

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

AUSTIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable County Judge and
Commissioners' Court
Austin County, Texas

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information 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.

Supplementary Information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and 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 October 7, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
October 7, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis

As management of Austin County, we offer readers of Austin County's financial statements this narrative overview and analysis of the financial activities of Austin County for the fiscal year ended September 30, 2022.

Financial Highlights

- The assets and deferred outflows of Austin County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$41,927,586.
- The County's total net position increased by \$4,052,865.
- Unrestricted net position of \$10,203,052 is available to meet the County's ongoing obligations to citizens and creditors.
- Restricted net position of \$18,260,956 are funds set aside for specific purposes.
- As of the close of the fiscal year ending September 30, 2022, Austin County's governmental funds reported combined ending fund balances of \$25,600,057, a decrease of \$1,633,629 from the prior year.
- Unassigned fund balance for the General Fund was \$15,373,139.

Overview of the Financial Statements

This discussion and analysis is an introduction to Austin County's basic financial statements. The County's basic financial statements encompass three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements provide readers with a broad overview of Austin County's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to the direction of the financial position of Austin County.

The statement of activities presents information showing how the County'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, debt payments, and earned but unused vacation leave).

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

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

Austin County maintains 48 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, Road and Bridge, F/M and Lateral, Infrastructure Projects and ARP funds which are considered to be major funds. Data from the other 43 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Austin County adopts an annual appropriated budget for its General Fund and certain Special Revenue Funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary funds. Austin County maintains proprietary funds in the form of Internal Service Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Austin County uses an Internal Service Fund to account for its Employee Health Insurance funds and Claims Escrow. Because both of these services benefit governmental activities, they have been included within governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties which are not a component of the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Austin County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Financial Analysis of Government-wide Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Austin County, assets exceeded liabilities by \$41,927,586 at the close of the most recent fiscal year.

AUSTIN COUNTY'S NET POSITION

	Governmental Activities	
	2022	2021
Current assets	\$ 35,263,589	\$ 38,120,028
Noncurrent assets	<u>46,853,295</u>	<u>58,714,976</u>
Total assets	<u>82,116,884</u>	<u>96,835,004</u>
Deferred outflows of resources	<u>2,263,133</u>	<u>2,641,191</u>
Current liabilities	7,019,329	9,256,125
Noncurrent liabilities	<u>28,279,671</u>	<u>36,191,925</u>
Total liabilities	<u>35,299,000</u>	<u>45,448,050</u>
Deferred inflows of resources	<u>7,153,431</u>	<u>1,573,814</u>
Net position:		
Net investment		
in capital assets	13,463,578	32,668,302
Restricted	18,260,956	3,382,048
Unrestricted	<u>10,203,052</u>	<u>16,403,981</u>
Total net position	<u>\$ 41,927,586</u>	<u>\$ 52,454,331</u>

A portion of the County's net position, \$13,463,578, reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). Austin County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay the debt associated with these capital assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Capital assets, net of depreciation, are shown in the chart below.

	2022	2021
Governmental activities:		
CIP	\$ 26,277,357	\$ 23,409,573
Land	823,550	784,790
Buildings and improvements	4,583,019	4,842,929
Machinery and equipment	2,586,659	2,583,448
Infrastructure	7,006,239	7,216,918
Intangible	20,224	26,033
	<u>\$ 41,297,048</u>	<u>\$ 38,863,691</u>

An additional portion of the County's net position, \$12,704,709, represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of \$10,203,052 may be used to meet the County's ongoing obligations to citizens and creditors.

AUSTIN COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2022	2021
REVENUES		
Program revenues:		
Charges for services	\$ 4,778,722	\$ 3,447,136
Operating grants and contributions	3,705,717	4,961,235
Capital grants and contributions	-	884,642
General revenues:		
Property taxes	21,631,521	20,802,292
Sales taxes	2,641,577	2,190,039
Other	51,715	70,016
Investment earnings	173,911	110,833
Miscellaneous	404,913	1,667,393
Gain on sale of capital assets	684,803	-
Total revenues	<u>34,072,879</u>	<u>34,133,586</u>
EXPENSES		
General administration	5,371,722	5,904,445
Legal	547,372	483,733
Judicial	1,576,731	1,354,307
Financial administration	883,929	849,853
Public facilities	1,713,606	1,857,907
Public safety	9,112,011	9,150,645
Public transportation	9,193,410	6,060,999
Culture and recreation	211,403	156,480
Health and welfare	147,597	169,716
Conservation - agriculture	208,809	194,638
Interest and fiscal charges	1,053,424	816,883
Total expenses	<u>30,020,014</u>	<u>26,999,606</u>
CHANGE IN NET POSITION	<u>4,052,865</u>	<u>7,133,980</u>
NET POSITION, BEGINNING	40,204,685	33,070,705
PRIOR PERIOD ADJUSTMENTS	<u>(2,329,964)</u>	-
NET POSITION, ENDING	<u>\$ 41,927,586</u>	<u>\$ 40,204,685</u>

Property taxes are collected to support government activity through the General Fund, Road and Bridge funds, and F/M and Lateral Fund. The county tax rate decreased from the prior year. Property tax revenues increased by \$829,229 to \$21,631,521 for the year because of increased values and new developments added to the rolls.

Financial Analysis of the Governmental Funds

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Austin County's financing requirements. In particular, 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, Austin County's governmental funds reported combined ending fund balances of \$25,600,057, a decrease of \$1,633,629 in comparison with the prior year. This decrease is primarily attributable to project costs using bond funds obtained in prior years. Revenues exceeded expenditures for regular operations. Approximately 58% percent of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, \$10,781,815 is non-spendable, restricted or assigned and is not available for new spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance of the General Fund was \$15,465,164. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Fund balance in the General Fund represents 77% of total General Fund expenditures. Maintaining a significant fund balance is essential for sound financial management because a great majority of the grant funding for the County is in the form of reimbursements requiring the use of County funding upfront.

Proprietary funds. Proprietary funds are made up of an Internal Service Fund, which include the Employee Health Insurance Fund.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for fiscal year ending September 30, 2022, can be summarized as follows:

- Actual revenue exceeded budgeted revenue by \$283,958.
- Actual revenues exceeded expenditures by \$450,307.
- Actual expenditures were under budget by \$2,353,691.

Capital Asset and Debt Administration

Capital assets. Austin County's investment in capital assets for its governmental activities as of September 30, 2022, amounts to \$41,297,048 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- Continued construction for the Courthouse Annex and County Jail;
- Acquisition of additional machinery for road maintenance; and
- Acquisition of vehicles and equipment for various departments.

Additional information about Austin County's capital assets can be found in Note 3 of the notes to the financial statements.

Long-term debt. During the current fiscal year, the County had long-term debt of \$27,681,666. The full amount is backed by the full faith and credit of the County. Included in this amount are general obligation bonds and financing arrangements.

Additional information on Austin County's long-term debt can be found in Note 3 of the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The County of Austin develops a budget to help effectively accomplish the highest priorities and objectives throughout the upcoming October-September fiscal year.

Our fiscal year 2022-2023 budget had a new taxable appraised value of \$5.15 billion, an increase of \$746 million (16.8%) from the previous fiscal year. This increase is due to the continued growth throughout the county, new subdivisions which include multiple properties, and an increase in property values. The total tax rate for fiscal year 2022-2023 adopted by the Commissioners Court for the County of Austin is \$0.4743 per \$100 of assessed valuation, a decrease from total the tax rate of \$0.5223 from prior fiscal year 2021-2022. This tax rate will provide 37.3% of our approximate total \$66.3 million of budgeted expenses and expect the remaining from other revenue sources and beginning fund balance. The general fund budgeted expenses increased in fiscal year 2022-2023 budget to \$26.1 million from \$23 million in prior fiscal year budget. This 13.9% increase in the budget was primarily due to cost of living adjustments to employee wages, additional staff, and the nationwide inflation of maintenance and operations.

The County of Austin was awarded just over \$10 million from the American Rescue Plan Act of 2021 (ARPA). The County has utilized these funds to assist local water districts by funding for projects to upgrade their water systems and better serve our community. The County also assisted local internet providers in an effort to provide broadband connections in our rural areas throughout the County. With ARPA funds the County purchased several road and bridge paving machines which has eliminated the cost of sub-contracting for paving services and minimized the time it takes to complete a paving project. Additionally, among other approved expenses for ARPA funds, the County Commissioners approved two premium payments for our most valued asset, our County Employees.

Requests for Information

This financial report provides an overview of Austin County's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chris Schuchart, Austin County Judge.

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**BASIC
FINANCIAL STATEMENTS**

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

	Governmental Activities
ASSETS	
Cash and investments	\$ 32,166,714
Receivables (net of allowance for uncollectibles)	2,978,392
Prepaid items	118,483
Net pension asset	5,556,247
Capital assets:	
Nondepreciable	27,100,907
Depreciable, net of accumulated depreciation	14,196,141
Total assets	82,116,884
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,263,133
Total deferred outflows of resources	2,263,133
LIABILITIES	
Accounts payable	1,008,254
Accrued wages	519,709
Due to other governments	63,899
Unearned revenue	5,302,572
Accrued interest payable	124,895
Noncurrent liabilities:	
Due within one year	1,623,630
Due in more than one year	26,656,041
Total liabilities	35,299,000
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on refunding	127,272
Deferred inflows related to pensions	7,026,159
Total deferred outflows of resources	7,153,431
NET POSITION	
Net investment in capital assets	13,463,578
Restricted for:	
Net pension asset	5,556,247
Administrative	594,041
Archives	141,405
Construction	655,716
Health	842,300
Judicial	1,531,390
Public safety	663,326
Pulic transportation	8,276,531
Unrestricted	10,203,052
Total net position	\$ 41,927,586

The accompanying notes are an integral part of these financial statements.

AUSTIN COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges</u>	<u>Operating</u>	<u>Revenue and Changes</u>
		<u>for Services</u>	<u>Grants and</u>	<u>in Net Position</u>
			<u>Contributions</u>	<u>Governmental</u>
				<u>Activities</u>
Governmental activities:				
General administration	\$ 5,371,722	\$ 477,605	\$ 617,524	\$ (4,276,593)
Legal	547,372	43,604	32,260	(471,508)
Judicial	1,576,731	961,812	83,773	(531,146)
Financial administration	883,929	166,033	-	(717,896)
Public facilities	1,713,606	29,300	-	(1,684,306)
Public safety	9,112,011	1,957,104	570,201	(6,584,706)
Public transportation	9,193,410	1,048,314	2,295,917	(5,849,179)
Culture and recreation	211,403	11,960	158	(199,285)
Health and welfare	147,597	82,990	105,884	41,277
Conservation - agriculture	208,809	-	-	(208,809)
Interest and fiscal charges	1,053,424	-	-	(1,053,424)
Total governmental activities	<u>\$ 30,020,014</u>	<u>\$ 4,778,722</u>	<u>\$ 3,705,717</u>	<u>(21,535,575)</u>
General revenues:				
Taxes:				
Property				21,631,521
Sales				2,641,577
Other taxes				51,715
Investment earnings				173,911
Miscellaneous				404,913
Gain on sale of capital assets				684,803
Total general revenues				<u>25,588,440</u>
Change in net position				4,052,865
Net position, beginning				40,487,035
Prior period adjustment				<u>(2,612,314)</u>
Net position, beginning, restated				<u>37,874,721</u>
Net position, ending				<u>\$ 41,927,586</u>

The accompanying notes are an integral part of these financial statements.

