

ATASCOSA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
December 31, 2020

Atascosa County, Texas
Annual Financial Report
For the Fiscal Year Ended December 31, 2020

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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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Atascosa County, Texas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Atascosa County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Atascosa County, Texas, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Road and Bridge Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the employees' retirement system information on pages 3–11 and 72-75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Atascosa County, Texas' basic financial statements. Combined and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2021, on our consideration of Atascosa County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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's internal control over financial reporting and compliance.



BEYER & COMPANY
Certified Public Accountants
August 6, 2021

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 \$64,354,814 (net position). Of this amount, \$21,106,263 (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 \$12,849,204. This decrease is attributable, in large part, to a substantial amount of depreciation expensed in the transportation function (\$8,776,332), reduction in sales tax of \$3,306,869, and careful budget management.
- . As of the close of the current fiscal year, Atascosa County, Texas' governmental funds reported combined ending fund balances of \$2,383,044, a decrease of \$4,864,161 in comparison with the prior year. Approximately 0% of this total amount, (\$3,347,134), is available for spending at the government's discretion (unassigned fund balance). This decrease is attributable, in large part, to a reduction in sales tax of \$3,306,869 and careful budget management.
- . At the end of the current fiscal year, the unassigned fund balance for the general fund was (\$2,165,895), or 0 percent of total general fund expenditures and the restricted fund balance for the road and bridge fund was \$2,059,268 or 24 percent of total road and bridge fund expenditures.
- . Atascosa County, Texas' total debt decreased by \$6,604,585 (22 percent) during the current fiscal year. The key factor in this decrease was the reduction in capital leases of \$1,491,812 and a decrease in GASB 68 payable of \$3,800,095.

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 a self-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-five (65) 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-three (63) 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 implement itself 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 27-71 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 72-75 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 76-93 of this report. The Single Audit Section can be found on pages 94-104 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 \$64,354,814 at the close of the most recent fiscal year.

By far the largest portion of Atascosa County, Texas' net position (59 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	
	2020	2019	2020	2019
Current and Other Assets	\$38,376,745	\$43,188,825	\$38,376,745	\$43,188,825
Capital Assets:	61,126,701	71,218,823	61,126,701	71,218,823
Total Assets	99,503,446	114,407,648	99,503,446	114,407,648
Total Deferred Outflows of Resources	2,657,190	5,390,014	2,657,190	5,390,014
Long-Term Liabilities	23,848,789	30,453,374	23,848,789	30,453,374
Other Liabilities	2,339,845	1,596,112	2,339,845	1,596,112
Total Liabilities	26,188,634	32,049,486	26,188,634	32,049,486
Total Deferred Inflows of Resources	11,617,188	10,544,158	11,617,188	10,544,158
Invested in Capital Assets, Net of Related Debt	38,161,553	45,526,863	38,161,553	45,526,863
Restricted	5,086,998	7,130,659	5,086,998	7,130,659
Unrestricted	21,106,263	24,546,496	21,106,263	24,546,496
Total Net Position	\$64,354,814	\$77,204,018	\$64,354,814	\$77,204,018

An additional portion of Atascosa County, Texas' net position (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$21,106,263) 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 \$12,849,204, 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	
	2020	2019	2020	2019
Revenues:				
Program Revenues:				
Charges for Services	\$8,579,850	\$10,151,493	\$8,579,850	\$10,151,493
Operating Grants and Contributions	3,112,385	1,668,308	3,112,385	1,668,308
Capital Grants and Contributions	243,996	53,917	243,996	53,917
General Revenues:				
Maintenance and Operations Taxes	27,178,740	23,396,994	27,178,740	23,396,994
Sales Taxes	4,207,445	7,514,314	4,207,445	7,514,314
Other Taxes	33,574	29,716	33,574	29,716
Oil Royalties	153,728	288,648	153,728	288,648
Unrestricted Investment Earnings	226,315	564,651	226,315	564,651
Miscellaneous	946,333	1,263,217	946,333	1,263,217
Total Revenue	44,682,366	44,931,258	44,682,366	44,931,258
Expenses:				
General Administration	12,209,966	11,332,195	12,209,966	11,332,195
Legal	937,738	921,446	937,738	921,446
Judicial	4,421,927	5,756,234	4,421,927	5,756,234
Financial Administration	1,612,839	1,769,811	1,612,839	1,769,811
Public Facilities	2,681,358	410,023	2,681,358	410,023
Public Safety	16,416,606	16,031,574	16,416,606	16,031,574
Public Transportation	16,520,901	16,677,249	16,520,901	16,677,249
Culture and Recreation	42,499	36,858	42,499	36,858
Health and Welfare	1,737,511	2,100,674	1,737,511	2,100,674
Conservation - Agriculture	256,483	262,687	256,483	262,687
Interest and Fiscal Charges	693,742	783,154	693,742	783,154
Total Expenses	57,531,570	56,081,905	57,531,570	56,081,905
Increase in Net Position Before Transfers and Special Items	(12,849,204)	(11,150,647)	(12,849,204)	(11,150,647)
Transfers	0	0	0	0
Increase in Net Position	(12,849,204)	(11,150,647)	(12,849,204)	(11,150,647)
Net Position at 12/31/2019 - Restated	77,204,018	88,354,665	77,204,018	88,354,665
Net Position at 12/31/2020	\$64,354,814	\$77,204,018	\$64,354,814	\$77,204,018

The government's total net position decreased by \$12,849,204 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, reduction in sales tax of \$3,306,869, 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	\$12,209,966	\$6,346,269	\$137,323	\$0
Legal	937,738	28,886	28,000	
Judicial	4,421,927	437,473	1,112,253	
Financial Administration	1,612,839	827,487		
Public Facilities	2,681,358			243,996
Public Safety	16,416,606	100,993	1,628,638	
Public Transportation	16,520,901	732,492	42,368	
Culture and Recreation	42,499			
Health and Welfare	1,737,511	106,250	68,309	
Conservation - Agriculture	256,483		95,494	
Interest and Fiscal Charges	693,742			
Total Government Activities	<u>\$57,531,570</u>	<u>\$8,579,850</u>	<u>\$3,112,385</u>	<u>\$243,996</u>

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$8,579,850	19%
Operating Grants and Contributions	3,112,385	7%
Capital Grants and Contributions	243,996	1%
Maintenance and Operations Taxes	27,178,740	61%
Sales Taxes	4,207,445	9%
Other Taxes	33,574	0%
Oil Royalties	153,728	0%
Unrestricted Investment Earnings	226,315	1%
Miscellaneous	946,333	2%
	<u>\$44,682,366</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 \$2,383,044, a decrease of \$4,864,161 in comparison with the prior year. Approximately 0 percent of this total amount, (\$3,347,134), constitutes unassigned fund balance, which is available for spending at the government's discretion. 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 (\$2,165,895), while total fund balance reached (\$2,132,368). 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 0 percent of total general fund expenditures, while total fund balance represents 0 percent of that same amount.

The fund balance of Atascosa County, Texas' general fund decreased by \$2,883,527 during the current fiscal year. Key factors in this decrease are as follows:

- . This decrease is attributable, in large part, to a reduction in sales tax of \$3,306,869 and careful budget management.

At the end of the current fiscal year, restricted fund balance of the road and bridge fund was \$2,059,268, while total fund balance reached \$2,106,338. 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 24 percent of total road and bridge fund expenditures, while total fund balance represents 24 percent of that same amount.

The fund balance of Atascosa County, Texas' road and bridge fund decreased by \$1,502,894 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 \$1,169,362 and careful budget management.

Budgetary Highlights

There was an increase between the general fund original budget and the final amended budget of \$141,111. The largest increase was in the TDEM department which increased \$304,414. 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, 2020, amounts to \$61,126,701 (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 12.74 percent.

There were several equipment purchases and construction of the New Jail Addition, the County Courthouse, and the Precinct IV Tool Storage/Office during the year.

ATASCOSA COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Total	
	2020	2019	2020	2019
Land	\$1,492,897	\$1,492,897	\$1,492,897	\$1,492,897
Buildings	22,212,350	22,051,544	22,212,350	22,051,544
Building Improvements	14,805,710	15,550,319	14,805,710	15,550,319
Machinery and Equipment	8,835,573	8,401,571	8,835,573	8,401,571
Infrastructure	13,780,171	22,551,435	13,780,171	22,551,435
Total	<u>\$61,126,701</u>	<u>\$70,047,766</u>	<u>\$61,126,701</u>	<u>\$70,047,766</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	\$23,575,000	\$0	\$1,235,000	\$22,340,000	\$1,265,000	\$21,075,000
Grand Total	<u>\$23,575,000</u>	<u>\$0</u>	<u>\$1,235,000</u>	<u>\$22,340,000</u>	<u>\$1,265,000</u>	<u>\$21,075,000</u>

Atascosa County, Texas' total bonded debt decreased by \$1,235,000 (5 percent) during the current fiscal year. The key factor in this decrease was the payment of bonds of \$1,235,000.

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, 2020

	Primary Government Governmental Activities	Total
<i>ASSETS</i>		
Cash and Cash Equivalents	\$13,340,150	\$13,340,150
Receivables (net of allowance for uncollectibles)	24,915,647	24,915,647
Pension Receivable	38,260	38,260
Inventory	36,461	36,461
Prepaid Expenses	46,227	46,227
Capital Assets Not Being Depreciated:		
Land	1,492,897	1,492,897
Total Capital Assets Being Depreciated, Net		
Building and Improvements	22,212,350	22,212,350
Machinery and Equipment	14,805,710	14,805,710
Infrastructure	8,835,573	8,835,573
Intangible	13,780,171	13,780,171
Total Assets	<u>\$99,503,446</u>	<u>\$99,503,446</u>
<i>DEFERRED OUTFLOWS OF RESOURCES</i>		
GASB 68		
Deferred Outflow of Resources-Contributions (after 12/31/19)	2,586,927	2,586,927
Changes of assumptions	70,263	70,263
Total Deferred Outflows of Resources	<u>2,657,190</u>	<u>2,657,190</u>
<i>LIABILITIES:</i>		
Accounts Payable	\$1,902,651	\$1,902,651
Accrued Wages Payable	124,025	124,025
Accrued Interest Payable	207,051	207,051
Unearned Revenues	106,118	106,118
Noncurrent Liabilities:		
Due Within One Year	1,613,393	1,613,393
Due in More Than One Year	22,235,396	22,235,396
Total Liabilities	<u>26,188,634</u>	<u>26,188,634</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>		
GASB 68		
Net difference between projected and actual earnings	1,177,991	1,177,991
Differences between expected and actual experience	714,294	714,294
Unavailable Revenue - Advanced Tax Collections	9,724,903	9,724,903
Total Deferred Inflows of Resources	<u>11,617,188</u>	<u>11,617,188</u>
<i>NET POSITION</i>		
Invested in Capital Assets, Net of Related Debt	38,161,553	38,161,553
Restricted		
Construction	70,202	70,202
Debt Service	83,190	83,190
Elections	93,906	93,906
Financial Administration	7,067	7,067
General Administration	378,735	378,735
Health and Welfare	27,531	27,531
Judicial	479,089	479,089
Judicial - District Attorney	299,999	299,999
Public Safety	556,793	556,793
Public Safety - Sheriff	161,785	161,785
Public Transportation	2,116,551	2,116,551
Records Archives	812,150	812,150
Unrestricted	21,106,263	21,106,263
Total Net Position	<u>\$64,354,814</u>	<u>\$64,354,814</u>

The accompanying notes are an integral part of this statement.

