

SUTTON COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
SEPTEMBER 30, 2020

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ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS

FINANCIAL SECTION

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

Basic Financial Statements:

Government-wide Financial Statements:

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

Fund Financial Statements:

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

Required Supplementary Information:

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

Combining and Individual Fund Statements and Schedules:

- 73. Combining Balance Sheet - Non-major Governmental Funds
- 75. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds
- 77. Combining Statement of Fiduciary Net Position
- 78. Combining Statement of Changes in Assets and Liabilities

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sutton County, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sutton County, Texas, as of September 30, 2020, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Road and Bridge fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, employees' retirement system information, and the OPEB system information on pages 3-9, 68-71, and 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sutton County, Texas's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



BEYER & COMPANY
Certified Public Accountants
December 10, 2021

Management's Discussion and Analysis

As management of Sutton County, Texas, we offer readers of Sutton County, Texas' financial statements this narrative overview and analysis of the financial activities of Sutton County, Texas for the fiscal year ended September 30, 2020.

Financial Highlights

- The assets of Sutton County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$12,726,014 (net position). Of this amount, \$7,240,098 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$187,321. This increase is due to an increase in ad valorem taxes of \$414,452 and careful budget management.

As of the close of the current fiscal year, Sutton County, Texas' governmental funds reported combined ending fund balances of \$8,210,606, an increase of \$458,007 in comparison with the prior year. 82% of this total amount, \$6,738,944, is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,800,611, or 132 percent of total general fund expenditures. At the end of the current fiscal year, restricted fund balance for the road and bridge fund was \$615,749, or 68 percent of total road and bridge fund expenditures.

Overview of the Financial Statements:

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

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

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

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

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

Sutton County, Texas maintains eighteen (18) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the road and bridge fund which are major funds.

Data from the other sixteen (16) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

The combining individual fund statements and schedules referred to earlier in connection with non-major governmental funds and agency funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 73-79 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Sutton County, Texas, assets exceeded liabilities by \$12,726,014 at the close of the most recent fiscal year.

A portion of Sutton County, Texas' net position (35 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Sutton County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Sutton County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

SUTTON COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2020	2019	2020	2019
Current and Other Assets	\$9,890,293	\$8,741,534	\$9,890,293	\$8,741,534
Capital Assets:	4,699,106	4,923,406	4,699,106	4,923,406
Total Assets	14,589,399	13,664,940	14,589,399	13,664,940
Total Deferred Outflows of Resources	428,502	1,401,727	428,502	1,401,727
Long-Term Liabilities	1,545,870	1,957,730	1,545,870	1,957,730
Other Liabilities	108,088	241,708	108,088	241,708
Total Liabilities	1,653,958	2,199,438	1,653,958	2,199,438
Total Deferred Inflows of Resources	637,929	328,536	637,929	328,536
Invested in Capital Assets, Net of Related Debt	4,504,824	4,681,243	4,504,824	4,681,243
Restricted	981,092	826,716	981,092	826,716
Unrestricted	7,240,098	7,030,734	7,240,098	7,030,734
Total Net Position	\$12,726,014	\$12,538,693	\$12,726,014	\$12,538,693

An additional portion of Sutton County, Texas' net position (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$7,030,734) may be used to meet the governments on going obligations to citizens and creditors. At the end of the current fiscal year, Sutton County, Texas reported a positive balance in the governmental activities. At the end of the current fiscal year, Sutton County, Texas reported a positive balance in all three parts of the governmental activities net position. For the prior fiscal year, Sutton County, Texas reported a positive balance in all three parts of the governmental activities net position.

Governmental activities:

Governmental activities increased Sutton County, Texas' net position by \$187,321, thereby accounting for 100 percent of the total increase in the net position of Sutton County, Texas.

The government's total net position increased by \$187,321. This increase is due to an increase in ad valorem taxes of \$414,452 and careful budget management.