AUSTIN COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	<u>General</u>	<u>Road and Bridge</u>
ASSETS		
Cash and investments	\$ 15,518,660	\$ 3,895,152
Receivables (net of allowance for uncollectibles)	2,801,341	96,882
Prepaid items	92,025	26,458
Due from other funds	<u>342,326</u>	<u>-</u>
Total assets	<u>18,754,352</u>	<u>4,018,492</u>
LIABILITIES		
Accounts payable	371,050	191,665
Accrued wages	435,154	75,910
Due to other governments	63,899	-
Unearned revenue	-	-
Due to other funds	<u>18,949</u>	<u>-</u>
Total liabilities	<u>889,052</u>	<u>267,575</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	467,407	90,119
Unavailable revenue - court fines	1,368,911	-
Unavailable revenue - EMS	<u>563,818</u>	<u>-</u>
Total deferred inflows of resources	<u>2,400,136</u>	<u>90,119</u>
FUND BALANCES		
Non-spendable:		
Prepaid items	92,025	26,458
Restricted for:		
Administrative	-	-
Archives	-	-
Construction	-	-
Health	-	-
Judicial	-	-
Public Safety	-	-
Public transportation	-	3,634,340
Committed:		
Culture and recreation	-	-
Unassigned	<u>15,373,139</u>	<u>-</u>
Total fund balances	<u>15,465,164</u>	<u>3,660,798</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 18,754,352</u>	<u>\$ 4,018,492</u>

The accompanying notes are an integral part of these financial statements.

	F/M and Lateral	Infrastructure Projects	ARP	Other Governmental	Total Governmental Funds
\$	4,633,831	\$ 392,021	\$ 5,543,224	\$ 1,979,578	\$ 31,962,466
	80,169	-	-	-	2,978,392
	-	-	-	-	118,483
	-	241,900	-	-	584,226
	<u>4,714,000</u>	<u>633,921</u>	<u>5,543,224</u>	<u>1,979,578</u>	<u>35,643,567</u>
	186,460	24,532	194,325	40,222	1,008,254
	-	-	-	8,645	519,709
	-	-	-	-	63,899
	-	-	5,302,572	-	5,302,572
	-	-	-	565,277	584,226
	<u>186,460</u>	<u>24,532</u>	<u>5,496,897</u>	<u>614,144</u>	<u>7,478,660</u>
	74,595	-	-	-	632,121
	-	-	-	-	1,368,911
	-	-	-	-	563,818
	<u>74,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,564,850</u>
	-	-	-	-	118,483
	-	-	-	594,041	594,041
	-	-	-	141,405	141,405
	-	609,389	46,327	-	655,716
	-	-	-	278,482	278,482
	-	-	-	162,479	162,479
	-	-	-	663,326	663,326
	4,452,945	-	-	-	8,087,285
	-	-	-	80,598	80,598
	-	-	-	(554,897)	14,818,242
	<u>4,452,945</u>	<u>609,389</u>	<u>46,327</u>	<u>1,365,434</u>	<u>25,600,057</u>
\$	<u>4,714,000</u>	<u>\$ 633,921</u>	<u>\$ 5,543,224</u>	<u>\$ 1,979,578</u>	<u>\$ 35,643,567</u>

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AUSTIN COUNTY, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

SEPTEMBER 30, 2022

Total fund balances - governmental funds balance sheet \$ 25,600,057

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 41,297,048

Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized in the statement of net position.

Accrued interest	\$ (124,895)	
Certificates of obligation	(25,590,000)	
Premium on issuance	(900,998)	
Financing arrangements	(1,190,668)	
Compensated absences	(598,005)	
Deferred gain on refunding	(127,272)	
Deferred outflow related to pensions	2,263,133	
Deferred inflow related to pensions	(7,026,159)	
Net pension asset	<u>5,556,247</u>	
Total long-term liabilities		(27,738,617)

The assets and liabilities of the Internal Service Fund are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. 204,248

Long-term assets are not available to pay for current period expenditures and, therefore are not reported in the funds.

Fines and court costs	1,368,911	
EMS Receivables	563,818	
Property taxes	<u>632,121</u>	
Total long-term assets		<u>2,564,850</u>

Net position of governmental activities \$ 41,927,586

AUSTIN COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General	Road and Bridge
REVENUES		
Property taxes	\$ 14,081,646	\$ 2,470,026
Sales tax	2,641,577	-
Other taxes	51,715	-
Licenses and permits	82,990	774,740
Intergovernmental	771,290	2,266,281
Charges for services	989,547	-
Fines and forfeitures	1,292,209	77,630
Interest	71,420	23,810
Miscellaneous	478,837	106,468
Total revenues	<u>20,461,231</u>	<u>5,718,955</u>
EXPENDITURES		
Current:		
General administration	5,317,168	-
Legal	502,341	-
Judicial	1,595,284	-
Financial administration	890,239	-
Public facilities	1,692,613	-
Public safety	9,293,358	-
Public transportation	-	5,586,708
Culture and recreation	211,920	-
Health and welfare	45,269	-
Conservation - agriculture	213,319	-
Capital Projects:		
Capital outlay	-	-
Debt service:		
Principal	227,472	138,457
Interest and other charges	21,941	7,001
Total expenditures	<u>20,010,924</u>	<u>5,732,166</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>450,307</u>	<u>(13,211)</u>
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	719,202	-
Transfers in	-	-
Transfers out	(11,000)	-
Total other financing sources and uses	<u>708,202</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,158,509	(13,211)
FUND BALANCES, BEGINNING	14,002,287	3,674,009
PRIOR PERIOD ADJUSTMENT	304,368	-
FUND BALANCES, BEGINNING, RESTATED	<u>14,306,655</u>	<u>3,674,009</u>
FUND BALANCES, ENDING	<u>\$ 15,465,164</u>	<u>\$ 3,660,798</u>

The accompanying notes are an integral part of these financial statements.

F/M and Lateral Road	Infrastructure Projects	ARP	Other Governmental	Total Governmental Funds
\$ 2,984,333	\$ -	\$ -	\$ 2,189,267	\$ 21,725,272
-	-	-	-	2,641,577
-	-	-	-	51,715
29,987	-	-	-	887,717
29,636	-	530,918	156,627	3,754,752
-	-	-	305,857	1,295,404
-	-	-	18,496	1,388,335
11,900	17,002	40,808	5,310	170,250
6,960	-	-	183,234	775,499
<u>3,062,816</u>	<u>17,002</u>	<u>571,726</u>	<u>2,858,791</u>	<u>32,690,521</u>
-	3,575	-	150,861	5,471,604
-	-	-	81,705	584,046
-	-	-	40,495	1,635,779
-	-	-	-	890,239
-	-	-	-	1,692,613
-	-	-	402,546	9,695,904
3,266,670	-	-	-	8,853,378
-	-	-	4,296	216,216
-	-	-	102,185	147,454
-	-	-	-	213,319
-	2,336,866	530,918	-	2,867,784
181,386	-	-	1,155,000	1,702,315
16,038	-	-	1,027,721	1,072,701
<u>3,464,094</u>	<u>2,340,441</u>	<u>530,918</u>	<u>2,964,809</u>	<u>35,043,352</u>
<u>(401,278)</u>	<u>(2,323,439)</u>	<u>40,808</u>	<u>(106,018)</u>	<u>(2,352,831)</u>
-	-	-	-	719,202
-	-	-	655,287	655,287
-	-	-	(644,287)	(655,287)
-	-	-	11,000	719,202
<u>(401,278)</u>	<u>(2,323,439)</u>	<u>40,808</u>	<u>(95,018)</u>	<u>(1,633,629)</u>
4,854,223	2,932,828	2,922,201	1,460,452	29,846,000
-	-	(2,916,682)	-	(2,612,314)
<u>4,854,223</u>	<u>2,932,828</u>	<u>5,519</u>	<u>1,460,452</u>	<u>27,233,686</u>
\$ 4,452,945	\$ 609,389	\$ 46,327	\$ 1,365,434	\$ 25,600,057

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AUSTIN COUNTY, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Net change in fund balances - total governmental funds \$ (1,633,629)

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.

Capital outlay	\$ 4,221,778	
Depreciation expense	<u>(1,788,421)</u>	
Net adjustment		2,433,357

Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Repayments:		
General and certificates of obligations	1,155,000	
Premium on bonds issuance	81,952	
Financing arrangements	518,267	
Notes payable	<u>29,048</u>	
Net adjustment		1,784,267

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Accounts receivable:		
Property taxes	(93,751)	
EMS revenues	334,730	
Fines and court costs	<u>452,915</u>	
Net adjustment		693,894

An Internal Service Fund is used by management to charge the costs of certain activities, such as health insurance premiums, to individual funds. The net revenue (expense) of certain Internal Service Funds is reported with governmental activities. 47,982

Under the modified accrual basis of accounting used in the governmental funds, expenditures are recognized for transactions that are normally paid with expendable, available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized as an expenditure under the modified accrual basis of accounting until due, rather than as it accrues.

Interest on long-term debt	(80,857)	
Compensated absences	(100,555)	
Deferred gain on refunding	18,182	
Pension cost	<u>890,224</u>	
Net adjustment		<u>726,994</u>

Change in net position of governmental activities \$ 4,052,865

AUSTIN COUNTY, TEXAS

STATEMENT OF NET POSITION

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

SEPTEMBER 30, 2022

ASSETS

Cash and investments	\$ 204,248
Total assets	<u>204,248</u>

LIABILITIES

-

NET POSITION

Restricted - Expendable	<u>204,248</u>
Total net position	<u>\$ 204,248</u>

AUSTIN COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

OPERATING REVENUES	
Charges for services	\$ 2,900,866
Reinsurance	<u>66,104</u>
Total operating revenues	<u>2,966,970</u>
OPERATING EXPENSES	
Administrative fees	819,289
Prescriptions and claims	<u>2,103,360</u>
Total operating expenses	<u>2,922,649</u>
OPERATING INCOME (LOSS)	<u>44,321</u>
NONOPERATING REVENUES	
Interest and investment earnings	<u>3,661</u>
CHANGE IN NET POSITION	47,982
TOTAL NET POSITION, BEGINNING	<u>156,266</u>
TOTAL NET POSITION, ENDING	<u>\$ 204,248</u>

The accompanying notes are an integral part of these financial statements.

