estimated amount due in the 2022 year is \$145,671.

The government-wide statement of activities includes \$1,595,902 as "noncurrent liabilities, due within one year".

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).

	Year ended 12/31/21	Year ended 12/31/20
Unpaid Claims, Beginning of Fiscal Year	\$ -0-	\$ -0-
Incurred Claims (including IBNRs)		
Claim Payments		
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 carry 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 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

Laura Pawelek (County Treasurer) and Jackie Boden (Justice of the Peace No. 4) are sisters.

Orlando Carrasco's (Justice of the Peace No. 3) brother-in-law, Sergio Chapa, owns SureCo Construction. The amount paid for the year is \$6,721.92.

Bob Hurley's (County Judge) cousins, Ross and Pat Hurley, own Hurley Funeral Home. The amount paid for the year is \$32,350.00.

Mark Gillespie's (Commissioner Precinct No. 1) son, Cody Gillespie, collects stray for the County. The amount paid for the year is \$2,745.

In all of the above, there were no amounts owed at December 31, 2021.

C. Subsequent Events

On April 11, 2022, the County approved to purchase a 2022 John Deere 310SL for \$104,473.66, with a trade in value of \$73,500.00, for a total purchase cost of \$30,973.66 for Road and Bridge Precinct #4.

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.

Mario Quintanilla v. Correctional Officer L. Araiza, Atascosa County Jail, Corporal K. DeLeon, Sergeant C. Jalie and Atascosa County Sheriff David Soward; Civil Action No. 5:20-CV-00927-DAE – Plaintiff Mario Quintanilla ("Quintanilla" or "Plaintiff") is a 47-year-old male who was incarcerated in the Atascosa County Jail awaiting trial from November 6, 2019 to June 28, 2021. Quintanilla was indicted in February 2020 for the offense of manufacture and delivery of a controlled substance in penalty group one. Although Quintanilla has a lengthy criminal history, this was the first time he was in the Atascosa County Jail. During his detention, Quintanilla was involved in altercations with other inmates and jail staff - most notably a fight with another inmate on the night of May 13, 2022, which occurred just off-camera. Jail officers had to restrain Quintanilla after the fighting incident, and their alleged acts or omissions in doing so gave rise to this lawsuit. Quintanilla was also a persistent complainer and filed approximately one (1) grievance per week. Quintanilla filed four lawsuits against Atascosa County and/or Atascosa County Jail employees. Two of those lawsuits were dismissed by the Court as frivolous, and two remain pending. In this lawsuit, Quintanilla makes excessive force allegations against Correctional Officer Araiza and Corporal DeLeon. Specifically, Quintanilla alleges that CO Araiza twisted the handcuffs on his wrist, causing him to bleed and Corporal DeLeon punched him for no reason. There is surveillance video showing DeLeon striking Quintanilla with an open hand when Quintanilla turned around on Araiza, which, per the jail captain, is appropriate and what they teach to gain control of an inmate. Quintanilla alleges he sustained a laceration on his wrist, a busted lip and a black left eye, but video evidence seems to show the lip and eye injuries were sustained in the preceding fight with another inmate. Quintanilla also alleges Sergeant Pratka violated his due process rights by ordering him placed in a restraint chair for more than three hours, where he was left to urinate and defecate on himself. There is surveillance video of Quintanilla being placed in the restraint chair at midnight, after his altercation with Araiza and DeLeon, and then wheeled toward an empty room called "Detox A." There is also video of Sergeant Pratka releasing him from the chair at about 3:26 am. There is no video, unfortunately, of the intervening 3 ½ hours. But there is a restraint-chair observation log where officers observed and noted Quintanilla's condition every ten minutes and noted a 2-hour extremity check at 1:54 am. Quintanilla also sued Sheriff Soward, alleging he deliberately failed to act when presented with a risk of constitutional harm, and he also sued the defendants in their official capacities. On September 24, 2020, the County

Defendants filed a Motion to Dismiss all of Quintanilla's claims in this lawsuit. Specifically, the County Defendants argued that Plaintiff failed to plead sufficient factual allegations to state a Fourteenth Amendment excessive force claim against any of the County Defendants. Further, the County Defendants argued they were entitled to qualified immunity. On May 5, 2020, the Court (the Judge Xavier Rodriguez) granted in part and denied in part the Motion to Dismiss. The Court dismissed the claims against Sheriff Soward but denied the motion as to excessive-force and assault claims against CO Araiza and Corporal DeLeon and a due-process claim against Sergeant Pratka (formerly Jalie) for allegedly ordering him restrained without bathroom breaks. We then answered for the officers, denying the substantive allegations, and asserting their defenses and immunities. Judge Rodriguez denied Plaintiffs three motions to appoint him counsel. But the case was transferred to Judge David Alan Ezra, who is also hearing the Quintanilla v. Gonzales case described below. Judge Ezra appointed Clay Snell of Bayne, Snell & Krause to represent Plaintiff in both lawsuits. On March 22, 2022, Snell filed a Second Amended Complaint, adding allegations of state law assault and a claim for attorneys' fees. We filed a counterclaim for attorneys' fees because Plaintiffs' claims in the lawsuit, especially against CO Araiza and Corporal DeLeon, appear to be frivolous, unreasonable and/or without foundation. We also filed an answer to the Second Amended Complaint. Snell responded to our written discovery requests on March 18, 2022, largely by stating he could not provide responses because he had not been able to communicate with Quintanilla, who was incarcerated in Harris County Jail. Quintanilla has now been released again, however, and we have requested Quintanilla supplement his discovery responses and appear for deposition in both this case and the Gonzales case on June 3, 2022. We have retained a criminal-justice expert with experience and training in the proper use of restraint chairs for inmates, Jay O. Coons, Ph.D. from Sam Houston State University, and we have until June 13, 2022 to designate him and serve his expert report. The County intends to contest the case vigorously and intends to file a motion for summary judgment after deposing Quintanilla and obtaining a declaration from its retained expert in the case. Quintanilla made a settlement demand of \$300,000 for this case, along with an identical demand for the Gonzales case, on March 23, 2022, which we rejected. Based on the currently available information, we would estimate the likelihood of an unfavorable verdict against CO Araiza and Corporal DeLeon for the force they used to get control of Quintanilla after his fighting incident at ~10%. We would estimate the likelihood of an unfavorable verdict against Sgt. Pratka for authorizing use of the five point restraint chair and releasing Quintanilla after 3 ½ hours at ~40%. If Quintanilla is successful on his claims, he is seeking noneconomic damages for past and future physical pain and mental anguish, impairment, and disfigurement, plus attorney's fees.

Mario Quintanilla v. Martin Gonzalez, David Soward and Amanda Faz; Civil Action No. 5:20-CV-00563-DAE - In this lawsuit, Quintanilla sued Sheriff Soward, Captain Martin Gonzales (the jail administrator) and law librarian Amanda Faz. He alleged they wrongfully denied him access to the courts by refusing his requests for library time and legal documents. He also alleged Captain Gonzales violated his rights by assaulting him (pushing him into a metal shelf), putting him into solitary confinement for nearly four of his first eight months in the Atascosa County Jail, and housing him in a solitary cell with only a security light over a desk, which he contends was insufficient for reading. He alleged Captain Gonzales assaulted him and confined him on "lockdown" as retaliation for his prior grievances related to access to the law library and legal documents. He also alleged Captain Gonzales withheld Plaintiffs mail, confiscated a letter, allowed Plaintiffs phone minutes to be stolen, and allowed him to be strapped in a four-point restraint chair. On November 10, 2020, the County Defendants filed a Motion to Dismiss all of Plaintiffs claims in this lawsuit. Specifically, the County Defendants argued that Plaintiff failed to plead sufficient factual allegations to state a Fourteenth Amendment excessive force or due process claim, or an Eighth Amendment cruel and unusual punishment claim (which does not apply to pretrial detainees), against any of the County Defendants. Further, the County Defendants asserted their entitlement to qualified immunity. The Court converted the Motion to Dismiss to a Motion for Summary Judgment and ordered the County Defendants to supplement and respond to Plaintiffs inadequate lighting claim as if it had been correctly brought under the Fourteenth Amendment. On June 25, 2021, the Court granted Defendants' Motion for Summary Judgment as to all official-capacity allegations, all allegations against Officer Faz and Sheriff Soward, and the access to the courts, mail-withholding, letter-confiscating, phone-minutes, dark-cell, and restraint-chair allegations against Captain Gonzales. The Court denied the Motion as to the claims against Captain Gonzales individually for excessive force and retaliation related to a January 9, 2020 random cell search incident, after which Plaintiff was reclassified to "lockdown" for refusing to comply with Captain Gonzales' direct orders and disruptive conduct. Thus, the Court has allowed the excessive-force and retaliation allegations against now-former Captain Gonzales to proceed toward trial. Plaintiffs' appointed counsel, Clay Snell, filed a Second Amended Complaint on May 3, 2022, which we answered. As in the Araiza et al. case described above, Snell responded to our written discovery requests on March 18, 2022, largely by stating he could not provide responses because he had not been able to communicate with Quintanilla. Quintanilla is now out of jail, however, and we have requested Quintanilla supplement his discovery responses and appear for deposition in both this case and the Gonzales case on June 3, 2022. We have retained a criminal-justice expert with experience and training in the proper use of restraint chairs for inmates, Jay O. Coons, Ph.D. from Sam Houston State University, and we have until June 13, 2022 to designate him and serve his expert report. The County intends to contest the case vigorously, but the case will likely need to go to trial because the Court already ruled on County Defendants' motion as a summary judgment. Quintanilla made a settlement demand of

\$300,000 for this case, along with an identical demand for the Araiza et al. case, on March 23, 2022, which we rejected. Based on the currently available information, we would estimate the likelihood of an unfavorable verdict against Captain Gonzales for excessive force, retaliation and/or assault against Quintanilla at ~25%. If Quintanilla is successful on his claims, he is seeking noneconomic damages for past and future physical pain and mental anguish, impairment, and disfigurement, plus attorney's fees. As of December 31, 2021, Atascosa County did not owe any sums to GERMER PLLC.