ATASCOSA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

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	\$12,209,966	\$6,346,269	\$137,323	\$0	(\$5,726,374)	(\$5,726,374)
Legal	937,738	28,886	28,000		(880,852)	(880,852)
Judicial	4,421,927	437,473	1,112,253		(2,872,201)	(2,872,201)
Financial Administration	1,612,839	827,487			(785,352)	(785,352)
Public Facilities	2,681,358			243,996	(2,437,362)	(2,437,362)
Public Safety	16,416,606	100,993	1,628,638		(14,686,975)	(14,686,975)
Public Transportation	16,520,901	732,492	42,368		(15,746,041)	(15,746,041)
Culture and Recreation	42,499				(42,499)	(42,499)
Health and Welfare	1,737,511	106,250	68,309		(1,562,952)	(1,562,952)
Conservation - Agriculture	256,483		95,494		(160,989)	(160,989)
Interest and Fiscal Charges	693,742				(693,742)	(693,742)
Total Government Activities	<u>57,531,570</u>	<u>8,579,850</u>	<u>3,112,385</u>	<u>243,996</u>	<u>(45,595,339)</u>	<u>(45,595,339)</u>
Total Primary Government	<u>\$57,531,570</u>	<u>\$8,579,850</u>	<u>\$3,112,385</u>	<u>\$243,996</u>	<u>(45,595,339)</u>	<u>(45,595,339)</u>
General Revenues						
Property Taxes, Levies for General Purposes					27,178,740	27,178,740
Sales Taxes					4,207,445	4,207,445
Other Taxes					33,574	33,574
Oil Royalties					153,728	153,728
Unrestricted Investment Earnings					226,315	226,315
Miscellaneous					946,333	946,333
Total General Revenues and Transfers					<u>32,746,135</u>	<u>32,746,135</u>
Change in Net Position					(12,849,204)	(12,849,204)
Net Position - Beginning - Restated					<u>77,204,018</u>	<u>77,204,018</u>
Net Position - Ending					<u>\$64,354,814</u>	<u>\$64,354,814</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ATASCOSA COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<i>ASSETS</i>				
Cash and Cash Equivalents	\$4,865,547	\$3,598,936	\$4,562,898	\$13,027,381
Receivables (net of allowance for uncollectibles)	17,102,104	3,206,292	1,578,472	21,886,868
Inventory		36,461		36,461
Prepaid Items	33,527	10,609	2,091	46,227
Total Assets	<u>\$22,001,178</u>	<u>\$6,852,298</u>	<u>\$6,143,461</u>	<u>\$34,996,937</u>
<i>LIABILITIES AND FUND BALANCES:</i>				
<i>Liabilities</i>				
Accounts Payable	\$1,171,743	\$9,558	\$299,114	\$1,480,415
Accrued Wages Payable	6,760	19,627	124,025	150,412
Bank Overdraft			936,700	936,700
Deferred Revenue			106,118	106,118
Total Liabilities	<u>1,178,503</u>	<u>29,185</u>	<u>1,465,957</u>	<u>2,673,645</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>				
Unavailable Revenue - Advanced Tax Collections	7,479,746	1,519,799	725,358	9,724,903
Deferred Property Taxes	15,475,297	3,196,976	1,543,072	20,215,345
Total Deferred Inflows of Resources	<u>22,955,043</u>	<u>4,716,775</u>	<u>2,268,430</u>	<u>29,940,248</u>
<i>Fund Balances:</i>				
<i>Non-Spendable</i>				
Inventory		36,461		36,461
Prepaid Items	33,527	10,609	560,383	604,519
<i>Restricted</i>				
Construction			70,202	70,202
Debt Service			83,190	83,190
Elections			93,906	93,906
Financial Administration			7,067	7,067
General Administration			378,735	378,735
Health and Welfare			27,531	27,531
Judicial			479,089	479,089
Judicial - District Attorney			299,999	299,999
Public Safety			556,793	556,793
Public Safety - Sheriff			161,785	161,785
Public Transportation		2,059,268	57,283	2,116,551
Records Archives			812,150	812,150
<i>Committed</i>				
Public Safety - Sheriff			2,200	2,200
Unassigned	(2,165,895)		(1,181,239)	(3,347,134)
Total Fund Balance	<u>(2,132,368)</u>	<u>2,106,338</u>	<u>2,409,074</u>	<u>2,383,044</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$22,001,178</u>	<u>\$6,852,298</u>	<u>\$6,143,461</u>	<u>\$34,996,937</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, 2020

Total Fund Balances - governmental funds balance sheet	\$2,383,044
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.	61,126,701
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	3,067,039
GASB 68	
Deferred Outflow of Resources-Contribution	2,586,927
Net difference between projected and actual earnings	(1,177,991)
Changes of assumptions	70,263
Differences between expected and actual experience	(714,294)
Internal Service funds are used by management to account for funds for Self-Insurance. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	853,620
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	20,215,345
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(24,055,840)
Net Position of Governmental Activities - Statement of Net Position	<u>\$64,354,814</u>

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, 2020

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>				
Taxes				
Property	\$20,048,608	\$4,058,165	\$1,979,623	\$26,086,396
Sales	4,207,445			4,207,445
Other	33,574			33,574
Intergovernmental	1,728,809	42,368	1,585,204	3,356,381
Licenses and Permits		608,102		608,102
Charges for Services	2,637,678		1,325,989	3,963,667
Fines and Forfeitures	320,797	124,390	450	445,637
Oil Royalties	153,728			153,728
Interest	176,358	27,026	14,366	217,750
Miscellaneous	522,469	18,989	404,875	946,333
Total Revenues	29,829,466	4,879,040	5,310,507	40,019,013
<i>EXPENDITURES</i>				
Current:				
General Administration	5,599,578		385,173	5,984,751
Legal	889,928			889,928
Judicial	3,027,976		1,901,077	4,929,053
Financial Administration	1,684,522			1,684,522
Public Facilities	1,438,483			1,438,483
Public Safety	11,885,903		4,691,712	16,577,615
Public Transportation		8,649,886		8,649,886
Culture and Recreation	42,499			42,499
Health and Welfare	11,700		1,723,674	1,735,374
Conservation - Agriculture	206,207		50,236	256,443
Capital Projects -				
Capital Outlay and Other			248,924	248,924
Debt Service				
Principal Retirement	452,819		1,235,000	1,687,819
Interest Retirement	17,279		740,598	757,877
Total Expenditures	25,256,894	8,649,886	10,976,394	44,883,174
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	4,572,572	(3,770,846)	(5,665,887)	(4,864,161)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In		8,356,402	5,188,147	13,544,549
Operating Transfers Out	(7,456,099)	(6,088,450)	0	(13,544,549)
Total Other Financing Sources (Uses)	(7,456,099)	2,267,952	5,188,147	0
Net Changes in Fund Balances	(2,883,527)	(1,502,894)	(477,740)	(4,864,161)
Fund Balances - Beginning	751,159	3,609,232	2,886,814	7,247,205
Fund Balances - Ending	(2,132,368)	2,106,338	2,409,074	2,383,044

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, 2020

Net Changes in Fund Balances - Total Governmental Funds (\$4,864,161)

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. (8,921,065)

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. (1,620,431)

GASB 68

Deferred Outflow of Resources-Contribution. This is the change in these amounts this year. 138,424
Net difference between projected and actual earnings. This is the change in these amounts this year. (3,928,441)
Changes of assumptions. This is the change in these amounts this year. (120,798)
Differences between expected and actual experience. This is the change in these amounts this year. 196,905
(Increase) decrease in Net Pension Liability from beginning of period to end of period. 3,838,355

Amortization of Bond Premium 54,263

(Increase) decrease in accrued interest payable from beginning of period to end of period. 23,415

Certain property tax revenues are deferred in the funds. This is the change in these amounts this year. 9,872

Internal Service funds are used by management to account for funds for self-insurance. 1,092,344

The net revenue of certain activities of Internal Service funds is reported with
governmental activities. (435,705)

Repayment of loan principal is an expenditure in the funds but not an expense in the SOA. 1,687,819

Change in Net Position of Governmental Activities - Statement of Activities (\$12,849,204)

The accompanying notes are an integral part of this statement.

ATASCOSA COUNTY, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Taxes				
Property	\$19,599,398	\$19,599,398	\$20,048,608	\$449,210
Sales	7,500,000	7,500,000	4,207,445	(3,292,555)
Other	33,000	33,000	33,574	574
Intergovernmental	221,400	525,814	1,728,809	1,202,995
Charges for Services	2,276,200	2,317,470	2,637,678	320,208
Fines and Forfeitures	340,300	340,300	320,797	(19,503)
Oil Royalties	600,000	600,000	153,728	(446,272)
Interest	228,000	228,000	176,358	(51,642)
Miscellaneous	605,500	605,500	522,469	(83,031)
Total Revenues	31,403,798	31,749,482	29,829,466	(1,920,016)

EXPENDITURES

Current:

General Administration				
County Clerk	948,576	948,576	853,320	95,256
County Commissioners	0	0	0	0
County Judge	247,578	247,578	232,384	15,194
Elections	371,923	371,925	358,183	13,742
IT Department	419,525	419,524	369,830	49,694
Non-Departmental	3,428,475	3,159,477	3,198,654	(39,177)
Statutory County Judge	403,850	403,850	394,227	9,623
Veterans Service	224,528	224,528	192,980	31,548
Legal				
County Attorney	960,029	960,029	889,928	70,101
Judicial				
Child Protection Court	1,200	1,200	797	403
County Court	1,278,500	1,278,500	1,265,367	13,133
Court Expense	248,794	248,794	219,738	29,056
District Clerk	550,927	550,927	465,282	85,645
District Judge	5,900	7,400	7,370	30
Justice of the Peace	1,135,651	1,135,651	1,069,422	66,229
Financial Administration				
County Auditor	384,281	384,281	379,869	4,412
County Treasurer	384,104	389,104	367,438	21,666
Tax Assessor-Collector	1,046,283	1,046,283	937,215	109,068
Public Facilities				
Buildings and Yards	932,983	932,983	777,779	155,204
Utility	1,072,600	1,072,600	660,704	411,896
Public Safety				
Animal Control	702,893	702,893	681,614	21,279
ACIDC		41,270		41,270
Constables	803,453	803,453	713,719	89,734
Crimestoppers	61,083	61,083	60,749	334
D.P.S.	143,010	143,010	134,268	8,742
Emergency Management	176,346	176,346	166,866	9,480
Emergency Management Coordinator	123,054	123,054	61,807	61,247
Fire	204,500	204,500	180,500	24,000
Jail	4,396,507	4,396,507	4,117,739	278,768
Juvenile Probation	594,943	594,943	594,943	0
Reserve Deputies				0
Rural Addressing - 911	28,560	28,560	23,692	4,868
Sheriff	3,724,543	3,782,467	3,336,025	446,442
Sheriff - 911	923,494	923,494	871,079	52,415
TDEM		304,414	942,902	(638,488)

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture and Recreation				
County Library	\$42,500	\$42,500	\$42,499	\$1
Health and Welfare				
Pauper	12,000	12,000	11,700	300
Conservation - Agriculture				
Agriculture Extension Service	224,445	224,445	206,207	18,238
Debt Service				
Principal Retirement	452,819	452,819	452,819	
Interest Retirement	17,279	17,279	17,279	0
Total Expenditures	26,677,136	26,818,247	25,256,894	1,561,353
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	4,726,662	4,931,235	4,572,572	(358,663)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,527,763	2,527,763		(2,527,763)
Operating Transfers Out	(7,254,419)	(7,458,996)	(7,456,099)	2,897
Total Other Financing Sources (Uses)	(4,726,656)	(4,931,233)	(7,456,099)	(2,524,866)
Net Changes in Fund Balances	6	2	(2,883,527)	(\$2,883,529)
Fund Balances - Beginning	751,159	751,159	751,159	
Fund Balances - Ending	\$751,165	\$751,161	(\$2,132,368)	(\$2,883,529)