AUSTIN COUNTY, TEXAS

STATEMENT OF CASH FLOWS

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 2,968,841
Cash paid to suppliers for services	<u>(2,922,649)</u>
Net cash used by operating activities	<u>46,192</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and investment earnings	<u>3,661</u>
Net cash provided by investing activities	<u>3,661</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	49,853
CASH AND CASH EQUIVALENTS, BEGINNING	<u>154,395</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>204,248</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income (loss)	<u>44,321</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
(Increase) decrease in accounts receivable	<u>1,871</u>
Net cash used by operating activities	<u>\$ 46,192</u>

AUSTIN COUNTY, TEXAS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 2,494,756
Due from other governments	<u>22,054</u>
Total assets	<u>2,516,810</u>
LIABILITIES	
Accounts payable	857,957
Accrued liabilities	5,525
Due to other governments	<u>2,557</u>
Total liabilities	<u>866,039</u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>1,650,771</u>
Total net position	<u>\$ 1,650,771</u>

The accompanying notes are an integral part of these financial statements.

AUSTIN COUNTY, TEXAS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Interest income	\$ 7,097
Taxes and fees collected on behalf of other government	7,260,564
Other income	287,185
Fees collected on behalf of others	<u>2,300,427</u>
Total additions	<u>9,855,273</u>
DEDUCTIONS	
Distributions to other governments and other	11,492,218
Other services and charges	<u>241,886</u>
Total deductions	<u>11,734,104</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(1,878,831)
NET POSITION, BEGINNING	<u>3,529,602</u>
NET POSITION, ENDING	<u>\$ 1,650,771</u>

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Austin County, Texas, was organized in 1837. The 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 protection (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. A summary of the significant accounting policies consistently applied in the preparation of financial statements follows:

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

Depending upon the significance of the County's financial and operational relationships with various separate entities, the organizations are classified as blended or discretely presented component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

Based upon the foregoing criteria, there are no component units for Austin County.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The **General Fund** is the County'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 certain revenues and expenditures related to the construction and maintenance of roads and bridges within all County precincts.

The **Road and Bridge F/M and Lateral Fund** account for certain revenues and expenditures related to the construction and maintenance of roads and bridges within all County precincts.

The **Infrastructure Projects Fund** accounts for bond proceeds used for the construction of an Austin County Jail and Sheriff's Office and an Austin County Justice Center.

The **ARP Fund** was established to track all revenue and expenditures relating to funding in response to the COVID-19 global pandemic.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for specific revenue sources (other than for capital projects) that are legally restricted to expenditures for specified purposes. These legal restrictions can come from outside the county or from Commissioners' Court.

The **Debt Service Fund** is used to account for resources accumulated and payments made for principal and interest in long-term general obligation debt of the County.

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

The **Internal Service Fund** accounts for health insurance services provided to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds account for assets held by the County in a custodial capacity, on behalf of others.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

D. Assets, Liabilities and Net Position or Equity

Cash 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.

Operating cash is administered using a "pool" concept which combines the monies of most County funds into a single interest-bearing bank account for control purposes. Each fund's portion of this pool is accounted for in the applicable fund. Interest earnings on these deposits are apportioned to each fund based on their end of month balance in the pool. Investments for the County are reported at fair value, except for the position in investment pools.

Receivables and Payables

Interfund activities result from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "transfers" line on the government-wide statement of activities. The County did not have any transfers in or transfers out during the current fiscal year. Similarly, interfund receivables and payables are netted and presented as a single "internal balances" line of the government-wide statement of net position.

Delinquent property tax receivables are prorated between the General Fund, FM/Lateral Fund, Road and Bridge Funds, and Debt Service Fund based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables are based on historical experience in collecting property taxes. Management periodically reviews outstanding property taxes and establishes an allowance adequate to reflect the anticipated net collectible balance. The County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Other receivables and payables may include amounts due from local, state and federal agencies resulting from excess of expenditures over revenues incurred, accrued liabilities, interest payable, and accrued wages payable. Other receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories and Prepaid Items

Inventories of supplies on hand have not been recorded, as such supplies are of an expendable nature and are expensed when purchased. As these amounts do not seem to fluctuate a great deal from year to year, it is felt that the exclusion of inventories does not materially affect either the financial position or results of operations of these funds.

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.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings	50
Buildings Improvements	20
System Infrastructure	30
Vehicles	5
Office Equipment	5
Computer Equipment	5

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

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 or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses on refunding of bond issues 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.

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance Classification and Flow Assumption

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the Commissioners' Court, the County's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court or County Judge.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance 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 County to maintain, at all times, an unassigned fund balance at fiscal year-end of not less than 3 months of regular general fund operating expenditures. The County reported 9 months of unassigned fund balance on September 30, 2022.

Net Position Flow Assumption

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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.

Deferred Outflows/Inflows of Resources

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

- **Difference in expected and actual pension experience** - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- **Changes in actuarial assumptions** - This difference is deferred and amortized over a closed five-year period.
- **Pension contributions after measurement date** - These contributions are deferred and recognized in the following fiscal year.

In addition to liability, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualified for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions – This difference is deferred and amortized over a closed five-year period.
- Deferred resources for refunding – Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Management’s Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimations and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

The following funds reported a deficit fund balance on September 30, 2022:

- Austin County Recycling \$(25,485)
- Courthouse Security \$(148,924)
- Juvenile Restitution \$(293)
- Tax Increment Finance Zone No. 1 \$(87,441)
- Tire Collection Event \$(13,240)
- Certificates of Obligation Series 2009 \$(166,331)
- Tax Road Bonds Series 2009 \$(113,183)

The County anticipates revenues in future periods will eliminate these deficit fund balances, or the County will transfer funds from the General Fund to eliminate these deficits.

3. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

Deposits and Investments

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

<u>Investment Type</u>	<u>Net Asset Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 5,135	24

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the weighted average maturity of the investment portfolios to a maximum of 90 days.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2022, the County's deposit balance was collateralized with securities held by the pledging financial institution and FDIC insurance.

Credit Risk. It is the County's policy, as defined by the Texas Public Funds Investment Act, to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The County's investments were rated as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>
TexPool	AAAm	Standard & Poor's

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one-half of one percent of the value of its shares.

Receivables

Receivables as of year-end for the County's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>F/M and Lateral</u>	<u>Total</u>
Receivables:				
Property taxes	\$ 580,221	\$ 111,476	\$ 92,246	\$ 783,943
Sales tax	364,352	-	-	364,352
Fines and fees	5,060,612	-	-	5,060,612
EMS	1,879,394	-	-	1,879,394
Less:				
Allowance for Uncollectibles	(5,083,238)	(14,594)	(12,077)	(5,109,909)
Net Total Receivables	\$ 2,801,341	\$ 96,882	\$ 80,169	\$ 2,978,392

Property Taxes

The County's tax year covers the period October 1 through September 30. The County's property taxes are levied annually in October on the basis of the Austin County Appraisal District's assessed values as of January 1 of that calendar year. The appraisal district establishes appraised values at 100% of market value less exemptions. The County's property taxes are billed and collected by the Austin County Tax Assessor-Collector. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Property taxes are prorated between the General, FM/Lateral, Road and Bridge, and Debt Service Funds based on rates adopted for the year of the levy. For the 2022 fiscal year (2021 tax year), the County levied property taxes of \$0.56964 per \$100 of assessed valuation. The 2022 rates resulted in total tax levies of approximately \$21.7 million based on a total adjusted valuation of approximately \$3.8 billion. The total tax rate in the 2021 tax year was prorated as follows:

<u>Fund</u>	<u>Rate</u>
General Fund	\$ 0.36673
FM/Lateral	0.07832
Road and Bridge	0.06455
Debt Service	<u>0.06004</u>
	<u>\$ 0.56964</u>

Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 784,790	\$ 38,760	\$ -	\$ 823,550
Construction in progress	<u>23,409,573</u>	<u>2,867,784</u>	<u>-</u>	<u>26,277,357</u>
Total capital assets not being depreciated	<u>24,194,363</u>	<u>2,906,544</u>	<u>-</u>	<u>27,100,907</u>
Capital assets, being depreciated:				
Buildings and improvements	12,068,589	-	-	12,068,589
Machinery and Equipment	14,680,095	1,349,633	(520,164)	15,509,564
Infrastructure	80,972,857	-	-	80,972,857
Intangibles	<u>53,135</u>	<u>-</u>	<u>-</u>	<u>53,135</u>
Total capital assets being depreciated	<u>107,774,676</u>	<u>1,349,633</u>	<u>(520,164)</u>	<u>108,604,145</u>
Less accumulated depreciation:				
Buildings and improvements	7,225,660	259,910	-	7,485,570
Machinery and Equipment	12,096,647	1,312,023	(485,765)	12,922,905
Infrastructure	73,755,939	210,679	-	73,966,618
Intangibles	<u>27,102</u>	<u>5,809</u>	<u>-</u>	<u>32,911</u>
Total accumulated depreciation	<u>93,105,348</u>	<u>1,788,421</u>	<u>(485,765)</u>	<u>94,408,004</u>
Total capital assets, being depreciated, net	<u>14,669,328</u>	<u>(438,788)</u>	<u>(34,399)</u>	<u>14,196,141</u>
Governmental activities capital assets, net	<u>\$ 38,863,691</u>	<u>\$ 2,467,756</u>	<u>\$ (34,399)</u>	<u>\$ 41,297,048</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General administration	\$ 75,116
Judicial	5,697
Financial administration	36,117
Public facilities	23,724
Legal	2,124
Public safety	757,352
Public transportation	882,863
Culture and Recreation	<u>5,428</u>
Total depreciation expense - governmental activities	<u>\$ 1,788,421</u>

Construction Commitments

The County had the following construction: Austin County jail and Sheriff's Office, the Austin County Justice Center, and the EMS Building.

Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2022, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Infrastructure Projects	Nonmajor Governmental	\$ 222,951
Infrastructure Projects	General Fund	18,949
General Fund	Nonmajor Governmental	<u>342,326</u>
Total		<u>\$ 584,226</u>

All balances of the due to/due from resulted from short-term loans that are to be reimbursed within the next year.