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

	Governmental Activities		Total	
	2020	2019	2020	2019
Revenues:				
Program Revenues:				
Charges for Services	\$1,444,532	\$2,047,752	\$1,444,532	\$2,047,752
Operating Grants and Contributions	389,832	455,020	389,832	455,020
Capital Grants and Contributions	0	0	0	0
General Revenues:				
Maintenance and Operations Taxes	4,312,004	3,897,552	4,312,004	3,897,552
Unrestricted Investment Earnings	71,416	70,983	71,416	70,983
Miscellaneous	524,357	833,098	524,357	833,098
Total Revenue	<u>6,742,141</u>	<u>7,304,405</u>	<u>6,742,141</u>	<u>7,304,405</u>
Expenses:				
General Administration	879,287	932,397	879,287	932,397
Legal	135,867	114,540	135,867	114,540
Judicial	717,648	760,979	717,648	760,979
Financial Administration	621,278	637,641	621,278	637,641
Public Facilities	261,866	122,045	261,866	122,045
Public Safety	2,017,076	2,277,812	2,017,076	2,277,812
Public Transportation	1,081,797	1,361,611	1,081,797	1,361,611
Culture and Recreation	510,729	503,600	510,729	503,600
Health and Welfare	156,476	126,663	156,476	126,663
Conservation - Agriculture	163,027	157,114	163,027	157,114
Interest and Fiscal Charges	9,769	6,048	9,769	6,048
Total Expenses	<u>6,554,820</u>	<u>7,000,450</u>	<u>6,554,820</u>	<u>7,000,450</u>
Increase in Net Position Before Transfers and Special Items	187,321	303,955	187,321	303,955
Transfers	0	0	0	0
Increase in Net Position	187,321	303,955	187,321	303,955
Net Position at 9/30/2019	<u>12,538,693</u>	<u>12,234,738</u>	<u>12,538,693</u>	<u>12,234,738</u>
Net Position at 9/30/2020	<u>\$12,726,014</u>	<u>\$12,538,693</u>	<u>\$12,726,014</u>	<u>\$12,538,693</u>

Functions/Programs	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$879,287	\$71,205	\$19,480	
Legal	135,867	65,629	0	
Judicial	717,648	1,008,072	43,592	
Financial Administration	621,278	22,637		
Public Facilities	261,866			
Public Safety	2,017,076	23,215	277,060	
Public Transportation	1,081,797	247,264	12,020	
Culture and Recreation	510,729	6,510	13,976	
Health and Welfare	156,476		23,704	
Conservation - Agriculture	163,027			
Interest and Fiscal Charges	9,769			
Total Government Activities	\$6,554,820	\$1,444,532	\$389,832	\$0

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$1,444,532	21%
Operating Grants and Contributions	389,832	6%
Maintenance and Operations Taxes	4,312,004	64%
Unrestricted Investment Earnings	71,416	1%
Miscellaneous	524,357	8%
	\$6,742,141	100%

Expenses remained stable except as discussed above.

Financial Analysis of the Government's Funds

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

Governmental funds:

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

As of the end of the current fiscal year, Sutton County, Texas' governmental funds reported combined ending fund balances of \$8,210,606, an increase of \$458,007 in comparison with the prior year. 82 percent of this total amount \$6,738,944 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining amount of \$1,471,662 is either restricted or committed.

The general fund is the chief operating fund of Sutton County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,800,611, while total fund balance reached \$6,800,611. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 132 percent of total general fund expenditures, while total fund balance represents 132 percent of that same amount.

The fund balance of Sutton County, Texas' general fund increased by \$242,482 during the current fiscal year. Key factors in this increase are as follows:

- . An increase in ad valorem taxes of \$310,482 and careful budget management.

At the end of the current fiscal year, restricted fund balance of the road and bridge fund was \$615,749, while total fund balance reached \$615,749. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 68 percent of total road and bridge fund expenditures, while total fund balance represents 68 percent of that same amount.

The fund balance of Sutton County, Texas' road and bridge fund increased by \$95,970 during the current fiscal year. Key factors in this increase are as follows:

- . An increase in ad valorem taxes of \$96,898 and careful budget management.

Budgetary Highlights

The County had an increase of \$31,635 between the original budget and the final amended budget in the general fund. The primary increase was in the annex department which increased by \$20,760. The primary reason for this increase was for repairs done to the Annex.

Capital Asset and Debt Administration

Capital assets:

Sutton County, Texas' investment in capital assets for its governmental activities as of September 30, 2020, amounts to \$4,699,106 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in Sutton County, Texas' investment in capital assets for the current fiscal year was 4.56 percent.

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

SUTTON COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Total	
	2020	2019	2020	2019
Land	\$245,073	\$245,073	\$245,073	\$245,073
Other Asserts	300,100	300,100	300,100	300,100
Construction in Progress	0	125,172	0	125,172
Building and Improvements	3,604,163	3,493,749	3,604,163	3,493,749
Machinery and Equipment	549,768	744,521	549,768	744,521
Intangible	2	14,791	2	14,791
Infrastructure	0	0	0	0
Total	<u>\$4,699,106</u>	<u>\$4,923,406</u>	<u>\$4,699,106</u>	<u>\$4,923,406</u>

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

Long-term debt:

Sutton County, Texas had no bonded debt outstanding on September 30, 2020.