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 - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property	\$3,958,498	\$3,958,498	\$4,058,165	\$99,667
Intergovernmental	40,000	40,000	42,368	2,368
Licenses and Permits	627,000	627,000	608,102	(18,898)
Fines and Forfeitures	375,000	375,000	124,390	(250,610)
Interest	39,500	39,500	27,026	(12,474)
Miscellaneous	30,000	30,000	18,989	(11,011)
Total Revenues	5,069,998	5,069,998	4,879,040	(190,958)
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	10,083,449	10,083,449	8,649,886	1,433,563
Total Expenditures	10,083,449	10,083,449	8,649,886	1,433,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,013,451)	(5,013,451)	(3,770,846)	1,242,605
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	11,106,402	11,106,402	8,356,402	(2,750,000)
Operating Transfers Out	(6,092,950)	(6,092,950)	(6,088,450)	4,500
Total Other Financing Sources (Uses)	5,013,452	5,013,452	2,267,952	(2,745,500)
Net Changes in Fund Balances	1	1	(1,502,894)	(1,502,895)
Fund Balances - Beginning	3,609,232	3,609,232	3,609,232	
Fund Balances - Ending	\$3,609,233	\$3,609,233	\$2,106,338	(\$1,502,895)

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, 2020

	Internal Service Self Insurance Current Year	Internal Service Self Insurance Prior Year	Total Proprietary Funds Current Year
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$1,275,856	\$1,289,325	\$1,275,856
Receivables (net of allowance for uncollectibles)			0
Total Current Assets	1,275,856	1,289,325	1,275,856
TOTAL ASSETS	<u>\$1,275,856</u>	<u>\$1,289,325</u>	<u>\$1,275,856</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS			
Liabilities			
Current Liabilities (payable from current assets)	\$422,236		\$422,236
Total Current Liabilities	422,236	0	422,236
TOTAL LIABILITIES	<u>422,236</u>	<u>0</u>	<u>422,236</u>
NET POSITION			
Restricted - Expendable	853,620	1,289,325	853,620
TOTAL NET POSITION	<u>\$853,620</u>	<u>\$1,289,325</u>	<u>\$853,620</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, 2020

	Internal Service Self Insurance Current Year	Internal Service Self Insurance Prior Year	Total Proprietary Funds Current Year
OPERATING REVENUES:			
Charges for Services (User Fees)	\$4,899,903	\$5,104,377	\$4,899,903
Miscellaneous	\$282,972		\$282,972
TOTAL OPERATING REVENUES	5,182,875	5,104,377	5,182,875
OPERATING EXPENSES			
Insurance Costs	5,588,091	4,934,414	5,588,091
Administrative Fees	38,669	473,469	38,669
Other	385	386	385
TOTAL OPERATING EXPENSES	5,627,145	5,408,269	5,627,145
OPERATING INCOME (LOSS)	(444,270)	(303,892)	(444,270)
NON-OPERATING REVENUES (EXPENSES):			
Interest Income	8,565	25,464	8,565
TOTAL NON-OPERATING REVENUES (EXPENSES)	8,565	25,464	8,565
Income Before Transfers	(435,705)	(278,428)	(435,705)
Transfers In (Out)	0	0	0
Change in Net Position	(435,705)	(278,428)	(435,705)
Total Net Position - Beginning	1,289,325	1,567,753	1,289,325
Total Net Position - Ending	\$853,620	\$1,289,325	\$853,620

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, 2020

	Internal Service Self Insurance	Internal Service Self Insurance	Total Proprietary Funds
	Current Year	Prior Year	Current Year
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$5,182,875	\$5,104,377	\$5,182,875
Payments to Suppliers	(5,204,909)	(5,471,580)	(5,204,909)
Net Cash Provided (Used) By Operating Activities:	(22,034)	(367,203)	(22,034)
Cash Flows from Non-Capital and Related Financing Activities			
Transfers In	0	0	0
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	0	0	0
Cash Flows from Investing Activities			
Interest Received	8,565	25,464	8,565
Net Cash Provided (Used) By Investing Activities	8,565	25,464	8,565
Net Increase (Decrease) in Cash Equivalents	(13,469)	(341,739)	(13,469)
Cash and Cash Equivalents at Beginning of Year	1,289,325	1,631,064	1,289,325
Cash and Cash Equivalents at End of Year	\$1,275,856	\$1,289,325	\$1,275,856

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

(continued)

(continued)

	Internal Service Self Insurance	Internal Service Self Insurance	Total Proprietary Funds
	Current Year	Prior Year	Current Year
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(\$444,270)	(\$303,892)	(\$444,270)
Changes in Current Items			
Decrease (Increase) in Accounts Receivable	0	0	0
Increase (Decrease) in Accounts Payable	422,236	(63,311)	422,236
Net Cash Provided (Used) by Operating Activities	<u>(\$22,034)</u>	<u>(\$367,203)</u>	<u>(\$22,034)</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, 2020

	Agency Funds			Private Purpose Trust Funds	
	Unem- ployment Fund	Court Costs	County Offices	Historical Society	Permanent School Fund
ASSETS					
Cash and Cash Equivalents		\$217,838	\$3,648,446	\$22,534	\$37,051
Receivables (net of allowance for uncollectibles)		44,075	0		
Total Assets	\$0	\$261,913	\$3,648,446	\$22,534	\$37,051
LIABILITIES					
Accounts Payable	\$13,649	\$0	\$0	\$187	
Due to Others		261,913	3,648,446		
Bank Overdraft	22,347				
Total Liabilities	35,996	261,913	3,648,446	187	0
NET POSITION					
Restricted for:					
Held in Trust-Unexpendable					
Unemployment	(35,996)				
Historical Purposes				22,347	
Public School Purposes					37,051
Total Net Position	(\$35,996)	\$0	\$0	\$22,347	\$37,051

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, 2020

	Agency Funds			Private Purpose Trust Funds	
	Unem- ployment Fund	Court Costs	County Offices	Historical Society	Permanent School Fund
ADDITIONS					
Contributions:					
Private Donations	\$20,000			\$800	
County Officer Fees			3,648,446		
Court Fees		517,276			
Intergovernmental					
Total Contributions	20,000	517,276	3,648,446	800	0
Investment Earnings:					
Interest Received	31			81	184
Total Investment Earnings	31	0	0	81	184
Less Investment Expense					
Net Investment Earnings	31	0	0	81	184
TOTAL ADDITIONS	20,031	517,276	3,648,446	881	184
DEDUCTIONS					
Benefits	62,444				
Distributions to other governments and others			5,181,835		
Distributions to other governments		514,428			
Culture and Recreation-History				2,783	
Total Deductions	62,444	514,428	5,181,835	2,783	0
Change in Net Position	(42,413)	2,848	(1,533,389)	(1,902)	184
Net Position-Beginning	6,417	259,065	5,181,835	24,249	36,867
Net Position-Ending	(\$35,996)	\$261,913	\$3,648,446	\$22,347	\$37,051

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

ATASCOSA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 self 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 self insurance fund accounts for the monies used for the County’s self 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, 2020 and 10 percent of the delinquent outstanding property taxes at December 31, 2020.

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, 2020.

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 of the New Jail Addition, the County Courthouse, and the Precinct IV Tool Storage/Office 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, 2020, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Inventory	\$36,461
Prepaid Items	604,519
Restricted	
Construction	70,202
Debt Service	83,190
Elections	93,906
Financial Administration	7,067
General Administration	378,735
Health and Welfare	27,531
Judicial	479,089
Judicial - District Attorney	299,999
Public Safety	556,793
Public Safety - Sheriff	161,785
Public Transportation	2,116,551
Records Archives	812,150
Committed	
Public Safety - Sheriff	2,200
Unassigned	<u>(3,347,134)</u>
Total Fund Balance	<u><u>\$2,383,044</u></u>

As of December 31, 2020, 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 \$24,055,840 difference are as follows:

Bonds Payable	\$22,340,000
Capital Lease	625,148
Bond Issuance Premium	730,893
Accrued Interest Payable	207,051
Compensated Absences	152,748
	<u>\$24,055,840</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 \$61,126,701 difference are as follows:

Capital Assets Not Being Depreciated	\$1,492,897
Capital Assets Being Depreciated	419,722,188
Depreciation Expense	(360,088,384)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$61,126,701</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 \$20,215,345 difference are as follows:

Property Taxes Receivable	\$20,715,242
Allowance for Doubtful Accounts	<u>(499,897)</u>
Net	<u><u>\$20,215,345</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 \$3,067,039 difference are as follows:

Fines and Fees Receivable	\$9,210,970
Allowance for Doubtful Accounts	<u>(6,182,191)</u>
Pension Receivable	<u>38,260</u>
Net	<u><u>\$3,067,039</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 (\$8,921,065) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$0
Capital Outlay - Additions - Being Depreciated	3,039,063
Capital Outlay - Deletions	<u>(111,624)</u>
Depreciation Expense	<u>(11,848,504)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u><u>(\$8,921,065)</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 2020 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, 2020, 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, 2020 except for the following: General Fund - \$2,132,368, General Permanent Improvement Annex - \$363,948, General Permanent Improvement - \$323,844, CDBG Fund - \$4,928, Ambulance Fund - \$258,481, Border Prosecution Fund - \$17,994, Generation Trailer Grant Fund - \$333, Hot Check Fund - \$145, Hazard Mitigation Program - \$37,260, Indigent Health Care fund - \$212,057, Special Elections Fund - \$44,374, and the DA OVGA Grant 1663889 - \$6,619. 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, 2020, the government's bank balance of \$11,055,493 was not exposed to custodial credit risk. The fair market value of the securities pledged is \$14,249,599; the FDIC coverage is \$693,778. The book balance of the deposits was \$6,043,618. 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, 2020, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
TexPool Funds	\$8,503,207	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	\$15,855,088	\$3,279,213	\$1,580,941	\$20,715,242
Intergovernmental	1,217,656			1,217,656
Fees and Fines	9,210,970			9,210,970
Accounts	409,150	9,316	35,401	453,867
Gross Receivables	26,692,864	3,288,529	1,616,342	31,597,735
Less: Allowance for Uncollectibles	6,561,981	82,237	37,870	6,682,088
Net Total Receivables	<u>\$20,130,883</u>	<u>\$3,206,292</u>	<u>\$1,578,472</u>	<u>\$24,915,647</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning			Ending
	Balances	Increases	Decreases	Balances
Capital assets not being depreciated:				
Land	\$1,492,897			\$1,492,897
Total capital assets not being depreciated:	1,492,897	0	0	1,492,897
Capital assets being depreciated:				
Buildings	28,017,746	830,256	6,500	28,841,502
Building Improvements	20,255,335	173,852	18,200	20,410,987
Machinery and Equipment	16,900,643	2,034,955	478,881	18,456,717
Infrastructure	352,012,982			352,012,982
Total capital assets being depreciated:	417,186,706	3,039,063	503,581	419,722,188
Less: Accumulated Depreciation for:				
Buildings	5,966,202	664,120	1,170	6,629,152
Building Improvements	4,705,016	918,461	18,200	5,605,277
Machinery and Equipment	8,499,072	1,494,659	372,587	9,621,144
Infrastructure	329,461,547	8,771,264		338,232,811
Total Accumulated Depreciation	348,631,837	11,848,504	391,957	360,088,384
Total Capital Assets Depreciated, Net	68,554,869	(8,809,441)	111,624	59,633,804
Governmental Activities capital assets, Net	\$70,047,766	(\$8,809,441)	\$111,624	\$61,126,701

Depreciation charged to the functions is as follows:

Governmental Activities	
General Administration	\$560,838
Legal	49,103
Judicial	117,045
Financial Administration	37,923
Public Facilities	1,389,278
Public Safety	916,212
Public Transportation	8,776,332
Health and Welfare	1,773
Total Depreciation Expense - Governmental Activities	<u>\$11,848,504</u>

Construction commitments

There were several equipment purchases and construction of the New Jail Addition, the County Courthouse, and the Precinct IV Tool Storage/Office during the year.