Interfund Transfers:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 11,000
Nonmajor Governmental	Nonmajor Governmental	<u>644,287</u>
Total		<u>\$ 655,287</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Long-term Debt

General Obligation Bonds

In prior years, the County has issued General Obligation Bonds to fund various capital projects and capital acquisitions. The bonds are expected to be repaid by pledged property tax revenues and the good faith and credit of the County. Bonds outstanding on September 30, 2022, are as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Governmental Activities</u>	
		<u>Original Issuance</u>	<u>Outstanding at 9/30</u>
Series 2018 Refunding	4%-5%	\$ 3,545,000	\$ 2,645,000
Series 2019	3%-5%	9,085,000	8,160,000
Series 2020	3%-5%	<u>15,810,000</u>	<u>14,785,000</u>
Total		<u>\$ 28,440,000</u>	<u>\$ 25,590,000</u>

Annual debt service requirements to maturity for the bonds are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,215,000	\$ 1,863,782
2024	1,275,000	2,181,532
2025	1,345,000	1,831,032
2026	1,415,000	2,187,032
2027	1,490,000	2,189,407
2028-2032	7,080,000	8,750,160
2033-2037	7,370,000	8,714,943
2038-2039	<u>4,400,000</u>	<u>4,603,325</u>
Total	<u>\$ 25,590,000</u>	<u>\$ 32,321,213</u>

Financing Arrangements

As of September 30, 2022, the County has the following financing arrangements outstanding:

Description	Interest Rate	Governmental Activities	
		Original Issuance	Outstanding at 9/30
2014 HAMM COMPACTOR - PCT 1	3.97%	\$ 71,995	\$ 14,948
ENERGY CONSERVATION	3.36%	883,000	595,535
LIFEPACK 15 V4 EQUIPMENT	2.72%	443,134	187,025
PNEUMATIC ROLLER AND DUMP TRUCK PCT 1	2.72%	154,493	117,410
JD WHEEL LOADER AND EQUIPMENT PCT 1	2.83%	197,500	150,172
2 FORD PICKUP TRUCKS - PCT 3	3.97%	85,998	58,244
2013 GRADALL EXCAVATOR	3.59%	130,081	67,334
		<u>\$ 1,966,201</u>	<u>\$ 1,190,668</u>

Debt service requirements to maturity for the financing arrangements are as follows:

Year Ending September 30	Governmental Activities	
	Principal	Interest
2023	\$ 259,129	\$ 45,237
2024	269,860	35,172
2025	213,665	25,329
2026	127,419	17,373
2027	75,886	11,717
2028-2030	<u>244,709</u>	<u>18,100</u>
Total	<u>\$ 1,190,668</u>	<u>\$ 152,928</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities					
General Obligation Bonds	\$ 26,745,000	\$ -	\$ 1,155,000	\$ 25,590,000	\$ 1,215,000
Premium on General Obligation Bonds	982,950	-	81,952	900,998	-
Financing Arrangements	1,708,935	-	518,267	1,190,668	259,129
Notes Payable	29,048	-	29,048	-	-
Compensated absences	497,450	598,005	497,450	598,005	149,501
Governmental activity long-term liabilities	<u>\$ 29,963,383</u>	<u>\$ 598,005</u>	<u>\$ 2,281,717</u>	<u>\$ 28,279,671</u>	<u>\$ 1,623,630</u>

If the County were to default on any long-term debt, any registered owner of the obligations is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the County to make a payment.

Compensated absences are typically funded by the General and Road and Bridge Funds.

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; and natural disasters for which the County carries commercial insurance. The County has not had any significant reductions in insurance coverage in the prior year. There were no instances where settlements exceeded insurance coverage in any of the three previous years.

The County provides property, casualty, mobile equipment, and workers compensation insurance coverage through Texas Association of Counties; they insure for unemployment compensation claims through an agreement with the Texas Workforce Commission. The County is also insured for general, police officers, and automobile liability; they pay an annual premium to Travelers Insurance for auto vehicle insurance coverage. The agreement with Traveler's provides that Travelers will be self-sustaining through member premiums and will reinsure through commercial companies for claims of combined single limits of \$1,000,000 for each insurance event. The County anticipates no contingent losses. And continues to carry commercial fidelity bonds for elected officials and for management.

Austin County also maintains a self-funded stop/loss health insurance plan for active employees and their eligible dependents. The stop/loss amounts for 2022 are \$100,000 per individual and \$3,042,334 aggregate. Costs are recorded in the fund from which the employees' compensation is paid.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

The County did not report any claims liabilities during the past two years.

Defined Benefit Pension Plan

Plan Description. The County's nontraditional defined benefit pension plan, Texas County and District Retirement System (TCDRS), provides pensions for all of its full-time employees. The TCDRS Board of Trustees is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of over nontraditional defined benefit pension plans. TCDRS in the aggregate issues an Annual Comprehensive Financial Report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034 Austin, TX, 78768-2034.

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.

Benefits Provided. TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Employees covered by benefit terms

On the December 31, 2021, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	130
Inactive employees entitled to but not yet receiving benefits	249
Active employees	<u>236</u>
	<u>615</u>

Contributions. The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer’s governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer’s plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 7.90% and 9.15% in calendar years 2021 and 2022. The County’s contributions to TCDRS for the year ended September 30, 2022, were \$1,009,443, and were equal to the required contributions.

Net Pension Asset. The County’s Net Pension Asset (NPA) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation

The County has no automatic cost-of-living adjustments (“COLA”) and one is not considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the County may elect an ad-hoc COLA for its retirees.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total pension liability as of December 31, 2021, were based on the results of an actuarial experience study for the period January 1, 2013, through December 31, 2016, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 7.50%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. The application of the investment return assumptions was changed for purposes of determining plan liabilities at the March 2022 meeting. All plan liabilities are now valued using a 7.6% discount rate.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2022 information for a 10-year time horizon. 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 2022. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

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

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

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

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

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

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

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.6%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act. 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. The employee is legally required to make the contribution specified in the funding policy. 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. 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 assumptions, 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 net 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, a discount rate of 7.60% has been used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2020	\$ 46,397,458	\$ 44,204,832	\$ 2,192,626
Changes for the year:			
Service cost	1,414,644	-	1,414,644
Interest on total pension liability ⁽¹⁾	3,554,704	-	3,554,704
Effect of economic/demographic gains or losses	(1,354,785)	-	(1,354,785)
Effect of assumptions changes or inputs	(103,300)	-	(103,300)
Refund of contributions	(121,507)	(121,507)	-
Benefit payments	(1,996,635)	(1,996,635)	-
Administrative expenses	-	(28,862)	28,862
Member contributions	-	768,699	(768,699)
Net investment income	-	9,654,239	(9,654,239)
Employer contributions	-	867,539	(867,539)
Other ⁽²⁾	-	(1,479)	1,479
Balance at 12/31/2021	<u>\$ 47,790,579</u>	<u>\$ 53,346,826</u>	<u>\$ (5,556,247)</u>

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

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

Sensitivity Analysis

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 53,998,246	\$ 47,790,579	\$ 42,578,381
Fiduciary net position	<u>53,346,826</u>	<u>53,346,826</u>	<u>53,346,826</u>
Net pension liability/(asset)	<u>\$ 651,420</u>	<u>\$ (5,556,247)</u>	<u>\$ (10,768,445)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TCDRS financial report. The report may be obtained at www.tcdrs.org.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the County recognized pension expense of \$(452,740). On September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 223,564	\$ 903,190
Changes in actuarial assumptions	1,271,859	68,867
Difference between projected and actual investment earnings	-	6,054,102
Contributions subsequent to the measurement date	<u>767,710</u>	<u>-</u>
Total	<u>\$ 2,263,133</u>	<u>\$ 7,026,159</u>

\$767,710 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, but before September 30, 2022, will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

For The Year Ended September 30	
2023	\$ (1,029,302)
2024	(1,794,056)
2025	(1,444,622)
2026	(1,262,756)

Commitments and Contingencies

Various claims and lawsuits are pending against the County. The evaluation of County management is that any liability to the County relating to such claims and lawsuits will not have a material impact on the County’s financial position. Historically, the County has not incurred significant losses from claims or lawsuits which arise during the ordinary course of business.

In addition, the County also participates in several federally assisted grant programs, all of which are subject to federal regulations and guidelines. Should any of the grant program expenditures be disallowed by any of the respective grantor agencies or should any other contingency become a liability, funds would have to be appropriated in future County budgets for settlements.

Prior Period Adjustments

In the prior year, the County improperly recognized ARPA revenues upon receipt of the funds before eligible expenditures were incurred. The County has restated the beginning fund balance in this fund and the beginning net position in the government-wide financial statements by \$2,916,682 to account for the prior year overstatement of revenues and understatement of unearned revenue.

Additionally, in the prior year, the County did not accrue the correct twelve months of sales tax revenues and did not reduce the sales tax liability to account for payments withheld per the repayment schedule with the State. As a result, the County has restated the beginning fund balance in the General Fund and the beginning net position in the government-wide financial statements in the amount of \$304,368 to account for the understatement in prior year sales tax revenues.

New Accounting Principles

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the County include the following:

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. GASB 94 will become effective for reporting periods beginning after June 15, 2022, and the impact has not yet been determined.

Statement No. 96, *Subscription-Based Information Technology Arrangements* - This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement will become effective for reporting periods beginning after June 15, 2022, and the impact has not yet been determined.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

AUSTIN COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$ 13,800,000	\$ 13,800,000	\$ 14,081,646	\$ 281,646
Sales	2,230,000	2,230,000	2,641,577	411,577
Other	55,000	55,000	51,715	(3,285)
Intergovernmental	149,000	788,680	771,290	(17,390)
License and permits	70,000	70,000	82,990	12,990
Charges for services	858,200	858,200	989,547	131,347
Fines and forfeitures	1,000,000	1,000,000	1,292,209	292,209
Interest	90,000	90,000	71,420	(18,580)
Miscellaneous	346,750	1,285,393	478,837	(806,556)
Total revenues	<u>18,598,950</u>	<u>20,177,273</u>	<u>20,461,231</u>	<u>283,958</u>
EXPENDITURES				
General administration				
County clerk	456,728	456,728	446,233	10,495
County judge	299,658	299,658	249,419	50,239
Human resources	92,549	92,549	79,647	12,902
Other	3,165,780	3,158,537	3,588,761	(430,224)
System tech	319,654	915,554	935,052	(19,498)
Veteran's service	24,450	24,450	18,056	6,394
Total general administration	<u>4,358,819</u>	<u>4,947,476</u>	<u>5,317,168</u>	<u>(369,692)</u>
Legal				
County / district attorney	502,341	467,809	502,341	(34,532)
Total legal	<u>502,341</u>	<u>467,809</u>	<u>502,341</u>	<u>(34,532)</u>
Judicial				
County court at law	340,524	340,524	345,769	(5,245)
County, district, justice, juvenile courts	354,523	354,523	482,413	(127,890)
District clerk	176,030	176,029	174,125	1,904
District judge	107,187	107,187	111,679	(4,492)
Justice of the peace no. 1	109,445	109,445	111,089	(1,644)
Justice of the peace no. 2	34,955	34,955	34,320	635
Justice of the peace no. 3	155,273	155,273	154,380	893
Justice of the peace no. 4	200,244	200,244	181,509	18,735
Total judicial	<u>1,478,181</u>	<u>1,478,180</u>	<u>1,595,284</u>	<u>(117,104)</u>
Financial administration				
County auditor	251,568	251,568	209,534	42,034
County treasurer	146,786	146,786	124,068	22,718
Tax assessor-collector	574,100	595,482	556,637	38,845
Total financial administration	<u>\$ 972,454</u>	<u>\$ 993,836</u>	<u>\$ 890,239</u>	<u>\$ 103,597</u>