Stephanie Carrera, Individually and as Representative of the Estate of Serenity Ann Rodriguez, Deceased v. Atascosa County Sheriff's Office and Officer Ronald David Sanchez, Cause No. 21100898CVA - Plaintiff's Decedent was on a rural highway in Atascosa County during the early morning hours of June 8, 2021 at such time as she was intoxicated walking in the middle of the highway and was struck by on-duty Deputy Ronald Sanchez in a marked Chevy Tahoe. Plaintiffs' Decedent had on the prior day attempted suicide by being run over in traffic in Atascosa County. Plaintiff's Decedent had been detained and released the prior day. The rural highway in Atascosa County did not have any lighting and Deputy Sanchez was unable to see Plaintiff's Decedent walking in the road. The investigation cleared Deputy Sanchez of any negligence concerning the accident in question. The case is filed under the TEXAS TORT CLAIMS ACT which has a cap on liability of \$100,000.00. This does not appear to be a case of liability on behalf of Defendant Atascosa County. Plaintiff's Decedent was suicidal at the time of the accident in question. Defendant Atascosa County and Deputy Sanchez should prevail once discovery is completed with a dispositive motion. There are no unasserted claims and assessments at this time.

E. Other Post Employment Benefits

The County does not participate in any Other Post Employment Benefit plan with the exception of COBRA. The County's participation in COBRA is considered to be immaterial and therefore is not included in the government-wide financial statements.

F. 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 was restated upward by \$969,912; due to the County misstating the capital assets.

The restatement had the corresponding effect on the beginning net position, as follows:

	Net Position, as Previously Reported	Capital Asset - Miscellaneous	Net Position As Restated
Governmental Activities:			
Net Position	\$64,354,814	\$969,912	\$65,324,726
Total Governmental Activities	<u>\$64,354,814</u>	<u>\$969,912</u>	<u>\$65,324,726</u>

G. Tax Abatements

State law allows governments to enter into agreements for tax abatements which is anticipated to result in industry expansions and future revenues for the district. Under these agreements a company is exempt from paying a portion if not all property taxes to the district for a certain period. In return the company agrees to construct or expand new industry in the district and employ a certain number of workers.

On March 9, 2020, the County entered into an agreement pursuant to Chapter 312 of the Texas Tax Code, with Grandslam Solar, LLC. Owner anticipates constructing Improvements on the Site consisting of a photovoltaic solar powered electricity generation facility (the "Project"). The Project is anticipated to consist of solar equipment located in the Reinvestment Zone with a total Nameplate Capacity for the Project of approximately 228 megawatts (ac). The total Nameplate Capacity will vary depending on the type of solar equipment used and the size of the facility. The Project is expected to have an overall minimum investment in the County of \$200,000,000.

The terms of the agreement are as follows:

1. The Abatement shall extend for a period of ten (10) tax years beginning on the Abatement Start Date (the "Abatement Period") and shall apply to all Eligible Property Value for each tax year in the Abatement Period.
2. In consideration for the Abatement, Owner agrees to create at least 2 permanent employment positions, for the purposes of operating and maintaining the improvements, by the Completion Date, and to maintain these 2 permanent employment positions throughout the remainder of the Abatement Period.
3. The Abatement amount is such percentage deemed appropriate by the Atascosa County Commissioners Court, but not to exceed 80%.

H. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)	Net Pension Liability / (Asset)	
	December 31, 2019	December 31, 2020
Total pension liability	\$50,216,049	\$57,478,648
Fiduciary net position	50,251,309	55,623,868
Net pension liability/(asset)	(38,260)	1,854,780
Fiduciary net position as a % of total pension liability	100.08%	96.77%
Pensionable covered payroll	\$17,936,542	\$18,951,871
Net Pension liability as a % of covered payroll	-0.21%	9.79%

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 exist 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	January 1, 2021	December 31, 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 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 Equity REITs 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 ⁽⁵⁾	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 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, 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	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position (a)+(b)-(c)- (d)+(e)
(a)	(b)	(c)	(d)	(e)		
2021	\$55,623,868	\$2,548,324	\$3,347,497	\$55,624	\$4,195,526	\$58,964,597
2022	58,964,597	2,568,578	2,938,809	58,965	4,465,299	63,000,700
2023	63,000,700	2,449,616	3,156,182	63,001	4,759,345	66,990,478
2024	66,990,478	2,362,321	3,355,699	66,990	5,051,720	70,981,830
2025	70,981,830	2,285,148	3,558,668	70,982	5,344,464	74,981,792
2026	74,981,792	2,213,140	3,788,957	74,982	5,637,035	78,968,028
2027	78,968,028	2,139,030	4,049,586	78,968	5,927,353	82,905,857
2028	82,905,857	2,070,666	4,345,484	82,906	6,212,892	86,761,025
2029	86,761,025	2,016,203	4,606,566	86,761	6,493,970	90,577,871
2030	90,577,871	1,965,040	4,845,156	90,578	6,773,099	94,380,276
2031	94,380,276	1,911,669	5,140,877	94,380	7,048,917	98,105,605
2032	98,105,605	1,866,251	5,456,474	98,106	7,318,436	101,735,712
2033	101,735,712	1,824,184	5,727,259	101,736	7,582,518	105,313,419
2034	105,313,419	1,785,065	5,972,995	105,313	7,843,664	108,863,840
2035	108,863,840	1,748,958	6,319,526	108,864	8,099,090	112,283,498
2036	112,283,498	1,710,863	6,667,023	112,283	8,344,472	115,559,527
2037	115,559,527	1,673,563	6,977,686	115,560	8,580,347	118,720,191
2038	118,720,191	1,637,935	7,262,420	118,720	8,808,489	121,785,475
2039	121,785,475	1,605,306	7,556,960	121,785	9,029,131	124,741,167
2040	124,741,167	1,573,751	7,818,364	124,741	9,242,725	127,614,538
2041	127,614,538	1,540,415	8,135,816	127,615	9,447,908	130,339,430
2042	130,339,430	1,226,070	8,415,274	130,339	9,632,747	132,652,634
2043	132,652,634	1,188,518	8,661,604	132,653	9,797,874	134,844,769
2044	134,844,769	1,149,371	9,051,723	134,845	9,948,381	136,755,953
2045	136,755,953	1,113,683	9,321,938	136,756	10,082,149	138,493,091
2046	138,493,091	1,077,946	9,586,270	138,493	10,202,912	140,049,186
2047	140,049,186	1,044,459	9,920,621	140,049	10,307,396	141,340,371
2048	141,340,371	1,015,661	10,151,596	141,340	10,395,787	142,458,883
2049	142,458,883	989,948	10,320,796	142,459	10,473,481	143,459,057
2050	143,459,057	966,834	10,578,786	143,459	10,538,971	144,242,617
2051	144,242,617	947,703	10,717,652	144,243	10,592,598	144,921,023
2052	144,921,023	932,423	10,863,055	144,921	10,638,137	145,483,607
2053	145,483,607	918,748	10,988,660	145,484	10,675,677	145,943,888
2054	145,943,888	909,852	11,120,365	145,944	10,705,396	146,292,827
2055	146,292,827	905,136	11,131,279	146,293	10,731,320	146,651,711
2056	146,651,711	901,600	11,173,480	146,652	10,756,875	146,990,054
2057	146,990,054	902,348	11,177,754	146,990	10,782,445	147,350,103
2058	147,350,103	906,848	11,076,305	147,350	10,813,748	147,847,044
2059	147,847,044	912,931	11,007,174	147,847	10,854,303	148,459,257