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

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

Requests for Information

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

SUTTON COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Governmental	
	Activities	Total
ASSETS		
Cash and Cash Equivalents	\$8,266,620	\$8,266,620
Receivables (net of allowance for uncollectibles)	744,500	744,500
Net Pension Receivable	879,173	879,173
Capital assets not being depreciated:		
Land	245,073	245,073
Other Assets	300,100	300,100
Construction in Progress	194,644	194,644
Total Capital assets being depreciated, net		
Building and Improvements	3,409,519	3,409,519
Machinery and Equipment	549,768	549,768
Intangible	2	2
Infrastructure	0	0
Total Assets	<u>\$14,589,399</u>	<u>\$14,589,399</u>
DEFERRED OUTFLOWS OF RESOURCES		
GASB 68		
Deferred Outflow of Resources-Contributions (after 12/31/19)	302,152	302,152
Changes of assumptions	32,516	32,516
GASB 75		
Changes of assumptions	93,834	93,834
Total Deferred Outflows of Resources	<u>428,502</u>	<u>428,502</u>
LIABILITIES:		
Accounts Payable	\$84,755	\$84,755
Unearned Revenues	23,333	23,333
Noncurrent Liabilities:		
Due within one year	225,221	225,221
Due in more than one year	1,320,649	1,320,649
Total Liabilities	<u>1,653,958</u>	<u>1,653,958</u>
DEFERRED INFLOWS OF RESOURCES		
GASB 68		
Differences between expected and actual experience	143,038	143,038
Net difference between projected and actual earnings	469,799	469,799
GASB 75		
Differences between expected and actual experience	25,092	25,092
Total Deferred Inflows of Resources	<u>637,929</u>	<u>637,929</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	4,504,824	4,504,824
Restricted		
Judicial	162,709	162,709
Legal	40	40
Public Safety	104,539	104,539
Public Transportation	713,804	713,804
Unrestricted	7,240,098	7,240,098
Total Net Position	<u>\$12,726,014</u>	<u>\$12,726,014</u>

The accompanying notes are an integral part of this statement.

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SUTTON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Governmental Activities	Net (Expense) Revenue and Changes in Total
Primary government						
Government activities:						
General Administration	\$879,287	\$71,205	\$19,480	\$0	(\$788,602)	(\$788,602)
Legal	135,867	65,629	0		(70,238)	(70,238)
Judicial	717,648	1,008,072	43,592		334,016	334,016
Financial Administration	621,278	22,637			(598,641)	(598,641)
Public Facilities	261,866				(261,866)	(261,866)
Public Safety	2,017,076	23,215	277,060		(1,716,801)	(1,716,801)
Public Transportation	1,081,797	247,264	12,020		(822,513)	(822,513)
Culture and Recreation	510,729	6,510	13,976		(490,243)	(490,243)
Health and Welfare	156,476		23,704		(132,772)	(132,772)
Conservation - Agriculture	163,027				(163,027)	(163,027)
Interest and Fiscal Charges	9,769				(9,769)	(9,769)
Total government activities	6,554,820	1,444,532	389,832	0	(4,720,456)	(4,720,456)
Total Primary Government	\$6,554,820	\$1,444,532	\$389,832	\$0	(4,720,456)	(4,720,456)
General Revenues						
Property Taxes, Levies for General Purposes					4,312,004	4,312,004
Unrestricted Investment Earnings					71,416	71,416
Miscellaneous					524,357	524,357
Total General Revenues and Transfers					4,907,777	4,907,777
Change in Net Position					187,321	187,321
Net Position - Beginning					12,538,693	12,538,693
Net Position - Ending					\$12,726,014	\$12,726,014

The accompanying notes are an integral part of this statement.

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SUTTON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$6,850,628	\$620,665	\$856,709	\$8,328,002
Receivables (net of allowance for uncollectibles)	172,625	32,214	11	204,850
Total Assets	<u>\$7,023,253</u>	<u>\$652,879</u>	<u>\$856,720</u>	<u>\$8,532,852</u>
LIABILITIES AND FUND BALANCES:				
Accounts Payable	\$73,170	\$10,493	\$1,092	\$84,755
Bank Overdraft			61,382	61,382
Deferred Revenue - County Attorney Fees	23,333			23,333
Total Liabilities	<u>96,503</u>	<u>10,493</u>	<u>62,474</u>	<u>169,470</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	<u>126,139</u>	<u>26,637</u>		<u>152,776</u>
Fund Balances:				
Restricted				
Judicial			162,709	162,709
Legal			40	40
Public Safety			104,539	104,539
Public Transportation		615,749	98,055	713,804
Committed				
Building Improvement/ Public Safety			490,570	490,570
Unassigned	6,800,611		(61,667)	6,738,944
Total Fund Balance	<u>6,800,611</u>	<u>615,749</u>	<u>794,246</u>	<u>8,210,606</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$7,023,253</u>	<u>\$652,879</u>	<u>\$856,720</u>	<u>\$8,532,852</u>
The accompanying notes are an integral part of this statement.	0	0	0	0