AUSTIN COUNTY, TEXAS

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Public facilities				
Buildings and yard	\$ 470,442	\$ 470,442	\$ 455,398	\$ 15,044
Capital repairs	1,034,343	3,891,411	1,210,681	2,680,730
Wendt Street building	<u>56,600</u>	<u>56,600</u>	<u>26,534</u>	<u>30,066</u>
Total public facilities	<u>1,561,385</u>	<u>4,418,453</u>	<u>1,692,613</u>	<u>2,725,840</u>
Public safety				
Constable no. 1	21,571	21,571	19,661	1,910
Constable no. 2	21,421	21,421	21,816	(395)
Constable no. 3	39,843	40,331	42,180	(1,849)
Constable no. 4	39,843	39,950	42,867	(2,917)
Emergency management	66,825	66,825	68,155	(1,330)
EMS	3,209,001	3,209,001	3,064,168	144,833
Jail	2,225,514	2,047,712	1,858,405	189,307
Juvenile probation	145,872	145,872	138,238	7,634
Sheriff	<u>3,864,041</u>	<u>4,021,563</u>	<u>4,037,868</u>	<u>(16,305)</u>
Total public safety	<u>9,633,931</u>	<u>9,614,246</u>	<u>9,293,358</u>	<u>320,888</u>
Culture and recreation				
Knox library	70,019	70,019	59,101	10,918
West end library	60,963	60,963	60,790	173
History and visitor information center	24,300	24,300	23,395	905
	<u>221,825</u>	<u>221,825</u>	<u>68,634</u>	<u>153,191</u>
Total culture and recreation	<u>155,282</u>	<u>155,282</u>	<u>211,920</u>	<u>11,996</u>
Health and Welfare				
County health department	15,537	15,537	5,641	9,896
Other health and child care	<u>35,000</u>	<u>50,000</u>	<u>39,628</u>	<u>10,372</u>
Total health and welfare	<u>50,537</u>	<u>65,537</u>	<u>45,269</u>	<u>20,268</u>
Conservation - Agriculture				
Agriculture extension service	<u>223,796</u>	<u>223,796</u>	<u>213,319</u>	<u>10,477</u>
Total conservation - agriculture	<u>223,796</u>	<u>223,796</u>	<u>213,319</u>	<u>10,477</u>
Debt service				
Principal	-	-	227,472	(227,472)
Interest	-	-	<u>21,941</u>	<u>(21,941)</u>
Total Debt Service	-	-	<u>249,413</u>	<u>(249,413)</u>
Total expenditures	<u>18,936,726</u>	<u>22,364,615</u>	<u>20,010,924</u>	<u>2,353,691</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(337,776)</u>	<u>(2,187,342)</u>	<u>450,307</u>	<u>2,637,649</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,000	1,000	719,202	718,202
Transfers in (out)	-	-	<u>(11,000)</u>	<u>(11,000)</u>
Total other financing sources (uses)	<u>1,000</u>	<u>1,000</u>	<u>708,202</u>	<u>707,202</u>
NET CHANGE IN FUND BALANCE	<u>(336,776)</u>	<u>(2,186,342)</u>	<u>1,158,509</u>	<u>3,344,851</u>
FUND BALANCE, BEGINNING			14,002,287	
PRIOR PERIOD ADJUSTMENT			304,368	
FUND BALANCE, BEGINNING, RESTATED			<u>14,306,655</u>	
FUND BALANCE, ENDING			<u>\$ 15,465,164</u>	

AUSTIN COUNTY, TEXAS

ROAD AND BRIDGE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 2,440,302	\$ 2,440,302	\$ 2,470,026	\$ 29,724
Intergovernmental	-	454,497	2,266,281	1,811,784
Licenses and permits	745,000	745,000	774,740	29,740
Fines and forfeitures	105,000	105,000	77,630	(27,370)
Interest	45,000	45,000	23,810	(21,190)
Miscellaneous	55,250	1,893,215	106,468	(1,786,747)
Total revenues	<u>3,390,552</u>	<u>5,683,014</u>	<u>5,718,955</u>	<u>35,941</u>
EXPENDITURES				
Public transportation				
Road and Bridge	<u>(3,390,553)</u>	<u>7,926,681</u>	<u>5,586,708</u>	<u>2,339,973</u>
Total expenditures	<u>(3,390,553)</u>	<u>7,926,681</u>	<u>5,732,166</u>	<u>2,194,515</u>
NET CHANGE IN FUND BALANCE	6,781,105	(2,243,667)	(13,211)	2,230,456
FUND BALANCE, BEGINNING			<u>3,674,009</u>	
FUND BALANCE, ENDING			<u>\$ 3,660,798</u>	

AUSTIN COUNTY, TEXAS

FM AND LATERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 2,938,953	\$ 2,938,953	\$ 2,984,333	\$ 45,380
Licenses and permits	40,000	40,000	29,987	(10,013)
Intergovernmental	26,000	29,635	29,636	1
Interest	18,000	18,000	11,900	(6,100)
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>6,960</u>	<u>5,460</u>
Total revenues	<u>3,024,453</u>	<u>3,028,088</u>	<u>3,062,816</u>	<u>34,728</u>
EXPENDITURES				
Public transportation				
Road and Bridge	<u>3,024,453</u>	<u>6,994,745</u>	<u>3,266,670</u>	<u>3,728,075</u>
Total expenditures	<u>3,024,453</u>	<u>6,994,745</u>	<u>3,464,094</u>	<u>3,530,651</u>
NET CHANGE IN FUND BALANCE	-	(3,966,657)	(401,278)	3,565,379
FUND BALANCE, BEGINNING			<u>4,854,223</u>	
FUND BALANCE, ENDING			<u>\$ 4,452,945</u>	

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AUSTIN COUNTY, TEXAS
NOTES TO BUDGETARY SCHEDULE
SEPTEMBER 30, 2022

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 2022 fiscal year were adopted for the General Fund, the F/M and Lateral Fund, and the Road and Bridge Fund.

AUSTIN COUNTY, TEXAS

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Plan Year Ended December 31	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Pension Liability			
Service Cost	\$ 1,414,644	\$ 1,197,385	\$ 1,090,885
Interest on total pension liability	3,554,704	3,332,344	3,115,382
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	(1,354,785)	346,151	201,954
Effect of assumption changes or inputs	(103,300)	2,543,718	-
Benefit payments/refunds of contributions	<u>(2,118,142)</u>	<u>(1,892,758)</u>	<u>(1,781,746)</u>
Net change in total pension liability	1,393,121	5,526,840	2,626,475
Total pension liability - beginning	<u>46,397,458</u>	<u>40,870,618</u>	<u>38,244,143</u>
Total pension liability - ending (a)	<u>\$ 47,790,579</u>	<u>\$ 46,397,458</u>	<u>\$ 40,870,618</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 867,539	\$ 881,314	\$ 711,339
Member contributions	768,699	775,998	683,041
Investment income net of investment expenses	9,654,239	4,163,725	5,746,616
Benefit payments/refunds of contributions	(2,118,142)	(1,892,758)	(1,781,746)
Administrative expenses	(28,862)	(32,345)	(30,717)
Other	<u>(1,479)</u>	<u>(203)</u>	<u>(10,429)</u>
Net change in plan fiduciary net position	9,141,994	3,895,731	5,318,104
Plan fiduciary net position - beginning	<u>44,204,832</u>	<u>40,309,101</u>	<u>34,990,997</u>
Plan fiduciary net position - ending (b)	<u>\$ 53,346,826</u>	<u>\$ 44,204,832</u>	<u>\$ 40,309,101</u>
Net pension liability/(asset) - ending (a)-(b)	<u>\$ (5,556,247)</u>	<u>\$ 2,192,626</u>	<u>\$ 561,517</u>
Fiduciary net position as a percentage of total pension liability/(asset)	111.63%	95.27%	98.63%
Pensionable covered payroll	\$ 12,172,856	\$ 11,085,682	\$ 9,757,729
Net pension liability/(asset) as a percentage of covered payroll	-45.64%	19.78%	5.75%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

	2018	2017	2016	2015	2014
\$	1,055,346	\$ 1,028,884	\$ 1,038,798	\$ 918,709	\$ 832,613
	2,910,242	2,715,110	2,531,778	2,384,025	2,204,104
	-	-	-	(133,185)	-
	206,251	113,834	(259,495)	(214,376)	258,063
	-	125,600	-	327,037	-
	<u>(1,571,921)</u>	<u>(1,628,679)</u>	<u>(1,508,304)</u>	<u>(1,338,866)</u>	<u>(1,087,601)</u>
	2,599,918	2,354,749	1,802,777	1,943,344	2,207,179
	<u>35,644,225</u>	<u>33,289,476</u>	<u>31,486,699</u>	<u>29,543,355</u>	<u>27,336,176</u>
\$	<u>38,244,143</u>	<u>\$ 35,644,225</u>	<u>\$ 33,289,476</u>	<u>\$ 31,486,699</u>	<u>\$ 29,543,355</u>
\$	691,653	\$ 659,993	\$ 686,673	\$ 656,924	\$ 636,162
	649,875	626,867	595,627	562,162	519,123
	(671,837)	4,618,209	2,201,096	103,366	1,919,505
	(1,571,920)	(1,628,679)	(1,508,304)	(1,338,866)	(1,087,601)
	(28,105)	(23,891)	(23,932)	(21,387)	(22,071)
	<u>(3,106)</u>	<u>(4,866)</u>	<u>5,548</u>	<u>96,664</u>	<u>87,228</u>
	(933,440)	4,247,633	1,956,708	58,863	2,052,346
	<u>35,924,437</u>	<u>31,676,804</u>	<u>29,720,096</u>	<u>29,661,233</u>	<u>27,608,887</u>
\$	<u>34,990,997</u>	<u>\$ 35,924,437</u>	<u>\$ 31,676,804</u>	<u>\$ 29,720,096</u>	<u>\$ 29,661,233</u>
\$	<u>3,253,146</u>	<u>\$ (280,212)</u>	<u>\$ 1,612,672</u>	<u>\$ 1,766,603</u>	<u>\$ (117,878)</u>
	91.49%	100.79%	95.16%	94.39%	100.40%
\$	9,283,934	\$ 8,955,242	\$ 8,508,954	\$ 8,030,891	\$ 7,414,444
	35.04%	-3.13%	18.95%	22.00%	-1.59%

AUSTIN COUNTY, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Measurement Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	\$ 516,398	\$ 516,398	\$ -	\$ 6,328,404	8.2%
2013	568,130	568,130	-	6,652,456	8.5%
2014	636,162	636,162	-	7,414,444	8.6%
2015	656,924	656,924	-	8,030,891	8.2%
2016	686,673	686,673	-	8,508,954	8.1%
2017	659,993	659,993	-	8,955,242	7.4%
2018	691,653	691,653	-	9,283,934	7.4%
2019	711,339	711,339	-	9,757,729	7.3%
2020	881,314	881,314	-	11,085,682	8.0%
2021	867,539	867,539	-	10,981,418	7.9%

AUSTIN COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Methods and assumptions used to determine contributions rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	18.9 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule.