2060	148,459,257	922,450	10,884,543	148,459	10,905,738	149,254,443
2061	149,254,443	934,989	10,699,469	149,254	10,973,514	150,314,223
2062	150,314,223	948,287	10,502,957	150,314	11,061,845	151,671,084
2063	151,671,084	965,630	10,259,408	151,671	11,174,648	153,400,283
2064	153,400,283	986,108	9,984,262	153,400	11,317,030	155,565,759
2065	155,565,759	1,007,797	9,707,036	155,566	11,492,676	158,203,630
2066	158,203,630	1,032,279	9,399,165	158,204	11,705,454	161,383,994
2067	161,383,994	1,058,673	9,079,720	161,384	11,959,945	165,161,508
2068	165,161,508	1,086,831	8,745,885	165,162	12,260,399	169,597,691
2069	169,597,691	1,116,359	8,408,329	169,598	12,611,077	174,747,200
2070	174,747,200	1,147,877	8,051,463	174,747	13,016,736	180,685,603
2071	180,685,603	1,180,485	7,694,512	180,686	13,482,365	187,473,255
2072	187,473,255	1,214,526	7,332,351	187,473	14,012,754	195,180,711
2073	195,180,711	1,250,385	6,957,561	195,181	14,613,552	203,891,906
2074	203,891,906	1,287,175	6,588,477	203,892	15,290,418	213,677,130
2075	213,677,130	1,325,397	6,215,749	213,677	16,049,060	224,622,161
2076	224,622,161	1,365,085	5,840,659	224,622	16,895,948	236,817,913
2077	236,817,913	1,406,038	5,467,848	236,818	17,837,805	250,357,090
2078	250,357,090	1,448,219	5,100,231	250,357	18,881,564	265,336,285
2079	265,336,285	1,491,666	4,739,022	265,336	20,034,520	281,858,113
2080	281,858,113	1,536,416	4,384,979	281,858	21,304,439	300,032,131
2081	300,032,131	1,582,508	4,039,116	300,032	22,699,608	319,975,099
2082	319,975,099	1,629,983	3,702,545	319,975	24,228,856	341,811,418
2083	341,811,418	1,678,883	3,376,043	341,811	25,901,606	365,674,053
2084	365,674,053	1,729,249	3,060,606	365,674	27,727,922	391,704,944
2085	391,704,944	1,781,127	2,757,447	391,705	29,718,543	420,055,462
2086	420,055,462	1,834,561	2,467,642	420,055	31,884,929	450,887,255
2087	450,887,255	1,889,597	2,192,388	450,887	34,239,316	484,372,893
2088	484,372,893	1,946,285	1,932,793	484,373	36,794,774	520,696,786
2089	520,696,786	2,004,674	1,689,804	520,697	39,565,278	560,056,237
2090	560,056,237	2,064,814	1,464,165	560,056	42,565,789	602,662,619
2091	602,662,619	2,126,759	1,256,554	602,663	45,812,340	648,742,501
2092	648,742,501	2,190,561	1,067,311	648,743	49,322,131	698,539,139
2093	698,539,139	2,256,278	896,520	698,539	53,113,641	752,313,999
2094	752,313,999	2,323,966	744,133	752,314	57,206,734	810,348,252
2095	810,348,252	2,393,685	609,716	810,348	61,622,788	872,944,661
2096	872,944,661	2,465,496	492,574	872,945	66,384,828	940,429,466
2097	940,429,466	2,539,461	391,893	940,429	71,517,671	1,013,154,276
2098	1,013,154,276	2,615,645	306,676	1,013,154	77,048,065	1,091,498,156
2099	1,091,498,156	2,694,114	235,747	1,091,498	83,004,850	1,175,869,875
2100	1,175,869,875	2,774,938	177,793	1,175,870	89,419,130	1,266,710,280

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2019	\$50,216,049	\$50,254,309	(\$38,260)
Changes of the year:			
Service cost	2,058,207		2,058,207
Interest on total pension liability	4,139,709		4,139,709
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	(51,145)		(51,145)
Effect of assumptions changes or inputs	3,495,635		3,495,635
Refund of contributions	(285,264)	(285,264)	0
Benefit payments	(2,094,542)	(2,094,542)	0
Administrative expenses		(40,701)	40,701
Member contributions		1,137,112	(1,137,112)
Net investment income		5,192,031	(5,192,031)
Employer contributions		1,449,815	(1,449,815)
Other	0	11,109	(11,109)
Balances as of December 31, 2020	\$57,478,649	\$55,623,869	\$1,854,780

Sensitivity Analysis

The following presents the net pension liability of the employer, calculated using the discount rate of 8.10%, as well as what the Atascosa County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$65,627,152	\$57,478,648	\$50,732,024
Fiduciary net position	55,623,868	55,623,868	55,623,868
Net pension liability/(asset)	\$10,003,284	\$1,854,780	(\$4,891,844)

Pension Expense / (Income)

Pension Expense / (Income)	January 1, 2020 to December 31, 2020
Service cost	\$2,058,207
Interest on total pension liability	4,139,709
Effect of plan changes	0
Administrative expenses	40,701
Member contributions	(1,137,112)
Expected investment return net of investment expenses	(4,077,649)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(279,866)
Recognition of assumption changes or inputs	909,041
Recognition of investment gains or losses	(507,422)
Other	(11,109)
Pension expense	<u>\$1,134,500</u>

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	\$485,573	\$0
Changes of assumptions	0	2,656,857
Net difference between projected and actual earnings	1,784,951	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	\$68,475
2022	640,011
2023	(99,275)
2024	(222,878)
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 (a)	Date Established (b)	Original Recognition Period (c)	Amount Recognized for 2020 (a) / (c)	Inflows	Outflows
Investment (gains) or losses					
(\$1,114,382)	12/31/2020	5	(\$222,876)	\$891,506	\$0
(3,573,343)	12/31/2019	5	(714,669)	2,144,005	0
4,368,583	12/31/2018	5	873,717	0	1,747,432
(2,484,363)	12/31/2017	5	(496,873)	496,872	0
266,398	12/31/2016	5	53,280	0	0
Economic/demographic (gains) or losses					
(51,145)	12/31/2020	4	(12,786)	38,359	0
(114,257)	12/31/2019	5	(22,851)	68,555	0
(672,163)	12/31/2018	5	(134,433)	268,864	0
(548,979)	12/31/2017	5	(109,796)	109,795	0
Assumption changes or inputs					
3,495,635	12/31/2020	4	873,909	0	2,621,726
0	12/31/2019	5	0	0	0
0	12/31/2018	5	0	0	0
175,659	12/31/2017	5	35,132	0	35,131

Schedule of Changes in Net Pension Liability and Related Ratios

Year Ended December 31

	2020	2019	2018	2017	2016	2015	2014	2013- 2009
Total Pension Liability								
Service cost	\$2,058,207	\$1,857,261	\$1,754,568	\$1,868,029	\$1,831,080	\$1,576,943	\$1,380,945	N/A
Interest on total pension liability	4,139,709	3,846,150	3,644,000	3,429,615	3,101,142	2,883,286	2,653,162	N/A
Effect of plan changes	0	243,550	0	0	0	(338,868)	190,807	N/A
Effect of assumption changes or inputs	3,495,635	0	0	175,659	0	428,329	0	N/A
Effect of economic/demographic (gains) or losses	(51,146)	(114,257)	(672,163)	(548,979)	61,665	(297,489)	126,159	N/A
Benefit payments/refunds of contributions	<u>(2,379,807)</u>	<u>(2,437,982)</u>	<u>(2,232,847)</u>	<u>(2,098,045)</u>	<u>(1,727,141)</u>	<u>(1,562,785)</u>	<u>(1,550,316)</u>	<u>N/A</u>
Net change in total pension liability	7,262,599	3,394,722	2,493,557	2,826,279	3,266,746	2,689,417	2,800,757	<u>N/A</u>
Total pension liability, beginning	<u>50,216,049</u>	<u>46,821,328</u>	<u>44,327,770</u>	<u>41,501,491</u>	<u>38,234,745</u>	<u>35,545,329</u>	<u>32,744,572</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$57,478,648</u>	<u>\$50,216,049</u>	<u>\$46,821,328</u>	<u>\$44,327,770</u>	<u>\$41,501,491</u>	<u>\$38,234,745</u>	<u>\$35,545,329</u>	<u>N/A</u>
Fiduciary Net Position								
Employer contributions	\$1,449,815	\$1,554,805	\$1,257,603	\$1,207,969	\$1,217,536	\$1,110,610	\$1,007,343	N/A
Member contributions	1,137,112	1,076,193	986,359	947,431	954,934	871,066	790,073	N/A
Investment income net of investment expenses	5,192,031	7,064,748	(816,921)	5,583,334	2,600,415	(318,552)	2,183,243	N/A
Benefit payments/refunds of contributions	(2,379,807)	(2,437,982)	(2,232,847)	(2,098,045)	(1,727,141)	(1,562,785)	(1,550,316)	N/A
Administrative expenses	(40,701)	(38,296)	(34,555)	(29,166)	(28,310)	(25,272)	(26,021)	N/A
Other	<u>11,109</u>	<u>13,609</u>	<u>4,736</u>	<u>494</u>	<u>76,717</u>	<u>57,299</u>	<u>109,101</u>	<u>N/A</u>
Net change in fiduciary net position	5,369,559	7,233,077	(835,624)	5,612,016	3,094,152	132,367	2,513,422	N/A
Fiduciary net position, beginning	<u>50,254,309</u>	<u>43,021,233</u>	<u>43,856,857</u>	<u>38,244,841</u>	<u>35,150,688</u>	<u>35,018,321</u>	<u>32,504,899</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$55,623,868</u>	<u>\$50,254,309</u>	<u>\$43,021,233</u>	<u>\$43,856,857</u>	<u>\$38,244,841</u>	<u>\$35,150,688</u>	<u>\$35,018,321</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$1,854,780</u>	<u>(\$38,260)</u>	<u>\$3,800,095</u>	<u>\$470,913</u>	<u>\$3,256,651</u>	<u>\$3,084,057</u>	<u>\$527,007</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	96.77%	100.08%	91.88%	98.94%	92.15%	91.93%	98.52%	N/A
Pensionable covered payroll	\$18,951,871	\$17,936,542	\$16,439,316	\$15,790,509	\$3,256,651	\$14,517,768	\$13,167,876	N/A
Net pension liability/(asset) as % of covered payroll	9.79%	-0.21%	23.12%	2.98%	92.15%	21.24%	4.00%	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
2010	\$679,973	\$679,973	\$0	\$10,007,592	7.10%
2011	716,113	716,113	0	9,891,098	6.80%
2012	868,747	868,747	0	11,356,161	7.20%
2013	1,003,392	1,007,343	(3,951)	13,167,876	7.70%
2014	1,072,863	1,110,610	(37,747)	14,517,768	7.70%
2015	1,120,456	1,217,536	(97,080)	15,915,574	7.70%
2016	1,143,233	1,207,969	(64,736)	15,790,509	7.60%
2017	1,229,661	1,257,603	(27,942)	16,439,316	7.60%
2018	1,289,637	1,554,805	(265,168)	17,936,542	7.60%
2019	1,289,637	1,554,805	(265,168)	17,936,542	8.70%
2020	1,355,059	1,449,815	(94,756)	18,951,871	7.60%

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: Employer contributions reflect that a 2% flat COLA was adopted. 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: Employer contributions reflect that a 1% flat COLA was adopted.