D. Interfund Receivables, Payables, and Transfers

There were no advances at December 31, 2020.

There were no due to/from other funds at December 31, 2020.

Transfers for the year ended December 31, 2020 are as follows:

INTERFUND	
<i>ACCOUNT</i>	<i>AMOUNT</i>
GENERAL FUND	
TRANSFER TO COURT COORDINATOR	\$91,815
TRANSFER TO FROST LEGAL	5,000
TRANSFER TO RMPF - DISTRICT	75,000
TRANSFER TO COURT SECURITY	514,068
TRANSFER TO DISTRICT ATTORNEY	542,067
TRANSFER TO YOUTH SERVICES	1,054,289
TRANSFER TO AMBULANCE	1,426,219
TRANSFER TO I H C GTRL	1,438,069
TRANSFER TO AEP	41,620
TRANSFER TO R & B	2,267,952
	<u>\$7,456,099</u>
INTRAFUND	
ROAD AND BRIDGE GENERAL	
TRANSFER TO ROAD AND BRIDGE PRECINCTS	6,088,450
	<u>\$6,088,450</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 \$96,528 for the year ended December 31, 2020. Rent expenditures were \$9,600 for the year ended December 31, 2020. Sublease rental income was \$0 for the year ended December 31, 2020. Rental income was \$1,100 for the year ended December 31, 2020.

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

Year Ending	
Dec. 31,	<u>Amount</u>
2021	\$101,121
2022	99,866
2023	49,900
2024	<u>2,926</u>
Total	<u>\$253,813</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, 2020 is \$8,845,000.

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, 2020 is \$9,005,000.

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, 2020 is \$4,490,000.

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%	8,845,000
Tax Notes - Series 2017	3.00% to 4.00%	9,005,000
Tax Notes - Series 2019	3.00% to 4.00%	4,490,000

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

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2021	\$1,265,000	\$697,210
2022	1,310,000	653,585
2023	1,355,000	606,435
2024	1,105,000	561,610
2025	1,145,000	521,135
2026-2030	6,330,000	1,970,665
2031-2035	6,670,000	941,205
2036-2038	3,160,000	123,057
TOTALS	<u>\$22,340,000</u>	<u>\$6,074,902</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:	7 POWER PRO AMBULANCES	SPILLMAN LAW ENFORCEMENT SOFTWARE	TOTAL
Cost	\$291,360	\$744,601	\$1,035,961
Less: Accumulated Depreciation	233,088	297,840	530,928
Total	<u>\$58,272</u>	<u>\$446,761</u>	<u>\$505,033</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

	7 POWER PRO AMBULANCES	SPILLMAN LAW ENFORCEMENT SOFTWARE	TOTAL
YEAR			
2021	\$58,272	\$149,164	\$207,436
2022		149,164	149,164
2023		149,164	149,164
2024		149,164	149,164
Total Minimum Lease Payments	58,272	596,656	654,928
Less: Amount Representing Interest	0	29,780	29,780
Present Value of Net Minimum Lease Payments	\$58,272	\$566,876	\$625,148

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	\$23,575,000	\$0	\$1,235,000	\$22,340,000	\$1,265,000	\$21,075,000
Bond Issuance Premium	785,156		54,263	730,893	0	730,893
Capital Lease	2,116,960		1,491,812	625,148	195,645	429,503
Net Pension Payable	3,800,095		3,800,095	0	0	0
Compensated Absences	176,163	152,748	176,163	152,748	152,748	0
Grand Total	\$30,453,374	\$152,748	\$6,757,333	\$23,848,789	\$1,613,393	\$22,235,396

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 2020 year is \$152,748.

The government-wide statement of activities includes \$1,613,393 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 <u>12/31/19</u>	Year ended <u>12/31/20</u>
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

Atascosa County maintains a self-funded stop/loss health insurance plan for active employees and their eligible dependents. The stop/loss amounts for the year 2020 are \$150,000 per individual and \$5,411,441 aggregate. 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 \$121,474.

Bob Hurley's (County Judge) cousins, Ross and Pat Hurley, own Hurley Funeral Home. The amount paid for the year is \$29,840.

Mark Gillespie's (Commissioner Precinct No. 1) son, Cody Gillespie, collects estray for the County. The amount paid for the year is \$1,525.

In all of the above, there were no amounts owed at December 31, 2020.

C. Subsequent Events

On February 8, 2021, the County approved to purchase Watchguard Software Maintenance and Warranty for the Sheriff's office in 2021, for a total cost of \$25,725.

On March 8, 2021, the County approved to purchase six (6) new tasers and warranties from Axon Enterprises, Inc. in the amount of \$20,492 and four (4) vehicles from Caldwell Chevrolet in the amount of \$122,575.

On March 22, 2021, the County approved the funding of \$18,000 for the Pleasanton VFD after they failed to uphold their 2020-21 fire service contract. The County approved the purchase of six (6) Chevrolet Tahoes from Caldwell County

Chevrolet and four (4) grill guards from Discount Truck & Trailer in an amount not to exceed \$211,425. The County also approved the purchase of emergency lights, siren, cages and related equipment with installation from Advantage Communications in an amount not to exceed \$42,000.

On May 10, 2021, the County was awarded grant funds in the amount of \$1,511,801 from the Texas Indigent Defense Commission to be used for the Public Defender Program.

On May 24, 2021, the County accepted the offer of \$30,000 from Clifton Shearrer for the purchase of County property located at 1411 Zanderson Avenue in Jourdan, Texas.

On June 14, 2021, the County received \$4,967,935.50 from the Coronavirus State and Local Fiscal Recovery Funds.

The County's property tax base decreased by \$250 million.

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-XR, In the United States District Court for the Western District of Texas, San Antonio Division Germer No. 102792 – Plaintiff Mario Quintanilla is currently incarcerated in the Atascosa County Jail awaiting trial. Quintanilla was indicted in February 2020 for the offense of manufacture and delivery of a controlled substance in penalty group one. Quintanilla has been in the Atascosa County Jail since November 6, 2019 and has been involved in numerous altercations with other inmates and jail staff. In this lawsuit, Quintanilla makes vague excessive force allegations against the Defendants. He alleges that Sheriff Soward deliberately failed to act when presented with a risk of constitutional harm. On September 24, 2020, the County Defendants filed a Motion to Dismiss all of the Plaintiff's claims in this lawsuit. Specifically, the County Defendants argue that the Plaintiff has failed to plead sufficient factual allegations to state a Fourteenth Amendment excessive force claim against any of the County Defendants. Further, there is an argument that the County Defendants are entitled to qualified immunity. On May 5, 2020, the Court 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 claims

against CO Araiza and Corporal DeLeon and a due process claim against Sergeant Pratkanis for allegedly ordering him restrained without bathroom breaks. We answered for the officers on June 3, 2021, denying the substantive allegations and assert their defenses and immunities. We have received Plaintiff's medical records authorization and will proceed to obtain his medical records. The Court has denied Plaintiff's three motions to appoint him counsel, so he continues to represent himself pro se.

Mario Quintanilla v. Martin Gonzalez, David Soward and Amanda Faz; Civil Action No. 5:20-CV-00563-DAE; In the United States District Court for the Western District of Texas, San Antonio Division Germer No. 104369 – In this lawsuit, Quintanilla alleges Sheriff Soward, Captain Martin Gonzales and law librarian Amanda Faz wrongfully denied him access to the courts by refusing his requests for library time and legal documents. He also alleges 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. On November 10, 2020, the County Defendants filed a Motion to Dismiss all of Plaintiff's claims in this lawsuit. Specifically, the County Defendants argue that Plaintiff has 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 they are entitled 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 Plaintiff's inadequate lighting claim as if it had been correctly brought under the Fourteenth Amendment. The Motion for Summary Judgment has now been fully briefed. At this stage, Counsel recommends sending written discovery to Plaintiff and then waiting on a ruling on the County Defendants' Motion for Summary Judgment.

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 \$1,038,993; due to the County including 6 Motor Graders as a capital asset.

The County also had a prior period adjustment whereby governmental activities' Net Position was restated downward by \$364,138 due to the County misstating the capital assets.

The County also had a prior period adjustment whereby governmental activities' Net Position was restated upward by \$66,032 due to the County misstating the Indigent Health Care accounts payable.

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

	Net Position, as Previously Reported	Capital Asset - 6 Motor graders	Capital Asset - Miscellaneous	Accounts - Payable Indigent Health Care	Net Position As Restated
Governmental Activities:					
Net Position	\$76,463,131	\$1,038,993	(\$364,138)	\$66,032	\$77,204,018
Total Governmental Activities	\$76,463,131	\$1,038,993	(\$364,138)	\$66,032	\$77,204,018

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, 2018	December 31, 2019
Total pension liability	\$46,821,328	\$50,216,049
Fiduciary net position	43,021,233	50,251,309
Net pension liability/(asset)	3,800,095	(38,260)
Fiduciary net position as a % of total pension liability	91.88%	100.08%
Pensionable covered payroll	\$16,439,316	\$17,936,542
Net Pension liability as a % of covered payroll	23.12%	(0.21%)

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%	8.10%
Long-term expected rate of return, net of investment expense	8.10%	8.10%
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, 2019 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.