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**COMBINING
FUND STATEMENTS**

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

	Special Revenue				
	Abandoned Vehicles	Archive/ Cash	ARRA JAG Grant	Austin County Recycling	CC & DC Tech
ASSETS					
Cash and investments	\$ 1,015	\$ 569,946	\$ 320	\$ -	\$ 15,895
Total assets	<u>1,015</u>	<u>569,946</u>	<u>320</u>	<u>-</u>	<u>15,895</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Accrued wages	-	-	-	-	-
Due to other funds	-	-	-	25,485	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,485</u>	<u>-</u>
FUND BALANCES					
Restricted:					
Administrative	-	569,946	-	-	15,895
Archives	-	-	-	-	-
Health	-	-	-	-	-
Judicial	-	-	-	-	-
Public Safety	1,015	-	320	-	-
Committed:					
Culture and recreation	-	-	-	-	-
Unassigned	-	-	-	(25,485)	-
Total fund balances	<u>1,015</u>	<u>569,946</u>	<u>320</u>	<u>(25,485)</u>	<u>15,895</u>
Total liabilities and fund balances	<u>\$ 1,015</u>	<u>\$ 569,946</u>	<u>\$ 320</u>	<u>\$ -</u>	<u>\$ 15,895</u>

Special Revenue

Collection Fee / Estray	Courthouse Security	Court Reporter Service	Criminal DA - Hot Check	Language Access	Drug Testing Fee	Crime Stoppers Assistance
<u>\$ 1,115</u>	<u>\$ -</u>	<u>\$ 56,424</u>	<u>\$ 13,530</u>	<u>\$ 1,550</u>	<u>\$ 6,702</u>	<u>\$ 635</u>
<u>1,115</u>	<u>-</u>	<u>56,424</u>	<u>13,530</u>	<u>1,550</u>	<u>6,702</u>	<u>635</u>
-	-	-	-	-	-	-
-	8,645	-	-	-	-	-
-	140,279	-	-	-	-	-
<u>-</u>	<u>148,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	1,550	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	56,424	13,530	-	-	-
1,115	-	-	-	-	6,702	635
-	-	-	-	-	-	-
-	(148,924)	-	-	-	-	-
<u>1,115</u>	<u>(148,924)</u>	<u>56,424</u>	<u>13,530</u>	<u>1,550</u>	<u>6,702</u>	<u>635</u>
<u>\$ 1,115</u>	<u>\$ -</u>	<u>\$ 56,424</u>	<u>\$ 13,530</u>	<u>\$ 1,550</u>	<u>\$ 6,702</u>	<u>\$ 635</u>

AUSTIN COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	Special Revenue				
	Donations LEPC and Cert	EMS Special Funds	Estray	Indigent Health Care	Justice Court Building Security
ASSETS					
Cash and investments	\$ 1,873	\$ 84,006	\$ 23,273	\$ 26,252	\$ 50,497
Total assets	<u>1,873</u>	<u>84,006</u>	<u>23,273</u>	<u>26,252</u>	<u>50,497</u>
LIABILITIES					
Accounts payable	-	568	-	926	-
Accrued wages	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>568</u>	<u>-</u>	<u>926</u>	<u>-</u>
FUND BALANCES					
Restricted:					
Administrative	-	-	-	-	-
Archives	-	-	-	-	-
Health	-	-	-	25,326	-
Judicial	-	-	-	-	50,497
Public Safety	1,873	83,438	23,273	-	-
Committed:					
Culture and recreation	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,873</u>	<u>83,438</u>	<u>23,273</u>	<u>25,326</u>	<u>50,497</u>
Total liabilities and fund balances	<u>\$ 1,873</u>	<u>\$ 84,006</u>	<u>\$ 23,273</u>	<u>\$ 26,252</u>	<u>\$ 50,497</u>

Special Revenue

Justice Court Technology	Juvenile Probation Parental Support	Juvenile Restitution	Juvenile Probation Fees	Unclaimed Juvenile Restitution	Juvenile Case Management	Law Library
\$ 3,577	\$ 11,689	\$ 271	\$ 8,563	\$ 3,524	\$ 87,721	\$ 12,406
<u>3,577</u>	<u>11,689</u>	<u>271</u>	<u>8,563</u>	<u>3,524</u>	<u>87,721</u>	<u>12,406</u>
-	-	564	277	-	480	1,321
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>564</u>	<u>277</u>	<u>-</u>	<u>480</u>	<u>1,321</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,577	11,689	-	-	3,524	-	11,085
-	-	-	8,286	-	87,241	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(293)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,577</u>	<u>11,689</u>	<u>(293)</u>	<u>8,286</u>	<u>3,524</u>	<u>87,241</u>	<u>11,085</u>
<u>\$ 3,577</u>	<u>\$ 11,689</u>	<u>\$ 271</u>	<u>\$ 8,563</u>	<u>\$ 3,524</u>	<u>\$ 87,721</u>	<u>\$ 12,406</u>

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

	Special Revenue				Special Library: Knox Library
	POD Grant	Records Management County	Records Management Fees	Special Donations / Sheriff	
ASSETS					
Cash and investments	\$ 6,650	\$ 67,933	\$ 73,707	\$ 25,391	\$ 44,895
Total assets	<u>6,650</u>	<u>67,933</u>	<u>73,707</u>	<u>25,391</u>	<u>44,895</u>
LIABILITIES					
Accounts payable	-	-	235	1,092	-
Accrued wages	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>235</u>	<u>1,092</u>	<u>-</u>
FUND BALANCES					
Restricted:					
Administrative	6,650	-	-	-	-
Archives	-	67,933	73,472	-	-
Health	-	-	-	-	-
Judicial	-	-	-	-	-
Public Safety	-	-	-	24,299	-
Committed:					
Culture and recreation	-	-	-	-	44,895
Unassigned	-	-	-	-	-
Total fund balances	<u>6,650</u>	<u>67,933</u>	<u>73,472</u>	<u>24,299</u>	<u>44,895</u>
Total liabilities and fund balances	<u>\$ 6,650</u>	<u>\$ 67,933</u>	<u>\$ 73,707</u>	<u>\$ 25,391</u>	<u>\$ 44,895</u>

Special Revenue

Special Library: W. E. Library	Tax Increment Finance Zone No. 1	Tobacco Litigation Settlement	Tire Collection Event	Traffic Fees / Justice Court	County Jury	Court Facility Fee	Video / Court Costs
<u>\$ 35,703</u>	<u>\$ -</u>	<u>\$ 287,915</u>	<u>\$ -</u>	<u>\$ 36,260</u>	<u>\$ 3,991</u>	<u>\$ 8,162</u>	<u>\$ 7,575</u>
<u>35,703</u>	<u>-</u>	<u>287,915</u>	<u>-</u>	<u>36,260</u>	<u>3,991</u>	<u>8,162</u>	<u>7,575</u>
-	-	34,759	-	-	-	-	-
-	-	-	-	-	-	-	-
-	87,441	-	13,240	-	-	-	-
<u>-</u>	<u>87,441</u>	<u>34,759</u>	<u>13,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	253,156	-	-	-	-	-
-	-	-	-	-	3,991	8,162	-
-	-	-	-	36,260	-	-	7,575
35,703	-	-	-	-	-	-	-
-	(87,441)	-	(13,240)	-	-	-	-
<u>35,703</u>	<u>(87,441)</u>	<u>253,156</u>	<u>(13,240)</u>	<u>36,260</u>	<u>3,991</u>	<u>8,162</u>	<u>7,575</u>
<u>\$ 35,703</u>	<u>\$ -</u>	<u>\$ 287,915</u>	<u>\$ -</u>	<u>\$ 36,260</u>	<u>\$ 3,991</u>	<u>\$ 8,162</u>	<u>\$ 7,575</u>

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

	Special Revenue				Debt Service
	ACSO Sheriff's Forfeiture	CDA Vehicle Forfeiture	CDA Law Enforcement	ACSO Federal Forfeiture	Certificates of Obligation Series 2009
ASSETS					
Cash and investments	\$ 64,644	\$ 5,376	\$ 228,542	\$ 82,732	\$ -
Total assets	<u>64,644</u>	<u>5,376</u>	<u>228,542</u>	<u>82,732</u>	<u>-</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Accrued wages	-	-	-	-	-
Due to other funds	-	-	-	-	166,331
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,331</u>
FUND BALANCES					
Restricted:					
Administrative	-	-	-	-	-
Archives	-	-	-	-	-
Health	-	-	-	-	-
Judicial	-	-	-	-	-
Public Safety	64,644	5,376	228,542	82,732	-
Committed:					
Culture and recreation	-	-	-	-	-
Unassigned	-	-	-	-	(166,331)
Total fund balances	<u>64,644</u>	<u>5,376</u>	<u>228,542</u>	<u>82,732</u>	<u>(166,331)</u>
Total liabilities and fund balances	<u>\$ 64,644</u>	<u>\$ 5,376</u>	<u>\$ 228,542</u>	<u>\$ 82,732</u>	<u>\$ -</u>

<u>Capital Projects</u>	
<u>Tax Road</u>	<u>Total</u>
<u>Bonds</u>	<u>Nonmajor</u>
<u>Series</u>	<u>Governmental</u>
<u>2009</u>	
<u>\$ 19,318</u>	<u>\$ 1,979,578</u>
<u>19,318</u>	<u>1,979,578</u>
-	40,222
-	8,645
<u>132,501</u>	<u>565,277</u>
<u>132,501</u>	<u>614,144</u>
-	594,041
-	141,405
-	278,482
-	162,479
-	663,326
-	80,598
<u>(113,183)</u>	<u>(554,897)</u>
<u>(113,183)</u>	<u>1,365,434</u>
<u>\$ 19,318</u>	<u>\$ 1,979,578</u>