Appendix A— GASB 68 Plan Description for Atascosa County

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

- a. Atascosa 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) TCERS is a savings-based plan. For the county's plan, 6% of each employee's pay is deposited into his or her TCERS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) 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 TCERS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- 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 Atascosa County contribution rate is based on the TCERS funding policy adopted by the TCERS Board of Trustees and must conform with the TCERS Act. The employee contribution rates are set by the county and are currently 6%. 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 TCERS can be found at the following link, www.tcders.org.

Membership Information

Members	Dec. 31, 2019	Dec. 31, 2020
Number of inactive employees entitled to but not yet receiving benefits:	308	315
Number of active employees:	398	396
Average monthly salary:	\$3,855	\$3,967
Average age:	44.5	45.02
Average length of service in years:	8.93	9.59
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	140	148
Average monthly benefit:	\$1,208	\$1,244

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 Atascosa 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 method	None
Corridor Inflation	Same as funding valuation: See Appendix C
Salary Increases	Same as funding valuation: See Appendix C
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Atascosa 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 GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB 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 Atascosa County.

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

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
40-44	4.5%	4.5%
45-49	9.0	9.0
50	10.0	10.0
51	9.0	9.0
52	9.0	9.0
53	9.0	9.0
54	10.0	10.0
55	10.0	10.0
56	10.0	10.0
57	10.0	10.0
58	12.0	12.0
59	12.0	12.0
60	12.0	12.0
61	12.0	12.0

Age	Male	Female
62	20.0%	20.0%
63	15.0	15.0
64	15.0	15.0
65	25.0	25.0
66	25.0	25.0
67	22.0	22.0
68	20.0	20.0
69	20.0	20.0
70	22.0	22.0
71	22.0	22.0
72	22.0	22.0
73	22.0	22.0
74	22.0	22.0

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	36.7%	39.8%	30.6%	33.2%	26.1%	28.2%	24.5%	26.5%
1	25.1	27.3	21.1	22.9	17.9	19.5	16.9	18.3
2	18.7	20.2	15.8	17.2	13.4	14.6	12.7	13.8
3	14.9	16.1	12.7	13.8	10.8	11.7	10.1	11.0
4	12.2	13.3	10.6	11.4	9.0	9.7	8.5	9.1
5	10.9	11.9	9.5	10.3	8.0	8.8	7.6	8.3
6	9.7	10.5	8.5	9.1	7.2	7.8	6.7	7.4
7	8.6	9.4	7.6	8.3	6.5	7.0	6.1	6.6
8	7.2	7.7	6.4	6.8	5.4	5.8	5.1	5.5
9	6.8	7.4	6.2	6.6	5.2	5.6	5.0	5.3
10	6.1	6.5	5.5	5.9	4.6	5.1	4.4	4.7
11	5.3	5.7	4.8	5.3	4.2	4.5	3.9	4.2
12	4.8	5.2	4.4	4.8	3.7	4.1	3.5	3.9
13	4.3	4.6	4.0	4.4	3.4	3.7	3.2	3.5
14	3.9	4.1	3.6	3.9	3.1	3.3	2.9	3.1
15	3.3	3.6	3.2	3.4	2.6	3.0	2.5	2.8
16	2.9	3.1	2.8	3.0	2.3	2.5	2.2	2.4
17	2.5	2.8	2.4	2.6	2.1	2.2	2.0	2.1
18	2.2	2.3	2.1	2.3	1.8	2.0	1.7	1.9
19	1.9	2.1	1.9	2.1	1.7	1.8	1.5	1.7
20	1.7	2.0	1.7	2.0	1.5	1.6	1.4	1.5
21	1.6	1.8	1.6	1.8	1.4	1.5	1.3	1.4
22	1.4	1.7	1.4	1.7	1.2	1.3	1.2	1.3
23	1.4	1.5	1.4	1.5	1.1	1.3	1.1	1.2
24	1.3	1.4	1.3	1.4	1.1	1.2	1.1	1.1
25	1.2	1.3	1.2	1.3	1.0	1.1	1.0	1.1
26	1.2	1.2	1.2	1.2	1.0	1.1	1.0	1.0
27	1.1	1.1	1.1	1.1	0.9	1.0	0.9	0.9
28	1.0	1.0	1.0	1.0	0.8	0.9	0.8	0.8
29	1.0	0.9	1.0	0.9	0.8	0.9	0.8	0.7
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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31							2013- 2009
	2020	2019	2018	2017	2016	2015	2014	
Total Pension Liability								
Service cost	\$2,058,207	\$1,857,261	\$1,754,568	\$1,868,029	\$1,831,080	\$1,576,943	\$1,380,945	N/A
Interest on total pension liability	4,139,709	3,846,150	3,644,000	3,429,615	3,101,142	2,883,286	2,653,162	N/A
Effect of plan changes	0	243,550	0	0	0	(338,868)	190,807	N/A
Effect of assumption changes or inputs	3,495,635	0	0	175,659	0	428,329	0	N/A
Effect of economic/demographic (gains) or losses	(51,146)	(114,257)	(672,163)	(548,979)	61,665	(297,489)	126,159	N/A
Benefit payments/refunds of contributions	<u>(2,379,807)</u>	<u>(2,437,982)</u>	<u>(2,232,847)</u>	<u>(2,098,045)</u>	<u>(1,727,141)</u>	<u>(1,562,785)</u>	<u>(1,550,316)</u>	<u>N/A</u>
Net change in total pension liability	7,262,599	3,394,722	2,493,557	2,826,279	3,266,746	2,689,417	2,800,757	<u>N/A</u>
 Total pension liability, beginning	<u>50,216,049</u>	<u>46,821,328</u>	<u>44,327,770</u>	<u>41,501,491</u>	<u>38,234,745</u>	<u>35,545,329</u>	<u>32,744,572</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$57,478,648</u>	<u>\$50,216,049</u>	<u>\$46,821,328</u>	<u>\$44,327,770</u>	<u>\$41,501,491</u>	<u>\$38,234,745</u>	<u>\$35,545,329</u>	<u>N/A</u>
 Fiduciary Net Position								
Employer contributions	\$1,449,815	\$1,554,805	\$1,257,603	\$1,207,969	\$1,217,536	\$1,110,610	\$1,007,343	N/A
Member contributions	1,137,112	1,076,193	986,359	947,431	954,934	871,066	790,073	N/A
Investment income net of investment expenses	5,192,031	7,064,748	(816,921)	5,583,334	2,600,415	(318,552)	2,183,243	N/A
Benefit payments/refunds of contributions	(2,379,807)	(2,437,982)	(2,232,847)	(2,098,045)	(1,727,141)	(1,562,785)	(1,550,316)	N/A
Administrative expenses	(40,701)	(38,296)	(34,555)	(29,166)	(28,310)	(25,272)	(26,021)	N/A
Other	<u>11,109</u>	<u>13,609</u>	<u>4,736</u>	<u>494</u>	<u>76,717</u>	<u>57,299</u>	<u>109,101</u>	<u>N/A</u>
Net change in fiduciary net position	5,369,559	7,233,077	(835,624)	5,612,016	3,094,152	132,367	2,513,422	N/A
Fiduciary net position, beginning	<u>50,254,309</u>	<u>43,021,233</u>	<u>43,856,857</u>	<u>38,244,841</u>	<u>35,150,688</u>	<u>35,018,321</u>	<u>32,504,899</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$55,623,868</u>	<u>\$50,254,309</u>	<u>\$43,021,233</u>	<u>\$43,856,857</u>	<u>\$38,244,841</u>	<u>\$35,150,688</u>	<u>\$35,018,321</u>	<u>N/A</u>
 Net pension liability / (asset), ending = (a) - (b)	<u>\$1,854,780</u>	<u>(\$38,260)</u>	<u>\$3,800,095</u>	<u>\$470,913</u>	<u>\$3,256,651</u>	<u>\$3,084,057</u>	<u>\$527,007</u>	<u>N/A</u>
 Fiduciary net position as a % of total pension liability	96.77%	100.08%	91.88%	98.94%	92.15%	91.93%	98.52%	N/A
 Pensionable covered payroll	\$18,951,871	\$17,936,542	\$16,439,316	\$15,790,509	\$3,256,651	\$14,517,768	\$13,167,876	N/A
Net pension liability/(asset) as % of covered payroll	9.79%	-0.21%	23.12%	2.98%	92.15%	21.24%	4.00%	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
2010	\$679,973	\$679,973	\$0	\$10,007,592	7.10%
2011	716,113	716,113	0	9,891,098	6.80%
2012	868,747	868,747	0	11,356,161	7.20%
2013	1,003,392	1,007,343	(3,951)	13,167,876	7.70%
2014	1,072,863	1,110,610	(37,747)	14,517,768	7.70%
2015	1,120,456	1,217,536	(97,080)	15,915,574	7.70%
2016	1,143,233	1,207,969	(64,736)	15,790,509	7.60%
2017	1,229,661	1,257,603	(27,942)	16,439,316	7.60%
2018	1,289,637	1,554,805	(265,168)	17,936,542	7.60%
2019	1,289,637	1,554,805	(265,168)	17,936,542	8.70%
2020	1,355,059	1,449,815	(94,756)	18,951,871	7.60%

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	7.5 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. 4.9% 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: Employer contributions reflect that a 2% flat COLA was adopted. 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: Employer contributions reflect that a 1% flat COLA was adopted.