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, 2018	December 31, 2019
Measurement date	December 31, 2018	December 31, 2019
Employer's fiscal year	January 1, 2020	December 31, 2020

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 April 2020 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 most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013 — December 31, 2016 for more details.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
U.S. Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	7.00%	5.20%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ^(S)	6.00%	5.50%
	Hedge Fund Research, Inc. (HFRI) Fund of Funds		
Hedge Funds	Composite Index	8.00%	2.30%

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)	
2020	\$50,254,309	\$2,497,384	\$3,167,197	\$50,254	\$4,042,004	\$53,576,246
2021	53,576,246	2,374,112	2,753,009	53,576	4,322,502	57,466,275
2022	57,466,275	2,284,686	2,936,767	57,466	4,626,591	61,383,319
2023	61,383,319	2,203,957	3,127,456	61,383	4,932,938	65,331,375
2024	65,331,375	2,143,135	3,323,443	65,331	5,242,375	69,328,111
2025	69,328,111	2,090,612	3,518,769	69,328	5,556,109	73,386,735
2026	73,386,735	2,042,005	3,734,880	73,387	5,874,185	77,494,658
2027	77,494,658	1,990,356	3,976,575	77,495	6,195,114	81,626,058
2028	81,626,058	1,943,960	4,267,984	81,626	6,516,179	85,736,587
2029	85,736,587	1,909,167	4,561,322	85,737	6,835,938	89,834,633
2030	89,834,633	1,874,768	4,792,892	89,835	7,157,155	93,983,829
2031	93,983,829	1,839,579	5,077,972	93,984	7,480,356	98,131,808
2032	98,131,808	1,808,422	5,380,945	98,132	7,802,909	102,264,062
2033	102,264,062	1,781,314	5,649,164	102,264	8,125,730	106,419,678
2034	106,419,678	1,756,429	5,894,847	106,420	8,451,425	110,626,265
2035	110,626,265	1,734,164	6,235,158	110,626	8,777,593	114,792,238
2036	114,792,238	1,711,523	6,581,593	114,792	9,100,215	118,907,591
2037	118,907,591	1,690,921	6,888,555	118,908	9,420,387	123,011,436
2038	123,011,436	1,673,616	7,150,826	123,011	9,741,533	127,152,748
2039	127,152,748	1,657,600	7,422,883	127,153	10,065,375	131,325,687
2040	131,325,687	1,642,440	7,664,808	131,326	10,393,008	135,565,001
2041	135,565,001	1,625,586	7,974,791	135,565	10,723,245	139,803,476
2042	139,803,476	1,610,479	8,242,448	139,803	11,055,165	144,086,869
2043	144,086,869	1,596,880	8,476,307	144,087	11,392,122	148,455,477
2044	148,455,477	1,582,450	8,857,789	148,455	11,730,084	152,761,767
2045	152,761,767	1,572,061	9,106,534	152,762	12,068,432	157,142,964
2046	157,142,964	1,561,973	9,361,899	157,143	12,412,593	161,598,488
2047	161,598,488	1,554,752	9,649,082	161,598	12,761,622	166,104,182
2048	166,104,182	1,552,717	9,859,625	166,104	13,117,963	170,749,133
2049	170,749,133	1,554,106	10,000,813	170,749	13,488,468	175,620,145
2050	175,620,145	1,558,761	10,263,175	175,620	13,872,592	180,612,703
2051	180,612,703	1,566,841	10,397,292	180,613	14,271,786	185,873,425
2052	185,873,425	1,579,108	10,515,041	185,873	14,693,507	191,445,126
2053	191,445,126	1,593,924	10,618,807	191,445	15,141,061	197,369,859
2054	197,369,859	1,613,872	10,731,886	197,370	15,617,031	203,671,506
2055	203,671,506	1,637,986	10,724,828	203,672	16,128,452	210,509,444
2056	210,509,444	1,663,385	10,764,772	210,509	16,681,476	217,879,024
2057	217,879,024	1,693,904	10,752,955	217,879	17,279,800	225,881,894

2058	225,881,894	1,728,836	10,643,465	225,882	17,933,450	234,674,833
2059	234,674,833	1,766,195	10,564,712	234,675	18,649,940	244,291,581
2060	244,291,581	1,807,694	10,430,807	244,292	19,435,480	254,859,656
2061	254,859,656	1,852,778	10,237,365	254,860	20,300,547	266,520,756
2062	266,520,756	1,900,139	10,034,682	266,521	21,254,562	279,374,254
2063	279,374,254	1,952,004	9,793,024	279,374	22,306,842	293,560,702
2064	293,560,702	2,008,005	9,520,316	293,561	23,468,434	309,223,264
2065	309,223,264	2,065,825	9,254,344	309,223	24,749,338	326,474,860
2066	326,474,860	2,127,836	8,953,083	326,475	26,160,458	345,483,596
2067	345,483,596	2,193,040	8,638,220	345,484	27,714,504	366,407,436
2068	366,407,436	2,261,094	8,311,957	366,407	29,424,163	389,414,329
2069	389,414,329	2,331,775	7,983,789	389,414	31,302,646	414,675,547
2070	414,675,547	2,405,882	7,635,764	414,676	33,364,565	442,395,554
2071	442,395,554	2,482,443	7,289,788	442,396	35,625,565	472,771,378
2072	472,771,378	2,561,956	6,938,306	472,771	38,101,916	506,024,173
2073	506,024,173	2,644,753	6,576,340	506,024	40,811,734	542,398,296
2074	542,398,296	2,730,099	6,220,704	542,398	43,774,105	582,139,398
2075	582,139,398	2,818,517	5,862,453	582,139	47,009,294	625,522,617
2076	625,522,617	2,910,119	5,502,594	625,523	50,539,540	672,844,159
2077	672,844,159	3,004,698	5,147,260	672,844	54,388,572	724,417,325
2078	724,417,325	3,102,350	4,797,715	724,417	58,581,710	780,579,253
2079	780,579,253	3,203,177	4,454,979	780,579	63,146,210	841,693,082
2080	841,693,082	3,307,280	4,119,561	841,693	68,111,457	908,150,565
2081	908,150,565	3,414,767	3,792,339	908,151	73,509,137	980,373,979
2082	980,373,979	3,525,746	3,474,225	980,374	79,373,406	1,058,818,532
2083	1,058,818,532	3,640,333	3,165,885	1,058,819	85,741,094	1,143,975,255
2084	1,143,975,255	3,758,644	2,868,213	1,143,975	92,651,927	1,236,373,638
2085	1,236,373,638	3,880,800	2,582,298	1,236,374	100,148,731	1,336,584,497
2086	1,336,584,497	4,006,926	2,309,008	1,336,584	108,277,693	1,445,223,524
2087	1,445,223,524	4,137,151	2,049,347	1,445,224	117,088,623	1,562,954,727
2088	1,562,954,727	4,271,608	1,804,321	1,562,955	126,635,245	1,690,494,304
2089	1,690,494,304	4,410,436	1,574,839	1,690,494	136,975,512	1,828,614,919
2090	1,828,614,919	4,553,775	1,361,657	1,828,615	148,171,955	1,978,150,377
2091	1,978,150,377	4,701,773	1,165,479	1,978,150	160,292,056	2,140,000,577
2092	2,140,000,577	4,854,580	986,664	2,140,001	173,408,664	2,315,137,156
2093	2,315,137,156	5,012,354	825,376	2,315,137	187,600,443	2,504,609,440
2094	2,504,609,440	5,175,256	681,664	2,504,609	202,952,350	2,709,550,773
2095	2,709,550,773	5,343,451	555,175	2,709,551	219,556,162	2,931,185,660
2096	2,931,185,660	5,517,114	445,284	2,931,186	237,511,046	3,170,837,350
2097	3,170,837,350	5,696,420	351,257	3,170,837	256,924,171	3,429,935,847
2098	3,429,935,847	5,881,553	272,141	3,429,936	277,911,354	3,710,026,677
2099	3,710,026,677	6,072,704	206,780	3,710,027	300,597,774	4,012,780,348

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, 2018	\$46,821,328	\$43,021,233	\$3,800,095
Changes of the year:			
Service cost	1,857,261		1,857,261
Interest on total pension liability	3,846,150		3,846,150
Effect of plan changes	243,550		243,550
Effect of economic/demographic gains or losses	(114,257)		(114,257)
Effect of assumptions changes or inputs	0		0
Refund of contributions	(463,407)	(463,407)	0
Benefit payments	(1,974,575)	(1,974,575)	\$0
Administrative expenses		(38,296)	38,296
Member contributions		1,076,193	(1,076,193)
Net investment income		7,064,748	(7,064,748)
Employer contributions		1,554,805	(1,554,805)
Other	0	13,609	(13,609)
Balances as of December 31, 2019	\$50,216,049	\$50,254,309	(\$38,260)

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 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$57,068,103.	\$50,216,049	\$44,506,656
Fiduciary net position	50,254,309	50,254,309	50,254,309
Net pension liability/(asset)	\$6,813,794	(\$38,260)	(\$5,747,653)

Pension Expense / (Income)	
Pension Expense / (Income)	January 1, 2019 to December 31, 2019
Service cost	\$1,857,261
Interest on total pension liability	3,846,150
Effect of plan changes	243,550
Administrative expenses	38,296
Member contributions	(1,076,193)
Expected investment return net of investment expenses	(3,491,404)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(311,162)
Recognition of assumption changes or inputs	120,798
Recognition of investment gains or losses	355,098
Other	(13,609)
Pension expense	<u>\$1,568,784</u>

As of December 31, 2019, 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	\$714,294	\$0
Changes of assumptions	0	70,263
Net difference between projected and actual earnings	1,177,991	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:	
2020	(\$516,494)
2021	(569,772)
2022	1,764
2023	(737,520)
2024	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2019	
Original Amount (a)	Date Established (b)	Original Recognition Period (c)	Amount Recognized for 2019 (a) / (c)	Inflows	Outflows
Investment (gains) or losses					
(\$3,573,343)	12/31/2019	5.0	(\$714,669)	\$2,858,674	\$0
4,368,583	12/31/2018	5.0	873,717	0	2,621,149
(2,484,363)	12/31/2017	5.0	(496,873)	993,745	0
266,398	12/31/2016	5.0	53,280	0	53,279
3,198,215	12/31/2015	5.0	639,643	0	0
Economic/demographic (gains) or losses					
(114,257)	12/31/2019	5.0	(22,851)	91,406	0
(672,163)	12/31/2018	5.0	(134,433)	403,297	0
(548,979)	12/31/2017	5.0	(109,796)	219,591	0
61,665	12/31/2016	4.0	15,416	0	0
(297,489)	12/31/2015	5.0	(59,498)	0	0
Assumption changes or inputs					
0	12/31/2019	5.0	0	0	0
0	12/31/2018	5.0	0	0	0
175,659	12/31/2017	5.0	35,132	0	70,263
0	12/31/2016	4.0	0	0	0
428,329	12/31/2015	5.0	85,666	0	0

Schedule of Changes in Net Pension Liability and Related Ratios

Year Ended December 31

	2019	2018	2017	2016	2015	2014	2013 - 2009
Total Pension Liability							
Service cost	\$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	3,846,150	3,644,000	3,429,615	3,101,142	2,883,286	2,653,162	N/A
Effect of plan changes	243,550	0	0	0	(338,868)	190,807	N/A
Effect of assumption changes or inputs	0	0	175,659	0	428,329	0	N/A
Effect of economic/demographic (gains) or losses	(114,257)	(672,163)	(548,979)	61,665	(297,489)	126,159	N/A
Benefit payments/refunds of contributions	<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	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>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>\$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	\$1,554,805	\$1,257,603	\$1,207,969	\$1,217,536	\$1,110,610	\$1,007,343	N/A
Member contributions	1,076,193	986,359	947,431	954,934	871,066	790,073	N/A
Investment income net of investment expenses	7,064,748	(816,921)	5,583,334	2,600,415	(318,552)	2,183,243	N/A
Benefit payments/refunds of contributions	(2,437,982)	(2,232,847)	(2,098,045)	(1,727,141)	(1,562,785)	(1,550,316)	N/A
Administrative expenses	(38,296)	(34,555)	(29,166)	(28,310)	(25,272)	(26,021)	N/A
Other	<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	7,233,077	(835,624)	5,612,016	3,094,152	132,367	2,513,422	N/A
Fiduciary net position, beginning	<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>\$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>(\$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	100.08%	91.88%	98.94%	92.15%	91.93%	98.52%	N/A
Pensionable covered payroll	\$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	-0.21%	23.12%	2.98%	92.15%	21.24%	4.00%	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$655,379	\$655,379	\$0	\$9,166,133	7.1%
2011	679,973	679,973	0	10,007,592	6.8%
2012	716,113	716,113	0	9,891,098	7.2%
2013	868,747	868,747	0	11,356,161	7.7%
2014	1,003,392	1,007,343	(3,951)	13,167,876	7.7%
2015	1,072,863	1,110,610	(37,747)	14,517,768	7.7%
2016	1,120,456	1,217,536	(97,080)	15,915,574	7.6%
2017	1,143,233	1,207,969	(64,736)	15,790,509	7.6%
2018	1,229,661	1,257,603	(27,942)	16,439,316	7.6%
2019	1,289,637	1,554,805	(265,168)	17,936,542	8.7%

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 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, 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.
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.