AUSTIN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue				
	Abandoned Vehicles	Archive/ Cash	ARRA JAG Grant	Austin County Recycling	CC & DC Tech
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	76,920	-	-	1,243
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>76,920</u>	<u>-</u>	<u>-</u>	<u>1,243</u>
EXPENDITURES					
Current:					
General administration	-	-	-	-	-
Legal	-	-	-	-	-
Judicial	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>76,920</u>	<u>-</u>	<u>-</u>	<u>1,243</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	76,920	-	-	1,243
FUND BALANCES, BEGINNING	<u>1,015</u>	<u>493,026</u>	<u>320</u>	<u>(25,485)</u>	<u>14,652</u>
FUND BALANCES, ENDING	<u>\$ 1,015</u>	<u>\$ 569,946</u>	<u>\$ 320</u>	<u>\$ (25,485)</u>	<u>\$ 15,895</u>

Special Revenue

Collection Fee / Estray	Courthouse Security	Court Reporter Service	Criminal DA - Hot Check	Language Access	Environmental	Crime Stoppers Assistance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	21,292	12,498	43,604	1,550	-	40
-	-	-	-	-	10,465	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>21,292</u>	<u>12,498</u>	<u>43,604</u>	<u>1,550</u>	<u>10,465</u>	<u>40</u>
-	-	-	-	-	6,238	-
-	-	18,647	42,961	-	-	-
-	170,999	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>170,999</u>	<u>18,647</u>	<u>42,961</u>	<u>-</u>	<u>6,238</u>	<u>-</u>
-	(149,707)	(6,149)	643	1,550	4,227	40
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(149,707)	(6,149)	643	1,550	4,227	40
<u>1,115</u>	<u>783</u>	<u>62,573</u>	<u>12,887</u>	<u>-</u>	<u>2,475</u>	<u>595</u>
<u>\$ 1,115</u>	<u>\$ (148,924)</u>	<u>\$ 56,424</u>	<u>\$ 13,530</u>	<u>\$ 1,550</u>	<u>\$ 6,702</u>	<u>\$ 635</u>

AUSTIN COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue				
	Donations LEPC and Cert	EMS Special Funds	Estray	Indigent Health Care	Justice Court Building Security
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	331
Charges for services	-	-	4,321	-	-
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	13,885	-	-	-
Total revenues	<u>-</u>	<u>13,885</u>	<u>4,321</u>	<u>-</u>	<u>331</u>
EXPENDITURES					
Current:					
General administration	-	-	-	-	-
Legal	-	-	-	-	3,069
Judicial	-	-	-	-	-
Public safety	-	101,631	701	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	40,863	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>101,631</u>	<u>701</u>	<u>40,863</u>	<u>3,069</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(87,746)</u>	<u>3,620</u>	<u>(40,863)</u>	<u>(2,738)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(87,746)	3,620	(40,863)	(2,738)
FUND BALANCES, BEGINNING	<u>1,873</u>	<u>171,184</u>	<u>19,653</u>	<u>66,189</u>	<u>53,235</u>
FUND BALANCES, ENDING	<u>\$ 1,873</u>	<u>\$ 83,438</u>	<u>\$ 23,273</u>	<u>\$ 25,326</u>	<u>\$ 50,497</u>

Special Revenue

Justice Court Technology	Juvenile Probation Parental Support	Juvenile Restitution	Juvenile Probation Fees	Unclaimed Juvenile Restitution	Juvenile Case Management	Law Library
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	75	-	-	-	125	-
1,330	-	-	8,868	-	-	26,935
-	-	516	-	3,524	-	-
-	-	-	-	-	-	-
<u>1,330</u>	<u>75</u>	<u>516</u>	<u>8,868</u>	<u>3,524</u>	<u>125</u>	<u>26,935</u>
-	-	-	-	-	-	-
5,786	-	-	-	-	-	-
-	-	809	582	-	527	39,968
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,786</u>	<u>-</u>	<u>809</u>	<u>582</u>	<u>-</u>	<u>527</u>	<u>39,968</u>
<u>(4,456)</u>	<u>75</u>	<u>(293)</u>	<u>8,286</u>	<u>3,524</u>	<u>(402)</u>	<u>(13,033)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(4,456)</u>	<u>75</u>	<u>(293)</u>	<u>8,286</u>	<u>3,524</u>	<u>(402)</u>	<u>(13,033)</u>
<u>8,033</u>	<u>11,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,643</u>	<u>24,118</u>
<u>\$ 3,577</u>	<u>\$ 11,689</u>	<u>\$ (293)</u>	<u>\$ 8,286</u>	<u>\$ 3,524</u>	<u>\$ 87,241</u>	<u>\$ 11,085</u>

AUSTIN COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue				
	POD Grant	Records Management County	Records Management Fees	Special Donations / Sheriff	Special Library: Knox Library
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	43,285	-
Charges for services	-	17,527	80,622	-	-
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	8,170
Total revenues	<u>-</u>	<u>17,527</u>	<u>80,622</u>	<u>43,285</u>	<u>8,170</u>
EXPENDITURES					
Current:					
General administration	-	17,783	38,849	-	-
Legal	-	-	-	-	-
Judicial	-	-	-	-	-
Public safety	-	-	-	35,640	-
Culture and recreation	-	-	-	-	4,296
Health and welfare	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>17,783</u>	<u>38,849</u>	<u>35,640</u>	<u>4,296</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(256)</u>	<u>41,773</u>	<u>7,645</u>	<u>3,874</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(256)	41,773	7,645	3,874
FUND BALANCES, BEGINNING	<u>6,650</u>	<u>68,189</u>	<u>31,699</u>	<u>16,654</u>	<u>41,021</u>
FUND BALANCES, ENDING	<u>\$ 6,650</u>	<u>\$ 67,933</u>	<u>\$ 73,472</u>	<u>\$ 24,299</u>	<u>\$ 44,895</u>

Special Revenue

Special Library: W. E. Library	Tax Increment Finance Zone No. 1	Tobacco Litigation Settlement	Tire Collection Event	Traffic Fees / Justice Court	County Jury	Court Facilities Fee	Video / Court Costs
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	105,884	-	-	-	-	-
-	-	-	-	625	-	8,162	320
-	-	-	-	-	3,991	-	-
-	-	-	-	-	-	-	-
<u>3,790</u>	-	-	-	-	-	-	-
<u>3,790</u>	<u>-</u>	<u>105,884</u>	<u>-</u>	<u>625</u>	<u>3,991</u>	<u>8,162</u>	<u>320</u>
-	86,680	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	61,322	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>86,680</u>	<u>61,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,790</u>	<u>(86,680)</u>	<u>44,562</u>	<u>-</u>	<u>625</u>	<u>3,991</u>	<u>8,162</u>	<u>320</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,790</u>	<u>(86,680)</u>	<u>44,562</u>	<u>-</u>	<u>625</u>	<u>3,991</u>	<u>8,162</u>	<u>320</u>
<u>31,913</u>	<u>(761)</u>	<u>208,594</u>	<u>(13,240)</u>	<u>35,635</u>	<u>-</u>	<u>-</u>	<u>7,255</u>
<u>\$ 35,703</u>	<u>\$ (87,441)</u>	<u>\$ 253,156</u>	<u>\$ (13,240)</u>	<u>\$ 36,260</u>	<u>\$ 3,991</u>	<u>\$ 8,162</u>	<u>\$ 7,575</u>

AUSTIN COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue				Debt Service
	ACSO Sheriff's Forfeiture	CDA Vehicle Forfeiture	CDA Law Enforcement	ACSO Federal Forfeiture	Certificates of Obligation Series 2009
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,561,573
Intergovernmental	-	-	6,927	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	640	46	1,935	326	2,363
Miscellaneous	<u>75,224</u>	<u>6,257</u>	<u>-</u>	<u>75,908</u>	<u>-</u>
Total revenues	<u>75,864</u>	<u>6,303</u>	<u>8,862</u>	<u>76,234</u>	<u>1,563,936</u>
EXPENDITURES					
Current:					
General administration	-	-	-	-	700
Legal	-	1,676	9,566	-	-
Judicial	-	-	-	-	-
Public safety	70,219	-	-	21,965	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	830,000
Interest and fiscal charges	-	-	-	-	722,988
Total expenditures	<u>70,219</u>	<u>1,676</u>	<u>9,566</u>	<u>21,965</u>	<u>1,553,688</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,645</u>	<u>4,627</u>	<u>(704)</u>	<u>54,269</u>	<u>10,248</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	11,000
Transfers out	-	-	-	-	(644,287)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(633,287)</u>
NET CHANGE IN FUND BALANCES	<u>5,645</u>	<u>4,627</u>	<u>(704)</u>	<u>54,269</u>	<u>(623,039)</u>
FUND BALANCES, BEGINNING	<u>58,999</u>	<u>749</u>	<u>229,246</u>	<u>28,463</u>	<u>456,708</u>
FUND BALANCES, ENDING	<u>\$ 64,644</u>	<u>\$ 5,376</u>	<u>\$ 228,542</u>	<u>\$ 82,732</u>	<u>\$ (166,331)</u>

Capital Projects

<u>Tax Road</u>		<u>Total</u>	
<u>Bonds</u>		<u>Nonmajor</u>	
<u>Series</u>		<u>Governmental</u>	
<u>2009</u>			
\$ 627,694		\$ 2,189,267	
-		156,627	
-		305,857	
-		18,496	
-		5,310	
-		183,234	
<u>627,694</u>		<u>2,858,791</u>	
611		150,861	
-		81,705	
-		40,495	
-		402,546	
-		4,296	
-		102,185	
325,000		1,155,000	
<u>304,733</u>		<u>1,027,721</u>	
<u>630,344</u>		<u>2,964,809</u>	
<u>(2,650)</u>		<u>(106,018)</u>	
644,287		655,287	
-		(644,287)	
<u>644,287</u>		<u>11,000</u>	
641,637		(95,018)	
<u>(754,820)</u>		<u>1,460,452</u>	
<u>\$ (113,183)</u>		<u>\$ 1,365,434</u>	

AUSTIN COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2022

	Custodial Funds				
	Juvenile Probation	Cash Fund	Drainage District No. 1	Bellville ISD Truancy	Sealy ISD Truancy
ASSETS					
Cash and investments	\$ 29,109	\$ 9,638	\$ 65,869	\$ 237	\$ 5
Due from other governments	<u>22,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>51,163</u>	<u>9,638</u>	<u>65,869</u>	<u>237</u>	<u>5</u>
LIABILITIES					
Accounts payable	2,046	-	-	-	-
Accrued liabilities	5,525	-	-	-	-
Due to other governments	<u>2,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>10,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Restricted for individuals, organizations and other governments	<u>41,035</u>	<u>9,638</u>	<u>65,869</u>	<u>237</u>	<u>5</u>
Total net position	<u>\$ 41,035</u>	<u>\$ 9,638</u>	<u>\$ 65,869</u>	<u>\$ 237</u>	<u>\$ 5</u>