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 Atascosa 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 method	None
Corridor Inflation	Same as funding valuation: See Appendix C
Salary Increases	Same as funding valuation: See Appendix C
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Atascosa 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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

ATASCOSA COUNTY, TEXAS
BALANCE SHEET - ROAD AND BRIDGE FUND
DECEMBER 31, 2021

	Road and Bridge General	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Right of Way Fund	Total Road and Bridge
<i>ASSETS</i>							
Cash and Cash Equivalents	\$258,737	\$151,119		\$1,098,428	\$469,830	\$445,952	\$2,424,066
Receivables (net of allowance for uncollectibles)	3,181,050						3,181,050
Inventory		8,712	9,205	12,450	6,094		36,461
Prepaid Insurance		3,332	2,879	3,145	2,991		12,347
Total Assets	<u>\$3,439,787</u>	<u>\$163,163</u>	<u>\$12,084</u>	<u>\$1,114,023</u>	<u>\$478,915</u>	<u>\$445,952</u>	<u>5,653,924</u>
<i>LIABILITIES AND FUND BALANCES:</i>							
Liabilities:							
Accounts Payable	65,137	1,863	15,288	18,135	10,588		111,011
Accrued Wages		43,706	44,571	39,397	49,397		177,071
Bank Overdraft			41,452				41,452
Total Liabilities	<u>65,137</u>	<u>45,569</u>	<u>101,311</u>	<u>57,532</u>	<u>59,985</u>	<u>0</u>	<u>329,534</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Advanced Tax Collections	1,160,003						1,160,003
Deferred Property Taxes	3,177,578						3,177,578
Total Deferred Inflows of Resources	<u>4,337,581</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,337,581</u>
Fund Balances:							
Non-Spendable							
Inventory		8,712	9,205	12,450	6,094		36,461
Prepaid Insurance		3,332	2,879	3,145	2,991		12,347
Restricted							
Public Transportation	(962,931)	105,550	(101,311)	1,040,896	409,845	445,952	938,001
Total Fund Balance	<u>(962,931)</u>	<u>117,594</u>	<u>(89,227)</u>	<u>1,056,491</u>	<u>418,930</u>	<u>445,952</u>	<u>986,809</u>
Total Liabilities and Fund Balances	<u>\$3,439,787</u>	<u>\$163,163</u>	<u>\$12,084</u>	<u>\$1,114,023</u>	<u>\$478,915</u>	<u>\$445,952</u>	<u>\$5,653,924</u>

The accompanying notes are an integral part of this statement.

ATASCOSA COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ROAD AND BRIDGE FUNDS
YEAR ENDED DECEMBER 31, 2021

	Road and Bridge General	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Right of Way Fund	Total Road and Bridge
<i>REVENUES</i>							
Taxes							
Property	\$4,446,313						\$4,446,313
Intergovernmental	220,619						220,619
Licenses and Permits	575,201				7,000		582,201
Fines and Forfeitures	108,981						108,981
Interest	243	227	133	582	380	76	1,641
Miscellaneous	12,300	1,638	4,870	51,605	2,078		72,491
Total Revenues	<u>5,363,657</u>	<u>1,865</u>	<u>5,003</u>	<u>52,187</u>	<u>9,458</u>	<u>76</u>	<u>5,432,246</u>
<i>EXPENDITURES</i>							
Current:							
Public Transportation							
Road and Bridge	1,304,313	1,538,372	1,370,611	1,807,252	1,687,059		7,707,607
Total Expenditures	<u>1,304,313</u>	<u>1,538,372</u>	<u>1,370,611</u>	<u>1,807,252</u>	<u>1,687,059</u>	<u>0</u>	<u>7,707,607</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures	<u>4,059,344</u>	<u>(1,536,507)</u>	<u>(1,365,608)</u>	<u>(1,755,065)</u>	<u>(1,677,601)</u>	<u>76</u>	<u>(2,275,361)</u>
OTHER FINANCING SOURCES (USES):							
Operating Transfers In	1,155,833	1,478,016	1,085,951	1,899,710	1,410,606		7,030,116
Operating Transfers Out	(5,874,284)						(5,874,284)
Total Other Financing Sources (Uses)	<u>(4,718,451)</u>	<u>1,478,016</u>	<u>1,085,951</u>	<u>1,899,710</u>	<u>1,410,606</u>	<u>0</u>	<u>1,155,832</u>
Net Changes in Fund Balances	(659,107)	(58,491)	(279,657)	144,645	(266,995)	76	(1,119,529)
Fund Balances - Beginning	(303,824)	176,085	190,430	911,846	685,925	445,876	2,106,338
Fund Balances - Ending	<u>(\$962,931)</u>	<u>\$117,594</u>	<u>(\$89,227)</u>	<u>\$1,056,491</u>	<u>\$418,930</u>	<u>\$445,952</u>	<u>\$986,809</u>

The accompanying notes are an integral part of this statement.

ATASCOSA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	SPECIAL REVENUE							
	ALCOHOL REHAB & TRAINING	ALTERNATE EDUCATION PROGRAM	AMBULANCE FUND	AMENDMENT 15	ARCHIVE FEE	BORDER PROSEC- UTION	CHAPTER 18	CHAPTER 19
ASSETS								
Cash and Cash Equivalents	\$28,346	\$38,713	\$146,242	\$862	\$771,987		\$54,923	\$21,601
Receivables (net of allowance for uncollectibles)			2,962		10,030			
Prepaid Insurance			1,554					
TOTAL ASSETS	\$28,346	\$38,713	\$150,758	\$862	\$782,017	\$0	\$54,923	\$21,601
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts Payable			\$10,620			\$301		
Accrued Wages		8,404	118,662			6,597		
Bank Overdraft						17,768		
Deferred Revenue								
Total Liabilities	0	8,404	129,282	0	0	24,666	0	0
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Advanced Tax Collections								
Deferred Property Taxes								
Total Deferred Inflows of Resources	0	0	0	0	0	0	0	0
Fund Balances								
Non-Spendable								
Prepaid Items			1,554					
Restricted								
Construction								
Debt Service								
Elections								
Financial Administration								
General Administration				862				
Health and Welfare		30,309						
Judicial	28,346							
Judicial - District Attorney								
Public Safety								
Public Safety - Sheriff							54,923	21,601
Public Transportation								
Records Archives					782,017			
Committed								
Public Safety - Sheriff								
Unassigned			19,922			(24,666)		
Total Fund Balances	28,346	30,309	21,476	862	782,017	(24,666)	54,923	21,601
TOTAL LIABILITIES AND FUND BALANCES	\$28,346	\$38,713	\$150,758	\$862	\$782,017	\$0	\$54,923	\$21,601

(continued)

SPECIAL REVENUE									
CHAPTER	CHILD	CHILD	CHILD	CONSTABLE	CONSTABLE	CONSTABLE	CONSTABLE	CONSTABLE	COUNTY
47	SAFETY	WELFARE	WELFARE	PCT. 1	PCT. 1	PCT. 2	PCT. 3	PCT. 4	COURT
			SERVICE	LEOSE	TOBACCO	L.E.S.E.	LEOSE	L.E.S.E.	TECH-
					GRANT				NICAL
\$6,748	\$12,969	\$5,328	\$6	\$2,628	\$310	\$2,349	\$6,328	\$1,229	\$11,412
	25								20
\$6,748	\$12,994	\$5,328	\$6	\$2,628	\$310	\$2,349	\$6,328	\$1,229	\$11,432
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
		5,328							
			6						
				2,628	310	2,349	6,328	1,229	
6,748	12,994								
									11,432
6,748	12,994	5,328	6	2,628	310	2,349	6,328	1,229	11,432
\$6,748	\$12,994	\$5,328	\$6	\$2,628	\$310	\$2,349	\$6,328	\$1,229	\$11,432

ATASCOSA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(continued)