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 2019 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.tcds.org.

Membership Information

Members	Dec. 31, 2018	Dec. 31, 2019
Number of inactive employees entitled to but not yet receiving benefits:	295	308
Number of active employees:	366	398
Average monthly salary:	\$3,751	\$3,855
Average age:	44.90	44.50
Average length of service in years:	9.19	8.93

Inactive Employees (or their Beneficiaries) Receiving Benefits

Number of benefit recipients:	134	140
Average monthly benefit:	\$1,187	\$1,208

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, 2019 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Atascosa County December 31, 2019 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	8.10% (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, 2019 financial reporting metrics are the same as those used in the December 31, 2019 actuarial valuation analysis for Atascosa County.

The following is a description of the assumptions used in the December 31, 2019 actuarial valuation analysis for Atascosa County. This information may also be found in the Atascosa County December 31, 2019 Summary Valuation Report.

Economic Assumptions

TCDRS system-wide economic assumptions:

Real rate of return	5.25%
Inflation	2.75%
Long-term investment return	8.00%

The assumed long-term investment return of 8% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 8% 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 3.25% (made up of 2.75% 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	3.25%

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
	2019	2018	2017	2016	2015	2014	
Total Pension Liability							
Service cost	\$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	3,846,150	3,644,000	3,429,615	3,101,142	2,883,286	2,653,162	N/A
Effect of plan changes	243,550	0	0	0	(338,868)	190,807	N/A
Effect of assumption changes or inputs	0	0	175,659	0	428,329	0	N/A
Effect of economic/demographic (gains) or losses	(114,257)	(672,163)	(548,979)	61,665	(297,489)	126,159	N/A
Benefit payments/refunds of contributions	<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	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>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>\$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	\$1,554,805	\$1,257,603	\$1,207,969	\$1,217,536	\$1,110,610	\$1,007,343	N/A
Member contributions	1,076,193	986,359	947,431	954,934	871,066	790,073	N/A
Investment income net of investment expenses	7,064,748	(816,921)	5,583,334	2,600,415	(318,552)	2,183,243	N/A
Benefit payments/refunds of contributions	(2,437,982)	(2,232,847)	(2,098,045)	(1,727,141)	(1,562,785)	(1,550,316)	N/A
Administrative expenses	(38,296)	(34,555)	(29,166)	(28,310)	(25,272)	(26,021)	N/A
Other	<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	7,233,077	(835,624)	5,612,016	3,094,152	132,367	2,513,422	N/A
Fiduciary net position, beginning	<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>\$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>(\$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	100.08%	91.88%	98.94%	92.15%	91.93%	98.52%	N/A
Pensionable covered payroll	\$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	-0.21%	23.12%	2.98%	92.15%	21.24%	4.00%	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$655,379	\$655,379	\$0	\$9,166,133	7.1%
2011	679,973	679,973	0	10,007,592	6.8%
2012	716,113	716,113	0	9,891,098	7.2%
2013	868,747	868,747	0	11,356,161	7.7%
2014	1,003,392	1,007,343	(3,951)	13,167,876	7.7%
2015	1,072,863	1,110,610	(37,747)	14,517,768	7.7%
2016	1,120,456	1,217,536	(97,080)	15,915,574	7.6%
2017	1,143,233	1,207,969	(64,736)	15,790,509	7.6%
2018	1,229,661	1,257,603	(27,942)	16,439,316	7.6%
2019	1,289,637	1,554,805	(265,168)	17,936,542	8.7%

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 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, 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.
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.

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, 2019 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Atascosa County December 31, 2019 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	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor Inflation	None
Salary Increases	Same as funding valuation: See Appendix C
Investment Rate of Return	Same as funding valuation: See Appendix C
Cost-of-Living Adjustments	8.10% (Gross of administrative expenses)
	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, 2020

	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	\$1,206,659	\$170,513	\$183,190	\$897,632	\$695,066	\$445,876	\$3,598,936
Receivables (net of allowance for uncollectibles)	3,206,292						3,206,292
Inventory		8,712	9,205	12,450	6,094		36,461
Prepaid Insurance		3,270	2,316	2,298	2,725		10,609
Total Assets	<u>\$4,412,951</u>	<u>\$182,495</u>	<u>\$194,711</u>	<u>\$912,380</u>	<u>\$703,885</u>	<u>\$445,876</u>	<u>6,852,298</u>
<i>LIABILITIES AND FUND BALANCES:</i>							
Liabilities:							
Accounts Payable		\$4,743	\$4,281	\$534			\$9,558
Accrued Wages		\$1,667			\$17,960		\$19,627
Total Liabilities	<u>0</u>	<u>6,410</u>	<u>4,281</u>	<u>534</u>	<u>17,960</u>	<u>0</u>	<u>29,185</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>							
Unavailable Revenue - Advanced Tax Collections	1,519,799						1,519,799
Deferred Property Taxes	3,196,976						3,196,976
Total Deferred Inflows of Resources	<u>4,716,775</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,716,775</u>
<i>Fund Balances:</i>							
Non-Spendable							
Inventory		8,712	9,205	12,450	6,094		36,461
Prepaid Insurance		3,270	2,316	2,298	2,725		10,609
Restricted							
Public Transportation	(303,824)	164,103	178,909	897,098	677,106	445,876	2,059,268
Total Fund Balance	<u>(303,824)</u>	<u>176,085</u>	<u>190,430</u>	<u>911,846</u>	<u>685,925</u>	<u>445,876</u>	<u>2,106,338</u>
Total Liabilities and Fund Balances	<u>\$4,412,951</u>	<u>\$182,495</u>	<u>\$194,711</u>	<u>\$912,380</u>	<u>\$703,885</u>	<u>\$445,876</u>	<u>\$6,852,298</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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, 2020

	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	\$4,058,165						\$4,058,165
Intergovernmental	42,368						42,368
Licenses and Permits	591,102				17,000		608,102
Fines and Forfeitures	124,390						124,390
Interest	4,371	3,787	4,135	7,837	5,449	1,447	27,026
Miscellaneous	7,034		9,120	2,835			18,989
Total Revenues	4,827,430	3,787	13,255	10,672	22,449	1,447	4,879,040
<i>EXPENDITURES</i>							
Current:							
Public Transportation							
Road and Bridge	915,838	2,070,602	1,655,922	2,213,216	1,794,308		8,649,886
Total Expenditures	915,838	2,070,602	1,655,922	2,213,216	1,794,308	0	8,649,886
Excess (Deficiency) of Revenues Over (Under)							
Expenditures	3,911,592	(2,066,815)	(1,642,667)	(2,202,544)	(1,771,859)	1,447	(3,770,846)
OTHER FINANCING SOURCES (USES):							
Operating Transfers In	2,267,952	1,655,712	1,260,311	1,659,230	1,513,197		8,356,402
Operating Transfers Out	(6,088,450)						(6,088,450)
Total Other Financing Sources (Uses)	(3,820,498)	1,655,712	1,260,311	1,659,230	1,513,197	0	2,267,952
Net Changes in Fund Balances	91,094	(411,103)	(382,356)	(543,314)	(258,662)	1,447	(1,502,894)
Fund Balances - Beginning	(394,918)	587,188	572,786	1,455,160	944,587	444,429	3,609,232
Fund Balances - Ending	(\$303,824)	\$176,085	\$190,430	\$911,846	\$685,925	\$445,876	\$2,106,338
	0	0	0	0	0	0	0

The accompanying notes are an integral part of this statement.

ATASCOSA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

SPECIAL REVENUE							
ALCOHOL REHAB & TRAINING	ALTERNATE EDUCATION PROGRAM	AMBULANCE FUND	AMENDMENT 15	ARCHIVE FEE	BORDER PROSEC- UTION	CHAPTER 18	CHAPTER 19
\$27,806	\$16,149	\$26,134	\$862	\$686,326		\$54,923	\$22,851
		1,263 1,256		8,510			
\$27,806	\$16,149	\$28,653	\$862	\$694,836	\$0	\$54,923	\$22,851
		\$172,736 114,398			17,994		
0	0	287,134	0	0	17,994	0	0
0	0	0	0	0	0	0	0
		1,256					
			862				
27,806	16,149						
						54,923	22,851
				694,836			
		(259,737)			(17,994)		
27,806	16,149	(258,481)	862	694,836	(17,994)	54,923	22,851
\$27,806	\$16,149	\$28,653	\$862	\$694,836	\$0	\$54,923	\$22,851

(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
\$6,746	\$12,865	\$11,382	\$6	\$2,628	\$310	\$2,650	\$5,586	\$1,212	\$11,136
									16
\$6,746	\$12,865	\$11,382	\$6	\$2,628	\$310	\$2,650	\$5,586	\$1,212	\$11,152
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
		11,382		6					
				2,628	310	2,650	5,586	1,212	
6,746	12,865								11,152
6,746	12,865	11,382	6	2,628	310	2,650	5,586	1,212	11,152
\$6,746	\$12,865	\$11,382	\$6	\$2,628	\$310	\$2,650	\$5,586	\$1,212	\$11,152

ATASCOSA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(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	\$19,887	\$105,792	\$69,699	\$200,520	\$558,292	\$150	\$489		\$409,676
Receivables (net of allowance for uncollectibles)	65	370		1,367				4,841	
Prepaid Insurance					635				
TOTAL ASSETS	\$19,952	\$106,162	\$69,699	\$201,887	\$558,927	\$150	\$489	\$4,841	\$409,676
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts Payable			\$1,101	\$844					\$25,680
Accrued Wages			1,101						
Bank Overdraft								11,460	
Deferred Revenue			16,553						89,565
Total Liabilities	0	0	18,755	844	0	0	0	11,460	115,245
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					558,927				
Restricted									
Construction									
Debt Service									
Elections									
Financial Administration									
General Administration									
Health and Welfare									
Judicial	19,952		50,944						
Judicial - District Attorney						150	489		294,431
Public Safety				201,043					
Public Safety - Sheriff									
Public Transportation									
Records Archives		106,162							
Committed									
Public Safety - Sheriff									
Unassigned								(6,619)	
Total Fund Balances	19,952	106,162	50,944	201,043	558,927	150	489	(6,619)	294,431
TOTAL LIABILITIES AND FUND BALANCES	\$19,952	\$106,162	\$69,699	\$201,887	\$558,927	\$150	\$489	\$4,841	\$409,676

(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
\$56,413	\$2,148	\$9,332		\$93,906				\$34,370	\$2,232	\$77,449
12								53		200
\$56,425	\$2,148	\$9,332	\$0	\$93,906	\$0	\$0	\$0	\$34,423	\$2,232	\$77,649
					\$5,580		\$70,812	\$755		\$394
			333		31,680	145	141,245			
0	0	0	333	0	37,260	145	212,057	755	0	394
0	0	0	0	0	0	0	0	0	0	0
				93,906						
56,425		9,332						33,668	2,232	77,255
	2,148									
			(333)		(37,260)	(145)	(212,057)			
56,425	2,148	9,332	(333)	93,906	(37,260)	(145)	(212,057)	33,668	2,232	77,255
\$56,425	\$2,148	\$9,332	\$0	\$93,906	\$0	\$0	\$0	\$34,423	\$2,232	\$77,649

ATASCOSA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(continued)