Custodial Funds

District Clerk	County Clerk	Tax Assessor Collector	Sheriff's Office Pending	CDA Pending	Jail Inmate Welfare	Jail Inmate Trust	Insurance Trust	Total Custodial Funds
\$ 887,706	\$ 441,923	\$ 855,911	\$ 15,561	\$ 114,493	\$ 58,919	\$ 14,003	\$ 1,382	\$ 2,494,756
-	-	-	-	-	-	-	-	22,054
<u>887,706</u>	<u>441,923</u>	<u>855,911</u>	<u>15,561</u>	<u>114,493</u>	<u>58,919</u>	<u>14,003</u>	<u>1,382</u>	<u>2,516,810</u>
-	-	855,911	-	-	-	-	-	857,957
-	-	-	-	-	-	-	-	5,525
-	-	-	-	-	-	-	-	2,557
-	-	<u>855,911</u>	-	-	-	-	-	<u>866,039</u>
<u>887,706</u>	<u>441,923</u>	<u>-</u>	<u>15,561</u>	<u>114,493</u>	<u>58,919</u>	<u>14,003</u>	<u>1,382</u>	<u>1,650,771</u>
<u>\$ 887,706</u>	<u>\$ 441,923</u>	<u>\$ -</u>	<u>\$ 15,561</u>	<u>\$ 114,493</u>	<u>\$ 58,919</u>	<u>\$ 14,003</u>	<u>\$ 1,382</u>	<u>\$ 1,650,771</u>

AUSTIN COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Custodial Funds				
	Juvenile Probation	Cash Fund	Drainage District No. 1	Bellville ISD Truancy	Sealy ISD Truancy
ADDITIONS					
Interest income	\$ -	\$ -	\$ 574	\$ -	\$ -
Taxes and fees collected on behalf of other governments	-	-	-	-	10
Other income	1,841	-	-	-	-
Fees collected on behalf of others	<u>209,693</u>	-	-	-	-
Total additions	<u>211,534</u>	<u>-</u>	<u>574</u>	<u>-</u>	<u>10</u>
DEDUCTIONS					
Distributions to other governments and others	44,137	-	-	-	-
Other services and charges	<u>211,716</u>	-	-	-	5
Total deductions	<u>255,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	<u>(44,319)</u>	<u>-</u>	<u>574</u>	<u>-</u>	<u>5</u>
NET POSITION, BEGINNING	<u>85,354</u>	<u>9,638</u>	<u>65,295</u>	<u>237</u>	<u>-</u>
NET POSITION, ENDING	<u>\$ 41,035</u>	<u>\$ 9,638</u>	<u>\$ 65,869</u>	<u>\$ 237</u>	<u>\$ 5</u>

Custodial Funds								Total Custodial Funds
District Clerk	County Clerk	Tax Assessor Collector	Sheriff's Office Pending	CDA Pending	Jail Inmate Welfare	Jail Inmate Trust	Insurance Trust	
\$ 3,110	\$ 2,437	\$ -	\$ 161	\$ 815	\$ -	\$ -	\$ -	\$ 7,097
687,124	812,253	5,730,450	-	30,727	-	-	-	7,260,564
-	-	-	-	-	59,594	225,750	-	287,185
-	-	-	-	-	-	-	2,090,734	2,300,427
<u>690,234</u>	<u>814,690</u>	<u>5,730,450</u>	<u>161</u>	<u>31,542</u>	<u>59,594</u>	<u>225,750</u>	<u>2,090,734</u>	<u>9,855,273</u>
609,874	1,915,471	6,554,193	19,607	9,472	40,409	218,374	2,080,681	11,492,218
-	-	-	-	-	-	-	30,165	241,886
<u>609,874</u>	<u>1,915,471</u>	<u>6,554,193</u>	<u>19,607</u>	<u>9,472</u>	<u>40,409</u>	<u>218,374</u>	<u>2,110,846</u>	<u>11,734,104</u>
<u>80,360</u>	<u>(1,100,781)</u>	<u>(823,743)</u>	<u>(19,446)</u>	<u>22,070</u>	<u>19,185</u>	<u>7,376</u>	<u>(20,112)</u>	<u>(1,878,831)</u>
<u>807,346</u>	<u>1,542,704</u>	<u>823,743</u>	<u>35,007</u>	<u>92,423</u>	<u>39,734</u>	<u>6,627</u>	<u>21,494</u>	<u>3,529,602</u>
<u>\$ 887,706</u>	<u>\$ 441,923</u>	<u>\$ -</u>	<u>\$ 15,561</u>	<u>\$ 114,493</u>	<u>\$ 58,919</u>	<u>\$ 14,003</u>	<u>\$ 1,382</u>	<u>\$ 1,650,771</u>

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SINGLE AUDIT SECTION

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

Honorable County Judge and
Commissioners' Court
Bellville, 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, each major fund, and the aggregate remaining fund information of Austin County, Texas (the "County"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 7, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Items 2022-001, 2022-002, and 2022-003 that we consider to be material weaknesses.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Questioned Costs as Item 2022-003.

Purpose of this Report

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
October 7, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE *UNIFORM GUIDANCE***

Honorable County Judge and
Commissioners' Court
Bellville, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Austin County, Texas' (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2022. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Uniform Guidance*, we:

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
October 7, 2025

AUSTIN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
<u>U. S. Department of Housing and Urban Development</u>				
Passed through the General Land Office:				
Community Development Block Grant	14.228	20-065-065-C184	\$ 173,916	\$ -
Community Development Block Grant	14.228	22-085-007-D235	1,636,784	-
Community Development Block Grant	14.228	19-076-037-B689	<u>455,581</u>	-
Subtotal 14.228			<u>2,266,281</u>	-
Total Passed through the General Land Office			<u>2,266,281</u>	-
Total U. S. Department of Housing and Urban Development			<u>2,266,281</u>	-
<u>U. S. Department of Treasury</u>				
Direct program:				
COVID-19 - American Rescue Plan Act (ARPA)	21.027	SLFRP2962	<u>530,918</u>	-
Total Direct program			<u>530,918</u>	-
Total U.S. Department of Treasury			<u>530,918</u>	-
Total Federal Awards			<u>\$ 2,797,199</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

AUSTIN COUNTY, TEXAS

**NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all applicable federal awards of Austin County, Texas. The County's reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the respective schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

3. INDIRECT COSTS

The County has not elected to use the de minimis indirect cost rate as allowed in the *Uniform Guidance*, Section 414.

AUSTIN COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Summary of Auditor's Results

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	2022-001; 2022-002; 2022-003
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	2022-003

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the <i>Uniform Guidance</i>	None
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Identification of major programs:

Assistance Listing Number: 14.228	Name of Federal Program or Cluster: Community Development Block Grant
--------------------------------------	--

Dollar threshold used to distinguish between type A and type B programs	\$750,000
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Auditee qualified as low-risk auditee for federal single audit?	No
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AUSTIN COUNTY, TEXAS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section II. Financial Statement Findings

Item 2022-001 – Material Weakness

Criteria

Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. This system ensures the accuracy, completeness, and reliability of the financial statements.

Condition

Material revenues were recognized in the financial statements in a prior period that should have been recognized in the current year. This required a restatement of the financial statements to correct the error.

Effect

Beginning net position in the governmental activities and the beginning fund balance in the ARP Fund were overstated and revenues in the ARP fund were understated by \$2,916,682 for the year ended September 30, 2022.

Recommendation

Management should perform a year-end review of the grant conditions and awards to ensure that revenue is recognized in the appropriate reporting period.

Records are kept when we spend it

Management's Response

Management acknowledges the audit finding and immediately corrected the general ledger. Management will enhance their year-end review of grant revenues accordingly.

Item 2022-002 - Material Weakness

Criteria

Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. This system ensures the accuracy, completeness, and reliability of the financial statements.

Condition

Sales tax revenues were not properly accrued.

Effect

Beginning net position in the governmental activities and the beginning fund balance in the General Fund were understated by \$304,368. Revenues were understated by \$100,449 in the General Fund and governmental activities.

Recommendation

Management should implement a system of controls to ensure that the financial information reported for a certain fiscal period is complete and accurate.

Management's Response

The County immediately corrected the issue on the general ledger by posting revenue accruals at year-end. The County will also incorporate a review of these revenue accounts at year-end, as part of the audit preparation process.

2 month Annual

AUSTIN COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Item 2022-003 – Material Weakness

Criteria

Management of the County is responsible for establishing and maintaining internal controls to achieve timely financial reporting. Additionally, the *Uniform Guidance* requires local governments that expend \$750,000 or more in federal grant awards in a fiscal year to submit the single audit reporting package to the Federal Audit Clearinghouse (FAC) within nine months of its fiscal year-end.

Condition

The County did not complete its annual financial statement audit in a timely manner or submit its single audit reporting package to the Federal Audit Clearinghouse (FAC) within nine months of its fiscal year-end.

Cause

The previous auditor resigned subsequent to fiscal year-end before the audit fieldwork started. The County had fallen behind in performing some basic accounting functions necessary to issue timely and accurate financial statements at that point. The County also completed a software conversion, which made gathering appropriate audit documentation more challenging and time-consuming.

Effect

The County did not provide management and County stakeholders with timely financial information on which to base their decisions. The County is also not in compliance with the requirements of the federal single audit, which could jeopardize federal funding.

Recommendation

The County should establish and maintain internal controls to ensure timely financial reporting and completion of its annual audit in a timely manner.

Management's Response

Management acknowledges the delayed issuance of the fiscal year 2022 audited financial statements and submission of the single audit reporting package to the Federal Audit Clearinghouse (FAC). The majority of the issues that caused the delay have been resolved and the County expects to be able to issue timely audited financial statements beginning in the next fiscal year.

Section III: Federal Awards Findings

None

AUSTIN COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Item 2021-001 District Clerk/County Clerk

Criteria: As per Attorney General Opinion, no officers are to maintain fine and fee accounts.

Condition: District Clerk/County Clerk – We noted the County Clerk and District Clerk are still maintaining the fine and fee accounts.

Cause of Condition: This condition exists because of oversight by the County and District Clerk.

Effect: Since the County Clerk and District Clerk are still maintaining the fine and fee accounts, the financial statements could be materially misstated either through mistake, error, or fraud.

Recommendation: We recommend that all fine and fee bank accounts be maintained by the Treasurer; or that all fine and fee monies be deposited with the Treasurer; to avoid the possibility of the financial statements being materially misstated either through mistake, error, or fraud.

Current Status: This matter has been resolved.

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