SPECIAL REVENUE									
COUNTY JUDICIAL EDUCATION	COUNTY RECORDS MGMT	COURT COORD- INATOR	COURTHOUSE SECURITY	D A FORFEITURE	D A HOT CHECK	D A LEOSE	DA OVGA GRANT 1663889	DISTRICT ATTORNEY SPECIAL	
ASSETS									
Cash and Cash Equivalents	\$20,656	\$12,801	\$99,171	\$61,262	\$607,813	\$150	\$531		\$334,186
Receivables (net of allowance for uncollectibles)	80	525		1,543	816		1,202		199
Prepaid Insurance					622				
TOTAL ASSETS	\$20,736	\$13,326	\$99,171	\$62,805	\$609,251	\$150	\$531	\$1,202	\$334,385
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts Payable			\$1,474				\$4,790		\$1,343
Accrued Wages			16,717	32,428					93,557
Bank Overdraft									
Deferred Revenue			16,553						89,565
Total Liabilities	0	0	34,744	32,428	0	0	0	4,790	184,465
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Advanced Tax Collections									
Deferred Property Taxes									
Total Deferred Inflows of Resources	0	0	0	0	0	0	0	0	0
Fund Balances									
Non-Spendable									
Prepaid Items					609,251				
Restricted									
Construction									
Debt Service									
Elections									
Financial Administration									
General Administration									
Health and Welfare									
Judicial	20,736		64,427						
Judicial - District Attorney						150	531		149,920
Public Safety				30,377					
Public Safety - Sheriff									
Public Transportation									
Records Archives		13,326							
Committed									
Public Safety - Sheriff									
Unassigned								(3,588)	
Total Fund Balances	20,736	13,326	64,427	30,377	609,251	150	531	(3,588)	149,920
TOTAL LIABILITIES AND FUND BALANCES	\$20,736	\$13,326	\$99,171	\$62,805	\$609,251	\$150	\$531	\$1,202	\$334,385

(continued)

SPECIAL REVENUE											
DISTRICT COURT ARCHIVE	FIRE MARSHALL L.E.S.E	FROST BANK LEGAL LEASE	GENERATION TRAILER GRANT	HAVA GRANT	HAZARD MITIGATION PROGRAM	HOT CHECK FUND	INDIGENT HEALTH CARE	J.P. COURTHOUSE SECURITY	JURY FAMILY VIOLENCE	JURY FUND	
\$56,689	\$2,148	\$11,252		\$143,382			\$533,130	\$33,267	\$2,628	\$58,020	
32				1,023				36		3,294	
\$56,721	\$2,148	\$11,252	\$0	\$144,405	\$0	\$0	\$533,130	\$33,303	\$2,628	\$61,314	

			333		10,913	145	\$2,920 7,386				
0	0	0	333	0	10,913	145	10,306	0	0	0	

0	0	0	0	0	0	0	0	0	0	0	
---	---	---	---	---	---	---	---	---	---	---	--

				144,405							
56,721		11,252					522,824	33,303	2,628	61,314	
	2,148										
			(333)		(10,913)	(145)					
56,721	2,148	11,252	(333)	144,405	(10,913)	(145)	522,824	33,303	2,628	61,314	
\$56,721	\$2,148	\$11,252	\$0	\$144,405	\$0	\$0	\$533,130	\$33,303	\$2,628	\$61,314	

ATASCOSA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(continued)

	SPECIAL REVENUE					SPECIAL REVEN			
	JUSTICE TECH- NOLOGY FUND	JUVENILE FEES	PRESER- VATION OF VITAL STATISTICS	PRE- TRIAL DIVERSION	RECORDS MANAGE- MENT	RMPF FUND	SHERIFF ABANDONED VEHICLE	SHERIFF AUCTION	SHERIFF DRUG SEIZURE
ASSETS									
Cash and Cash Equivalents	\$47,563	\$15,985	\$55,410	\$152,582	\$339,792	\$24,939	\$11,082		\$85,706
Receivables (net of allowance for uncollectibles)	160		209		10,220	1,320			
Prepaid Insurance									
TOTAL ASSETS	\$47,723	\$15,985	\$55,619	\$152,582	\$350,012	\$26,259	\$11,082	\$0	\$85,706
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts Payable					\$11,480				
Accrued Wages					4,873				197
Bank Overdraft									
Deferred Revenue									
Total Liabilities	0	0	0	0	16,353	0	0	0	197
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Advanced Tax Collections									
Deferred Property Taxes									
Total Deferred Inflows of Resources	0	0	0	0	0	0	0	0	0
Fund Balances									
Non-Spendable									
Prepaid Items									
Restricted									
Construction									
Debt Service									
Elections									
Financial Administration									
General Administration			55,619		333,659				
Health and Welfare									
Judicial	47,723			152,582					
Judicial - District Attorney									
Public Safety		15,985							
Public Safety - Sheriff									85,509
Public Transportation						26,259			
Records Archives									
Committed									
Public Safety - Sheriff							11,082		
Unassigned									
Total Fund Balances	47,723	15,985	55,619	152,582	333,659	26,259	11,082	0	85,509
TOTAL LIABILITIES AND FUND BALANCES	\$47,723	\$15,985	\$55,619	\$152,582	\$350,012	\$26,259	\$11,082	\$0	\$85,706

(continued)

SPECIAL REVENUE								CAPITAL PROJECTS		
SHERIFF FEDERAL FORFEITURE	SHERIFF LEOSE	SPECIAL ELECTIONS	TRUANCY COURT FINES	TX VINE GRANT	VEHICLE INVENTORY TAX	YOUTH SERVICE CENTER	YSC - POST ADJ	BENTON CITY GRANT	CDBG PROJECT	GENERAL PERMANENT IMPROVEMENT
\$16,304	\$1,983		\$5,511		\$8,030	\$457,062		\$97		
	12	5,651		8,027		10,800 275				
\$16,304	\$1,995	\$5,651	\$5,511	\$8,027	\$8,030	\$468,137	\$0	\$97	\$0	\$0
				\$8,027		\$7,536 103,311	3,623 76,327			323,844
0	0	74,870	0	8,027	0	110,847	79,950	0	0	323,844
0	0	0	0	0	0	0	0	0	0	0
						275	0			
					8,030			97		
			5,511							
16,304	1,995					357,015				
		(69,219)					(79,950)			(323,844)
16,304	1,995	(69,219)	5,511	0	8,030	357,290	(79,950)	97	0	(323,844)
\$16,304	\$1,995	\$5,651	\$5,511	\$8,027	\$8,030	\$468,137	\$0	\$97	\$0	\$0

ATASCOSA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(continued)

	CAPITAL PROJECTS				DEBT SERVICE		
	GENERAL PERMANENT IMPROVEMENT ANNEX	GENERAL PERMANENT IMPROVEMENT JAIL	PERMANENT IMPROVEMENT I&S 1980	ROAD CONSTRUCTION ESCROW	PERMANENT IMPROVE- MENT I&S	ROAD AND BRIDGE I&S	NON-MAJOR GOVERN- MENTAL FUNDS
ASSETS							
Cash and Cash Equivalents		\$69,291	\$815	\$90,000	\$742,520	\$18,835	\$5,232,574
Receivables (net of allowance for uncollectibles)					1,501,079	3	1,559,268
Prepaid Insurance							2,451
TOTAL ASSETS	\$0	\$69,291	\$815	\$90,000	\$2,243,599	\$18,838	\$6,794,293
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable							\$48,491
Accrued Wages							395,755
Bank Overdraft	363,948						868,148
Deferred Revenue							106,118
Total Liabilities	363,948	0	0	0	0	0	1,418,512
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Advanced Tax Collections					604,443	205	604,648
Deferred Property Taxes					1,501,079		1,501,079
Total Deferred Inflows of Resources	0	0	0	0	2,105,522	205	2,105,727
Fund Balances							
Non-Spendable							
Prepaid Items							611,080
Restricted							
Construction		69,291	815				70,203
Debt Service					138,077	18,633	156,710
Elections							144,405
Financial Administration							8,030
General Administration							390,140
Health and Welfare							558,461
Judicial							479,038
Judicial - District Attorney							156,112
Public Safety							418,369
Public Safety - Sheriff							200,074
Public Transportation							26,259
Records Archives							806,775
Committed							
Public Safety - Sheriff							11,082
Unassigned	(363,948)			90,000			(766,684)
Total Fund Balances	(363,948)	69,291	815	90,000	138,077	18,633	3,270,054
TOTAL LIABILITIES AND FUND BALANCES	\$0	\$69,291	\$815	\$90,000	\$2,243,599	\$18,838	\$6,794,293

ATASCOSA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	SPECIAL REVENUE							
	ALCOHOL REHAB & TRAINING	ALTERNATE EDUCATION PROGRAM	AMBULANCE FUND	AMENDMENT 15	ARCHIVE FEE	BORDER PROSEC- UTION	CHAPTER 18	CHAPTER 19
<i>REVENUES</i>								
Taxes								
Property								
Intergovernmental								
Charges for Services	533	91,950	739,695		112,540			
Fines and Forfeitures								
Interest	7		44		210			
Miscellaneous		51,544	82,955			101,978		
Total Revenues	540	143,494	822,694	0	112,750	101,978	0	0
<i>EXPENDITURES</i>								
Current:								
General Administration								
Records Management					25,569			
Elections								
Judicial								
Judicial								
Public Safety								
Constable								
Courthouse Security								
Emergency Operations			1,919,521					
Juvenile Probation								
Sheriff						108,650		1,250
Health and Welfare								
Health		140,195						
Conservation - Agriculture								
Conservation - Agriculture								
Records Archives								
Capital Projects -								
Capital Outlay and Other								
Debt Service								
Principal Retirement								
Interest and Fiscal Charges								
Total Expenditures	0	140,195	1,919,521	0	25,569	108,650	0	1,250
Excess (Deficiency) of Revenues Over (Under)								
Expenditures	540	3,299	(1,096,827)	0	87,181	(6,672)	0	(1,250)
OTHER FINANCING SOURCES (USES):								
Bond Proceeds								
Bond Premium								
Operating Transfers In		10,860	1,376,784					
Operating Transfers Out								
Total Other Financing Sources (Uses)	0	10,860	1,376,784	0	0	0	0	0
Net Changes in Fund Balances	540	14,159	279,957	0	87,181	(6,672)	0	(1,250)
Fund Balances - Beginning	27,806	16,150	(258,481)	862	694,836	(17,994)	54,923	22,851
Fund Balances - Ending	\$28,346	\$30,309	\$21,476	\$862	\$782,017	(\$24,666)	\$54,923	\$21,601