	SPECIAL REVENUE								
	JUSTICE TECH- NOLOGY FUND	JUVENILE FEES	PRESER- VATION OF VITAL STATISTICS	PRE- TRIAL DIVERSION	RECORDS MANAGE- MENT	RMPF FUND	SHERIFF ABANDONED VEHICLE	SHERIFF DRUG SEIZURE	SHERIFF FEDERAL FORFEITURE
ASSETS									
Cash and Cash Equivalents	\$45,996	\$12,499	\$52,545	\$155,255	\$326,907	\$55,868	\$2,200	\$45,544	\$16,304
Receivables (net of allowance for uncollectibles)	218		178		8,740	1,415			
Prepaid Insurance									
TOTAL ASSETS	\$46,214	\$12,499	\$52,723	\$155,255	\$335,647	\$57,283	\$2,200	\$45,544	\$16,304
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts Payable					\$6,431			\$226	
Accrued Wages					4,066				
Bank Overdraft									
Deferred Revenue									
Total Liabilities	0	0	0	0	10,497	0	0	226	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	0
Fund Balances									
Non-Spendable									
Prepaid Items									
Restricted									
Construction									
Debt Service									
Elections									
Financial Administration									
General Administration			52,723		325,150				
Health and Welfare									
Judicial	46,214			155,255					
Judicial - District Attorney									
Public Safety		12,499							
Public Safety - Sheriff								45,318	16,304
Public Transportation						57,283			
Records Archives									
Committed									
Public Safety - Sheriff							2,200		
Unassigned									
Total Fund Balances	46,214	12,499	52,723	155,255	325,150	57,283	2,200	45,318	16,304
TOTAL LIABILITIES AND FUND BALANCES	\$46,214	\$12,499	\$52,723	\$155,255	\$335,647	\$57,283	\$2,200	\$45,544	\$16,304

(continued)

SPECIAL REVENUE							CAPITAL PROJECTS		
SHERIFF LEOSE	SPECIAL ELECTIONS	TRUANCY COURT FINES	TX VINE GRANT	VEHICLE INVENTORY TAX	WOOF GRANT	YOUTH SERVICE CENTER	BENTON CITY GRANT	CDBG PROJECT	GENERAL PERMANENT IMPROVEMENT
\$2,766		\$4,929		\$7,067		\$336,341	\$96		
12						8,140 200			
\$2,778	\$0	\$4,929	\$0	\$7,067	\$0	\$344,681	\$96	\$0	\$0
	\$3,251					\$11,304 4,460			
	41,123							4,928	323,844
0	44,374	0	0	0	0	15,764	0	4,928	323,844
0	0	0	0	0	0	0	0	0	0
						200			
							96		
				7,067					
		4,929							
2,778						328,717			
	(44,374)							(4,928)	(323,844)
2,778	(44,374)	4,929	0	7,067	0	328,917	96	(4,928)	(323,844)
\$2,778	\$0	\$4,929	\$0	\$7,067	\$0	\$344,681	\$96	\$0	\$0

ATASCOSA COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(continued)

	CAPITAL PROJECTS				DEBT SERVICE		
	GENERAL	GENERAL	PERMANENT	ROAD CONSTRUCTION ESCROW	PERMANENT	ROAD	NON-MAJOR
	PERMANENT	PERMANENT	IMPROVEMENT		IMPROVE-	AND	GOVERN-
	IMPROVEMENT	IMPROVEMENT	I&S		MENT	BRIDGE	MENTAL
	ANNEX	JAIL	1980		I&S	I&S	FUNDS
ASSETS							
Cash and Cash Equivalents		\$69,291	\$815	\$90,000	\$791,250	\$17,298	\$4,562,898
Receivables (net of allowance for uncollectibles)					1,543,072		1,578,472
Prepaid Insurance							2,091
TOTAL ASSETS	\$0	\$69,291	\$815	\$90,000	\$2,334,322	\$17,298	\$6,143,461
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable							\$299,114
Accrued Wages							124,025
Bank Overdraft	363,948						936,700
Deferred Revenue							106,118
Total Liabilities	363,948	0	0	0	0	0	1,465,957
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Advanced Tax Collections					725,358		725,358
Deferred Property Taxes					1,543,072		1,543,072
Total Deferred Inflows of Resources	0	0	0	0	2,268,430	0	2,268,430
Fund Balances							
Non-Spendable							
Prepaid Items							560,383
Restricted							
Construction		69,291	815				70,202
Debt Service					65,892	17,298	83,190
Elections							93,906
Financial Administration							7,067
General Administration							378,735
Health and Welfare							27,531
Judicial							479,089
Judicial - District Attorney							299,999
Public Safety							556,793
Public Safety - Sheriff							161,785
Public Transportation							57,283
Records Archives							812,150
Committed							
Public Safety - Sheriff							2,200
Unassigned	(363,948)			90,000			(1,181,239)
Total Fund Balances	(363,948)	69,291	815	90,000	65,892	17,298	2,409,074
TOTAL LIABILITIES AND FUND BALANCES	\$0	\$69,291	\$815	\$90,000	\$2,334,322	\$17,298	\$6,143,461

ATASCOSA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	SPECIAL REVENUE							
	ALCOHOL REHAB & TRAINING	ALTERNATE EDUCATION PROGRAM	AMBULANCE FUND	AMENDMENT 15	ARCHIVE FEE	BORDER PROSEC- UTION	CHAPTER 18	CHAPTER 19
REVENUES								
Taxes								
Property								
Intergovernmental								3,242
Charges for Services	840	64,740	678,859		94,070			
Fines and Forfeitures								
Interest	120	18	49		3,528			
Miscellaneous		51,634	108,597			121,158		
Total Revenues	960	116,392	787,505	0	97,598	121,158	0	3,242
EXPENDITURES								
Current:								
General Administration								
Records Management					66,747			
Elections								
Judicial								
Judicial								
Public Safety								
Constable								
Courthouse Security								
Emergency Operations			2,139,452					
Juvenile Probation								
Sheriff						121,345	6,119	1,347
Health and Welfare								
Health		129,575						
Conservation - Agriculture								
Conservation - Agriculture								
Capital Projects -								
Capital Outlay and Other								
Debt Service								
Principal Retirement								
Interest and Fiscal Charges								
Total Expenditures	0	129,575	2,139,452	0	66,747	121,345	6,119	1,347
Excess (Deficiency) of Revenues Over (Under)								
Expenditures	960	(13,183)	(1,351,947)	0	30,851	(187)	(6,119)	1,895
OTHER FINANCING SOURCES (USES):								
Bond Proceeds								
Bond Premium								
Operating Transfers In		41,620	1,426,219					
Operating Transfers Out								
Total Other Financing Sources (Uses)	0	41,620	1,426,219	0	0	0	0	0
Net Changes in Fund Balances	960	28,437	74,272	0	30,851	(187)	(6,119)	1,895
Fund Balances - Beginning	26,846	(12,288)	(332,753)	862	663,985	(17,807)	61,042	20,956
Fund Balances - Ending	\$27,806	\$16,149	(\$258,481)	\$862	\$694,836	(\$17,994)	\$54,923	\$22,851

(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
				LEOSE	TOBACCO	L.E.S.E.	LEOSE	L.E.S.E.	TECH-
					GRANT				NICAL
	105			741		685	741	685	301
33	41								
		96							
33	146	96	0	741	0	685	741	685	301
						309		590	
		2,500							
0	0	2,500	0	0	0	309	0	590	0
33	146	(2,404)	0	741	0	376	741	95	301
0	0	0	0	0	0	0	0	0	0
33	146	(2,404)	0	741	0	376	741	95	301
6,713	12,719	13,786	6	1,887	310	2,274	4,845	1,117	10,851
\$6,746	\$12,865	\$11,382	\$6	\$2,628	\$310	\$2,650	\$5,586	\$1,212	\$11,152

ATASCOSA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
(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			154,100				740	41,157	889,823
Charges for Services	540	4,953		20,488					
Fines and Forfeitures									
Interest	70	137	204	900	1,808				2,237
Miscellaneous					49,799				20,772
Total Revenues	610	5,090	154,304	21,388	51,607	0	740	41,157	912,832
<i>EXPENDITURES</i>									
Current:									
General Administration									
Records Management									
Elections									
Judicial									
Judicial			246,328		14,773			40,476	1,524,730
Public Safety									
Constable									
Courthouse Security				507,977					
Emergency Operations									
Juvenile Probation									
Sheriff							740		
Health and Welfare									
Health									
Conservation - Agriculture									
Conservation - Agriculture									
Capital Projects -									
Capital Outlay and Other									
Debt Service									
Principal Retirement									
Interest and Fiscal Charges									
Total Expenditures	0	0	246,328	507,977	14,773	0	740	40,476	1,524,730
Excess (Deficiency) of Revenues Over (Under)									
Expenditures	610	5,090	(92,024)	(486,589)	36,834	0	0	681	(611,898)
OTHER FINANCING SOURCES (USES):									
Bond Proceeds									
Bond Premium									
Operating Transfers In			91,815	514,068					542,067
Operating Transfers Out									
Total Other Financing Sources (Uses)	0	0	91,815	514,068	0	0	0	0	542,067
Net Changes in Fund Balances	610	5,090	(209)	27,479	36,834	0	0	681	(69,831)
Fund Balances - Beginning	19,342	101,072	51,153	173,564	522,093	150	489	(7,300)	364,262
Fund Balances - Ending	\$19,952	\$106,162	\$50,944	\$201,043	\$558,927	\$150	\$489	(\$6,619)	\$294,431

(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	LEGAL	GRANT	GRANT	PROGRAM	FUND	CARE	SECURITY	VIOLENCE	FUND
	1,420				26,730		68,309			10,302
188				47,230				1,732		3,095
							33			
							23,885		78	
188	1,420	0	0	47,230	26,730	0	92,227	1,732	78	13,397
				12,833						
		4,459								10,518
					24,060			3,688		
							1,594,099			
0	0	4,459	0	12,833	24,060	0	1,594,099	3,688	0	10,518
188	1,420	(4,459)	0	34,397	2,670	0	(1,501,872)	(1,956)	78	2,879
		5,000					1,438,069			
0	0	5,000	0	0	0	0	1,438,069	0	0	0
188	1,420	541	0	34,397	2,670	0	(63,803)	(1,956)	78	2,879
56,237	728	8,791	(333)	59,509	(39,930)	(145)	(148,254)	35,624	2,154	74,376
\$56,425	\$2,148	\$9,332	(\$333)	\$93,906	(\$37,260)	(\$145)	(\$212,057)	\$33,668	\$2,232	\$77,255

ATASCOSA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
(continued)