(continued)

CONSTABLE									COUNTY
CHAPTER	CHILD	CHILD	CHILD	CONSTABLE	PCT. 1	CONSTABLE	CONSTABLE	CONSTABLE	COURT
47	SAFETY	WELFARE	SERVICE	LEOSE	GRANT	L.E.S.E.	LEOSE	L.E.S.E.	NICAL

						993		676	
		6,432							
0	0	6,432	0	0	0	993	0	676	0
2	129	(6,054)	0	0	0	(301)	742	17	280

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ATASCOSA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(continued)

	SPECIAL REVENUE								
	COUNTY JUDICIAL EDUCATION	COUNTY RECORDS MGMT	COURT COORD- INATOR	COURTHOUSE SECURITY	D A FORFEITURE	D A HOT CHECK	D A LEOSE	DA OVGA GRANT 1663889	DISTRICT ATTORNEY SPECIAL
<i>REVENUES</i>									
Taxes									
Property									
Intergovernmental			195,202				742	47,486	1,007,827
Charges for Services	780	5,993		20,258					
Fines and Forfeitures									
Interest	4	5	12	39	343				242
Miscellaneous					63,058				24,043
Total Revenues	784	5,998	195,214	20,297	63,401	0	742	47,486	1,032,112
<i>EXPENDITURES</i>									
Current:									
General Administration									
Records Management									
Elections									
Judicial									
Judicial			275,112		13,077			44,455	1,683,912
Public Safety									
Constable									
Courthouse Security				493,436					
Emergency Operations									
Juvenile Probation									
Sheriff							700		
Health and Welfare									
Health									
Conservation - Agriculture									
Conservation - Agriculture									
		98,834							
Capital Projects -									
Capital Outlay and Other									
Debt Service									
Principal Retirement									
Interest and Fiscal Charges									
Total Expenditures	0	98,834	275,112	493,436	13,077	0	700	44,455	1,683,912
Excess (Deficiency) of Revenues Over (Under)									
Expenditures	784	(92,836)	(79,898)	(473,139)	50,324	0	42	3,031	(651,800)
<i>OTHER FINANCING SOURCES (USES):</i>									
Bond Proceeds									
Bond Premium									
Operating Transfers In			93,381	302,473					507,289
Operating Transfers Out									
Total Other Financing Sources (Uses)	0	0	93,381	302,473	0	0	0	0	507,289
Net Changes in Fund Balances	784	(92,836)	13,483	(170,666)	50,324	0	42	3,031	(144,511)
Fund Balances - Beginning	19,952	106,162	50,944	201,043	558,927	150	489	(6,619)	294,431
Fund Balances - Ending	\$20,736	\$13,326	\$64,427	\$30,377	\$609,251	\$150	\$531	(\$3,588)	\$149,920

(continued)

SPECIAL REVENUE										
DISTRICT	FIRE	FROST	GENERATION		HAZARD	HOT	INDIGENT	J.P.	JURY	
COURT	MARSHALL	BANK	TRAILER	HAVA	MITIGATION	CHECK	HEALTH	COURTHOUSE	FAMILY	JURY
ARCHIVE	L.E.S.E	LEASE	GRANT	GRANT	PROGRAM	FUND	CARE	SECURITY	VIOLENCE	FUND
				40,000	26,347		63,393			7,752
296				10,499				998		3,035
							179			
							5,794		396	
296	0	0	0	50,499	26,347	0	69,366	998	396	10,787
		1,680								26,728
								1,363		
							1,047,536			
0	0	1,680	0	0	0	0	1,047,536	1,363	0	26,728
296	0	(1,680)	0	50,499	26,347	0	(978,170)	(365)	396	(15,941)
		3,600					1,713,051			
0	0	3,600	0	0	0	0	1,713,051	0	0	0
296	0	1,920	0	50,499	26,347	0	734,881	(365)	396	(15,941)
56,425	2,148	9,332	(333)	93,906	(37,260)	(145)	(212,057)	33,668	2,232	77,255
\$56,721	\$2,148	\$11,252	(\$333)	\$144,405	(\$10,913)	(\$145)	\$522,824	\$33,303	\$2,628	\$61,314

ATASCOSA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (continued)

	SPECIAL REVENUE						SPECIAL REVEN		
	JUSTICE TECH- NOLOGY FUND	JUVENILE FEES	PRESER- VATION OF VITAL STATISTICS	PRE- TRIAL DIVERSION	RECORDS MANAGE- MENT	RMPF FUND	SHERIFF ABANDONED VEHICLE	SHERIFF AUCTION	SHERIFF DRUG SEIZURE
<i>REVENUES</i>									
Taxes									
Property									
Intergovernmental									
Charges for Services	4,509	3,500	2,896	28,812	115,220	18,955			
Fines and Forfeitures									
Interest				15	39				7
Miscellaneous							10,541	227,663	45,068
Total Revenues	4,509	3,500	2,896	28,827	115,259	18,955	10,541	227,663	45,075
<i>EXPENDITURES</i>									
Current:									
General Administration									
Records Management					106,750	49,979			
Elections									
Judicial									
Judicial	3,000			31,500					
Public Safety									
Constable									
Courthouse Security									
Emergency Operations									
Juvenile Probation		14							
Sheriff							1,659	227,663	4,884
Health and Welfare									
Health									
Conservation - Agriculture									
Conservation - Agriculture									
Capital Projects -									
Capital Outlay and Other									
Debt Service									
Principal Retirement									
Interest and Fiscal Charges									
Total Expenditures	3,000	14	0	31,500	106,750	49,979	1,659	227,663	4,884
Excess (Deficiency) of Revenues Over (Under)									
Expenditures	1,509	3,486	2,896	(2,673)	8,509	(31,024)	8,882	0	40,191
OTHER FINANCING SOURCES (USES):									
Bond Proceeds									
Bond Premium									
Operating Transfers In									
Operating Transfers Out									
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0
Net Changes in Fund Balances	1,509	3,486	2,896	(2,673)	8,509	(31,024)	8,882	0	40,191
Fund Balances - Beginning	46,214	12,499	52,723	155,255	325,150	57,283	2,200	0	45,318
Fund Balances - Ending	\$47,723	\$15,985	\$55,619	\$152,582	\$333,659	\$26,259	\$11,082	\$0	\$85,509

(continued)

SPECIAL REVENUE								CAPITAL PROJECTS		
SHERIFF FEDERAL FORFEITURE	SHERIFF LEOSE	SPECIAL ELECTIONS	TRUANCY COURT FINES	TX VINE GRANT	VEHICLE INVENTORY TAX	YOUTH SERVICE CENTER	YSC - POST ADJ	BENTON CITY GRANT	CDBG PROJECT	GENERAL PERMANENT IMPROVEMENT
	5,777	27,773	582	16,049	963	21,639 173,850	98	1	13,678	
0	5,777	28,647	582	16,049	963	195,587	0	1	13,678	0
		53,492								
	6,560			16,049		1,819,618	79,950			
0	6,560	53,492	0	16,049	0	1,819,618	79,950	0	8,750	0
0	(783)	(24,845)	582	0	963	(1,624,031)	(79,950)	1	4,928	0
						1,652,404				
0	0	0	0	0	0	1,652,404	0	0	0	0
0	(783)	(24,845)	582	0	963	28,373	(79,950)	1	4,928	0
16,304	2,778	(44,374)	4,929	0	7,067	328,917	0	96	(4,928)	(323,844)
\$16,304	\$1,995	(\$69,219)	\$5,511	\$0	\$8,030	\$357,290	(\$79,950)	\$97	\$0	(\$323,844)

ATASCOSA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(continued)