	SPECIAL REVENUE								
	JUSTICE TECH- NOLOGY FUND	JUVENILE FEES	PRESER- VATION OF VITAL STATISTICS	PRE- TRIAL DIVERSION	RECORDS MANAGE- MENT	RMPF FUND	SHERIFF ABANDONED VEHICLE	SHERIFF DRUG SEIZURE	SHERIFF FEDERAL FORFEITURE
<i>REVENUES</i>									
Taxes									
Property									
Intergovernmental									
Charges for Services	7,388	2,160	2,661	31,167	96,210	23,690			
Fines and Forfeitures									
Interest		6		333	1,320			226	
Miscellaneous								5,727	15,207
Total Revenues	7,388	2,166	2,661	31,500	97,530	23,690	0	5,953	15,207
<i>EXPENDITURES</i>									
Current:									
General Administration									
Records Management					155,831	74,977			
Elections									
Judicial									
Judicial	7,293			52,500					
Public Safety									
Constable									
Courthouse Security									
Emergency Operations									
Juvenile Probation		168							
Sheriff							396	8,323	
Health and Welfare									
Health									
Conservation - Agriculture									
Conservation - Agriculture									
Capital Projects -									
Capital Outlay and Other									
Debt Service									
Principal Retirement									
Interest and Fiscal Charges									
Total Expenditures	7,293	168	0	52,500	155,831	74,977	396	8,323	0
Excess (Deficiency) of Revenues Over (Under)									
Expenditures	95	1,998	2,661	(21,000)	(58,301)	(51,287)	(396)	(2,370)	15,207
OTHER FINANCING SOURCES (USES):									
Bond Proceeds									
Bond Premium									
Operating Transfers In						75,000			
Operating Transfers Out									
Total Other Financing Sources (Uses)	0	0	0	0	0	75,000	0	0	0
Net Changes in Fund Balances	95	1,998	2,661	(21,000)	(58,301)	23,713	(396)	(2,370)	15,207
Fund Balances - Beginning	46,119	10,501	50,062	176,255	383,451	33,570	2,596	47,688	1,097
Fund Balances - Ending	\$46,214	\$12,499	\$52,723	\$155,255	\$325,150	\$57,283	\$2,200	\$45,318	\$16,304

(continued)

SPECIAL REVENUE							CAPITAL PROJECTS		
SHERIFF LEOSE	SPECIAL ELECTIONS	TRUANCY COURT FINES	TX VINE GRANT	VEHICLE INVENTORY TAX	WOOF GRANT	YOUTH SERVICE CENTER	BENTON CITY GRANT	CDBG PROJECT	GENERAL PERMANENT IMPROVEMENT
5,743	24,617	450	20,102	836	95,494	21,194 220,955	243,996		25
5,743	32,539	450	20,102	836	95,494	244,481	0	243,996	25
	74,785								
3,405			20,102			1,851,191			
					50,236			248,924	
3,405	74,785	0	20,102	0	50,236	1,851,191	0	248,924	0
2,338	(42,246)	450	0	836	45,258	(1,606,710)	0	(4,928)	25
						1,054,289			
0	0	0	0	0	0	1,054,289	0	0	0
2,338	(42,246)	450	0	836	45,258	(552,421)	0	(4,928)	25
440	(2,128)	4,479	0	6,231	(45,258)	881,338	96	0	(323,869)
\$2,778	(\$44,374)	\$4,929	\$0	\$7,067	\$0	\$328,917	\$96	(\$4,928)	(\$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, 2020
(continued)

	CAPITAL PROJECTS				DEBT SERVICE		
	GENERAL	GENERAL	PERMANENT	ROAD CONSTRUCTION ESCROW	PERMANENT	ROAD	NON-MAJOR
	PERMANENT	PERMANENT	IMPROVEMENT		IMPROVE-	AND	GOVERN-
	IMPROVEMENT	IMPROVEMENT	I&S		MENT	BRIDGE	MENTAL
	ANNEX	JAIL	1980		I&S	I&S	FUNDS
<i>REVENUES</i>							
Taxes							
Property					\$1,978,252	\$1,371	\$1,979,623
Intergovernmental							1,585,204
Charges for Services							1,325,989
Fines and Forfeitures							450
Interest					110		14,366
Miscellaneous							404,875
Total Revenues	0	0	0	0	1,978,362	1,371	5,310,507
<i>EXPENDITURES</i>							
Current:							
General Administration							
Records Management							297,555
Elections							87,618
Judicial							
Judicial							1,901,077
Public Safety							
Constable							899
Courthouse Security							511,665
Emergency Operations							2,163,512
Juvenile Probation							1,851,359
Sheriff							164,277
Health and Welfare							
Health							1,723,674
Conservation - Agriculture							
Conservation - Agriculture							50,236
Capital Projects -							
Capital Outlay and Other							248,924
Debt Service							
Principal Retirement					1,235,000		1,235,000
Interest and Fiscal Charges					740,598		740,598
Total Expenditures	0	0	0	0	1,975,598	0	10,976,394
Excess (Deficiency) of Revenues Over (Under)							
Expenditures	0	0	0	0	2,764	1,371	(5,665,887)
OTHER FINANCING SOURCES (USES):							
Bond Proceeds							0
Bond Premium							0
Operating Transfers In							5,188,147
Operating Transfers Out							0
Total Other Financing Sources (Uses)	0	0	0	0	0	0	5,188,147
Net Changes in Fund Balances	0	0	0	0	2,764	1,371	(477,740)
Fund Balances - Beginning	(363,948)	69,291	815	90,000	63,128	15,927	2,886,814
Fund Balances - Ending	(\$363,948)	\$69,291	\$815	\$90,000	\$65,892	\$17,298	\$2,409,074

SINGLE AUDIT SECTION

ATASCOSA COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

SOURCE AND TITLE OF GRANT	FEDERAL CFDA NUMBER	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	<u>\$30,747</u>
Passed Through				
<i>Texas Division of Emergency Management</i>				
Pre-Disaster Mitigation	97.047	DR 4272 -007	NONE	<u>24,060</u>
Total U.S. Department of Homeland Security				<u>54,807</u>
U.S. DEPARTMENT OF JUSTICE				
Passed Through				
<i>Texas Attorney General</i>				
Crime Victim Assistance/Discretionary Grants	16.582	08-01399	NONE	41,158
Passed Through				
<i>Texas Office of the Governor</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3,766,901	NONE	89,912
Total U.S. Department of Justice				<u>131,070</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	1,522,070
Total United States Department of the Treasury (TREAS)				<u>1,522,070</u>
U.S. DEPARTMENT OF AGRICULTURE (USDA)				
Passed Through				
Texas Department of Agriculture				
School Breakfast Program (SBP)	10.553	NONE	NONE	<u>5,907</u>
National School Lunch Program (NSLP)	10.555	NONE	NONE	<u>9,817</u>
Afterschool Care Program (ASCP)	10.555	NONE	NONE	<u>1,874</u>
Total U.S. Department of Agriculture (USDA)				<u>17,598</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	235,674
Total U.S. Department of Housing & Urban Development				<u>235,674</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u><u>\$1,961,219</u></u>

See Accompanying Notes to Schedule of Federal Financial Assistance

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

	BUDGET	FEDERAL		LOCAL MATCH		VARIANCE
		PRIOR YEAR	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	
REVENUE						
Federal	\$275,000	\$31,250	\$235,674			\$8,076
Local	13,750				13,250	500
TOTAL REVENUE:	288,750	31,250	235,674	0	13,250	8,576
EXPENSES						
Federal						
Construction 03J Water	208,072		199,996			8,076
Engineering 03J Water	35,000	8,750	26,250			0
Admln 21A Gen Admln	31,928	22,500	9,428			0
Local						
Match 03) Water	13,750				13,250	500
TOTAL EXPENSES	288,750	31,250	235,674	0	13,250	8,576
Excess Revenue over Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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Sinton, Texas 78387

Please reply to Pleasanton address

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 County Judge and Commissioner's 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, 2020, and the related notes to the financial statements, which collectively comprise Atascosa County, Texas's basic financial statements, and have issued our report thereon dated August 6, 2021.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001 to be material weaknesses.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2020-002 and 2020-003 to be significant deficiencies.

Compliance and Other Matters

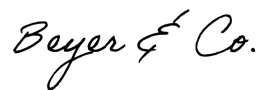
As part of obtaining reasonable assurance about whether Atascosa County, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

Atascosa County, Texas's Response to Findings

Atascosa County, Texas's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Atascosa County, Texas's 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.



BEYER & COMPANY
Certified Public Accountants
August 6, 2021

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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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 Commissioner's Court
Atascosa County, Texas

Report on Compliance for Each Major Federal Program

We have audited Atascosa County, Texas' compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Atascosa County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Atascosa County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Atascosa County, Texas' compliance.

Opinion on Each Major Federal Program

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, 2020.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items.


Report on Internal Control over Compliance

Management of Atascosa County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Atascosa County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Atascosa County, Texas' internal control over compliance.

A **deficiency in internal control over compliance** exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 & COMPANY
Certified Public Accountants
August 6, 2021

ATASCOSA COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020. 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, 2020

Federal

Section II-Financial Statement Findings

Material Weaknesses:

GASB 34 - We noted that the receivable amounts for Justice of the Peace Office #2 appear to be incorrect in comparison to the prior year. ***This finding has been corrected.***

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 not been corrected.***

Significant Deficiencies:

Segregation of Duties - due to the limited number of people working in the office, many critical duties are combined and given to the available employees. To the extent possible, duties should be segregated to serve as a check and balance on the employee's integrity and to maintain the best control system as possible. ***This finding has been corrected.***

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 \$27,413.67 and the Cost Deposit Account has an unknown balance in the amount of \$19,040.84. ***This finding has not been corrected.***

Payroll – We tested twenty (20) employees Social Security and Driver License information to the census report and noted the following:

- Two (2) were missing Social Security cards and one (1) had the wrong Social Security number on the census report,
- Eight (8) were missing their middle name on the census report,
- Four (4) had the wrong gender listed on the census report, and
- Two (2) had the wrong age listed on the census report.

This finding has not 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 SEPTEMBER 30, 2020

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 were two significant deficiencies disclosed during the audit. There was one 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:

2020-001 Payroll

Condition: 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.

Criteria: Internal controls should be in place that provide reasonable assurance that the payroll is processed after the hours worked.

Effect: Because the County does not have proper internal controls in place that provide reasonable assurance that the payroll is processed after the hours worked, the financial statements could be materially misstated either through mistake, error, or fraud.

Cause of Condition: This condition exists because the County has not had been able to implement such a system of controls.

Recommendation: The County should install internal controls to provide reasonable assurance the payroll is processed after the hours worked; to avoid the possibility of the financial statements being materially misstated either through mistake, error, or fraud.

Significant Deficiencies:

2020-002 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 \$3,576.15 and the Cost Deposit Account is short \$4,320.57.

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.

2020-003 Payroll

Condition: Payroll – We tested ten (10) employees Social Security and Driver's License information to the census report and noted the following: Eight (8) were missing their middle name on the census report.

Criteria: Internal controls should be in place that provide reasonable assurance that the information in the census report is correct.

Effect: Since the Payroll Department does not have proper internal controls in place that provide reasonable assurance that the information in the census report is correct, the financial statements could be materially misstated either through mistake, error, or fraud.

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

Recommendation: The Payroll Department should install internal controls to provide reasonable assurance that the information in the census report is correct; to avoid the possibility of the financial statements being materially misstated either through mistake, error, or fraud.



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TRACY BARRERA
Atascosa County Auditor
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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 (Material Weaknesses):

2020-001 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.*

- **County's response:** Upon this finding, the County Auditor addressed this issue with the County Judge, County Commissioners and the Treasurer and is currently working on updating the payroll policies and procedures to change the process to pay after hours have been worked.

Auditors Findings (Significant Deficiencies):

2020-002 District Clerk: *We noted two banks 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 is short \$4,320.57.*

- **County's response:** The County Auditor and the District Clerk are working together to resolve the unknown balances and moving forward a report will be provided from the District Clerk to the County Auditor and any discrepancies will be addressed monthly to ensure all accounts are correct.

2020-003 Payroll: *We tested 10 (10) employees Social Security and Driver's License information to the census report and noted the following: Eight (8) were missing their middle name on the census report.*

- **County's response:** From this point forward, the Treasurer's office will include the middle name for all employees on the census report.

Respectfully,

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

Tracy Barrera
Atascosa County Auditor