	CAPITAL PROJECTS				DEBT SERVICE		
	GENERAL PERMANENT IMPROVEMENT ANNEX	GENERAL PERMANENT IMPROVEMENT JAIL	PERMANENT IMPROVEMENT I&S 1980	ROAD CONSTRUCTION ESCROW	PERMANENT IMPROVE- MENT I&S	ROAD AND BRIDGE I&S	NON-MAJOR GOVERN- MENTAL FUNDS
<i>REVENUES</i>							
Taxes							
Property					\$2,035,588	\$1,335	\$2,036,923
Intergovernmental							1,448,019
Charges for Services							1,362,498
Fines and Forfeitures							582
Interest					7		2,220
Miscellaneous							614,292
Total Revenues	0	0	0	0	2,035,595	1,335	5,464,534
<i>EXPENDITURES</i>							
Current:							
General Administration							
Records Management							182,298
Elections							53,492
Judicial							
Judicial							2,079,464
Public Safety							
Constable							1,669
Courthouse Security							494,799
Emergency Operations							1,919,521
Juvenile Probation							1,899,582
Sheriff							373,847
Health and Welfare							
Health							1,187,731
Conservation - Agriculture							
Conservation - Agriculture							0
Capital Projects -							
Capital Outlay and Other							8,750
Debt Service							
Principal Retirement					1,265,000		1,265,000
Interest and Fiscal Charges					698,410		698,410
Total Expenditures	0	0	0	0	1,963,410	0	10,263,397
Excess (Deficiency) of Revenues Over (Under)							
Expenditures	0	0	0	0	72,185	1,335	(4,798,863)
OTHER FINANCING SOURCES (USES):							
Bond Proceeds							0
Bond Premium							0
Operating Transfers In							5,659,842
Operating Transfers Out							0
Total Other Financing Sources (Uses)	0	0	0	0	0	0	5,659,842
Net Changes in Fund Balances	0	0	0	0	72,185	1,335	860,979
Fund Balances - Beginning	(363,948)	69,291	815	90,000	65,892	17,298	2,409,075
Fund Balances - Ending	(\$363,948)	\$69,291	\$815	\$90,000	\$138,077	\$18,633	\$3,270,054

SINGLE AUDIT SECTION

ATASCOSA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

SOURCE AND TITLE OF GRANT	ASSISTANCE LISTING NUMBER (ALN)	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS- THROUGH TO SUB- RECIPIENTS	TOTAL FEDERAL EXPENDI- TURES
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through				
<i>Texas Department of Public Safety</i>				
Emergency Management Performance Grants	97.042	09TX-EMPG-0606	NONE	\$22,372
Passed Through				
<i>Texas Division of Emergency Management</i>				
Pre-Disaster Mitigation	97.047	DR 4272 -007	NONE	4,185
Total U.S. Department of Homeland Security				<u>26,557</u>
U.S. DEPARTMENT OF JUSTICE				
Passed Through				
<i>Texas Attorney General</i>				
Crime Victim Assistance/Discretionary Grants	16.582	08-01399	NONE	47,485
Total U.S. Department of Justice				<u>47,485</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through				
Passed Through				
Office of the Attorney General				
Child Support Enforcement-Title IV-D	93.563	NONE	NONE	5,186
Fiscal Year 2021				
Total U.S. Department of Health and Human Services				<u>5,186</u>
U.S. DEPARTMENT OF AGRICULTURE (USDA)				
Passed Through				
Texas Department of Agriculture				
National School Lunch Program (NSLP)	10.555	NONE	NONE	21,639
Total U.S. Department of Agriculture (USDA)				<u>21,639</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Passed Through				
Texas Department of Agriculture				
Community Development Block Grant				
Sewer Improvements/Rehab Single - Unit -Sewer	14.228	7218009	NONE	0
Total U.S. Department of Housing & Urban Development				<u>0</u>
U.S. DEPARTMENT OF THE TREASURY (TREAS)				
Passed Through				
<i>Texas Division of Emergency Management (TDEM)</i>				
Coronavirus Relief Fund	21.019	NONE	NONE	773,943
Total United States Department of the Treasury (TREAS)				<u>773,943</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u><u>\$874,810</u></u>

See Accompanying Notes to Schedule of Federal Financial Assistance

**** ANY HAVA MONIES

ATASCOSA COUNTY, TEXAS
BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor: U.S. Department of Housing and Urban Development

Pass Through Grantor: Texas Department of Agriculture

CFDA Number: 14.228

Project Number: 7218009

Contract Period: 11/1/2018 to 10/30/2020

	FEDERAL		LOCAL MATCH		VARIANCE
	BUDGET	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR
REVENUE					
Federal	\$275,000	\$31,250			\$243,750
Local	13,750			13,250	500
TOTAL REVENUE:	288,750	31,250	0	13,250	0
EXPENSES					
Federal					
Construction 03J Water	208,072	199,996			8,076
Engineering 03J Water	35,000	35,000			0
Admln 21A Gen Admln	31,928	31,928			0
Local					
Match 03) Water	13,750			13,250	500
TOTAL EXPENSES	288,750	266,924	0	13,250	0
Excess Revenue over Expenditures	\$0	(\$235,674)	\$0	\$0	\$0

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

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

To the Judge and Commissioners' Court
Atascosa County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Atascosa County, Texas as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Atascosa County, Texas' basic financial statements, and have issued our report thereon dated July 22, 2022.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Atascosa County, Texas' Response to Findings

Atascosa County, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Atascosa County, Texas' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

A handwritten signature in cursive script, appearing to read "W Beyer".

BEYER & COMPANY
Certified Public Accountants
July 22, 2022

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the County Judge and Commissioners' Court
Atascosa County, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Atascosa County, Texas' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Atascosa County, Texas' major federal programs for the year ended December 31, 2021. Atascosa County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Atascosa County, Texas' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Atascosa County, Texas' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Atascosa County, Texas' compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

Government Auditing Standards requires the auditor to perform limited procedures on Atascosa County, Texas' response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questions cots. Atascosa County, Texas' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



BEYER AND COMPANY
Certified Public Accountants
July 22, 2022

ATASCOSA COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE A-BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Atascosa County, Texas under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Atascosa County, Texas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Atascosa County, Texas.

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C-INDIRECT COST RATE

Atascosa County, Texas has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

ATASCOSA COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal

Section II-Financial Statement Findings

Material Weaknesses:

Payroll – We noted that payroll is processed prior to hours worked, therefore, if an employee quits or is terminated, said employee will receive compensation for hours he/she did not actually work. ***This finding has been corrected.***

Significant Deficiencies:

District Clerk – We noted two bank accounts that have an unknown balance at the end of the year. The Registry of the Court Account has an unknown balance in the amount of \$3,576.15 and the Cost Deposit Account has an unknown balance in the amount of \$4,320.51. ***This finding has not been corrected.***

Payroll – We tested ten (10) employees Social Security and Driver License information to the census report and noted eight (8) were missing their middle name on the census report. ***This finding has been corrected.***

Section III-Federal or State Award findings & Questioned Costs

None

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

Section I Summary of Auditors Results

Financial Statements Section

1. The auditor's report expresses an unmodified opinion on the financial statements of the Atascosa County, Texas.
2. There was one significant deficiency disclosed during the audit. There were no material weakness disclosed during the audit.

Federal Awards Section

3. There were no instances of noncompliance material to the financial statements of the Atascosa County, Texas, which would be required to be reported in accordance with Government Auditing Standards.
4. There was no significant deficiency over major Federal award programs disclosed during the audit. There was no material weakness over major Federal award programs disclosed during the audit.
5. The auditor's report on compliance for the major Federal award programs for Atascosa County, Texas expresses an unmodified opinion on all major Federal programs.
6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance.
7. The programs tested as major programs: Coronavirus Relief Fund - CFDA 21.019.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Atascosa County did not qualify as a low-risk auditee.

Section II-Financial Statement Findings

Material Weaknesses:

None

Significant Deficiencies:

2021-001 District Clerk

Condition: District Clerk – We noted two bank accounts that have an unknown balance at the end of the year. The Registry of the Court account has an unknown balance in the amount of \$4,158.99 and the Cost Deposit Account is short \$4,096.68.

Criteria: All monies in the District Clerk accounts should be properly identified.

Effect: Since the District Clerk does not have proper internal controls in place that provide reasonable assurance that all monies in the District Clerk accounts are identified, the financial statements could be materially misstated either through mistake, error, or fraud.

Cause of Condition: This condition exists because the District Clerk has not had a chance to implement such a system of controls.

Recommendation: The District Clerk should install internal controls to provide reasonable assurance that all monies in the District Clerk accounts be properly identified monthly; to avoid the possibility of the financial statements being materially misstated either through mistake, error, or fraud.

Other Matters:

We noted the Sheriff Inmate Bank account has an unknown ending balance of \$11,796.01.

Section II- Federal Awards Findings

None

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TRACY BARRERA
Atascosa County Auditor
tracy.barrera@atascosacounty.texas.gov

To: Beyer & Co.
From: Tracy Barrera, Atascosa County Auditor
Subject: Response to Single Audit Findings

Below you will find the County's responses to the 2020 Audit Findings.

Auditors Findings (Significant Deficiencies):

2021-001 District Clerk:

We noted two bank accounts that have an unknown balance at the end of the year. The Registry of the Court account has an unknown balance in the amount of \$4,158.99 and the Cost Deposit Account is short \$4,096.68.

- **County's Response:** The District Clerk, along with the County Auditor, are working to identify the unknown balances and have run into some obstacles since most of this amount is very old. We are working to install internal controls to assure that all monies in all District Clerk accounts will be properly identified, this will be resolved by the end of the 2022 Budget Year.

Auditors Other Matters:

We noted the Sheriff Inmate Bank account has an unknown ending balance of \$11,796.01.

- **County's Response:** The Sheriff's Inmate Bank account is being handled by a new employee that was unaware of the process for commissary funds (items purchased by inmates). The funds were not being distributed out once they were moved out of the inmate's account. Moving forward, there will steps documented in writing for all steps required. This issue was addressed and resolved prior to the end of the 2022 Budget year.

Respectfully,

A handwritten signature in blue ink that reads "Tracy Barrera".

Tracy Barrera
Atascosa County Auditor