SUTTON COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Total Fund Balances - governmental funds balance sheet	\$8,210,606
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Amounts reported for governmental activities in the Statement of Net Position
("SNP") are different because:

Capital assets used in governmental activities are not reported in the funds.	4,699,106
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,209,396
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Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	152,776
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Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(1,545,870)
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Net Position of governmental activities - statement of Net Position	<u>\$12,726,014</u>
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The accompanying notes are an integral part of this statement.	0
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SUTTON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes				
Property	\$3,513,677	\$779,252		\$4,292,929
Intergovernmental	303,784		86,048	389,832
Licenses and Permits		247,264		247,264
Charges for Services	278,101		99,631	377,732
Fines and Forfeitures	893,412			893,412
Interest	66,237	5,142	37	71,416
Miscellaneous	357,992	34,665	131,700	524,357
Total Revenues	<u>5,413,203</u>	<u>1,066,323</u>	<u>317,416</u>	<u>6,796,942</u>
EXPENDITURES				
Current:				
General Administration	840,062		29,112	869,174
Legal	132,277			132,277
Judicial	657,375		47,393	704,768
Financial Administration	616,784			616,784
Public Facilities	263,159		0	263,159
Public Safety	1,806,558		121,860	1,928,418
Public Transportation	3,860	891,800	82,302	977,962
Culture and Recreation	479,194			479,194
Health and Welfare	156,447			156,447
Conservation - Agriculture	153,102			153,102
Debt Service				
Principal Retirement	33,674	14,207		47,881
Interest and Fiscal Charges	5,423	4,346		9,769
Total Expenditures	<u>5,147,915</u>	<u>910,353</u>	<u>280,667</u>	<u>6,338,935</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	265,288	155,970	36,749	458,007
OTHER FINANCING SOURCES (USES):				
Operating Transfers In			82,806	82,806
Operating Transfers Out	(22,806)	(60,000)		(82,806)
Total Other Financing Sources (Uses)	<u>(22,806)</u>	<u>(60,000)</u>	<u>82,806</u>	<u>0</u>
Net Changes in Fund Balances	242,482	95,970	119,555	458,007
Fund Balances - Beginning	6,558,129	519,779	674,691	7,752,599
Fund Balances - Ending	<u>\$6,800,611</u>	<u>\$615,749</u>	<u>\$794,246</u>	<u>\$8,210,606</u>

The accompanying notes are an integral part of this statement.

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SUTTON COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2020

Net Changes in Fund Balances - total governmental funds	\$458,007
Amounts reported for governmental activities in the statement of Net Position ("SNP") are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(224,300)
(Increase) decrease in Compensated absences from beginning of period to end of period.	5,978
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	19,075
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	(73,876)
GASB 75	
Differences between expected and actual experience	85,691
Changes of assumptions	90,620
GASB 75 OPEB Payable. This is the change in these amounts this year.	(130,826)
GASB 68	
Deferred Outflow of Resources-Contribution. This is the change in these amounts this year.	4,335
Changes of assumptions	(16,257)
Differences between expected and actual experience	74,715
Net difference between projected and actual earnings	(1,521,722)
Increase in Net Pension Receivable	879,173
GASB 68 Net Pension Payable. This is the change in these amounts this year.	488,827
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	47,881
Change in Net Position of governmental activities - statement of activities	<u>\$187,321</u>
The accompanying notes are an integral part of this statement.	0

SUTTON COUNTY, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property	\$3,401,018	\$3,401,018	\$3,513,677	\$112,659
Intergovernmental	221,960	221,960	303,784	81,824
Charges for Services	315,106	315,106	278,101	(37,005)
Fines and Forfeitures	1,085,000	1,085,000	893,412	(191,588)
Interest	59,380	59,380	66,237	6,857
Miscellaneous	278,011	278,011	357,992	79,981
Total Revenues	5,360,475	5,360,475	5,413,203	52,728
EXPENDITURES				
Current:				
General Administration				
Commissioner's Court	115,873	115,873	108,168	7,705
County Judge	175,947	175,947	171,916	4,031
County and District Clerk	269,615	269,615	240,902	28,713
Non-Departmental	323,440	334,315	319,076	15,239
Legal				
County Attorney	196,286	196,286	132,277	64,009
Judicial				
County Court	39,500	39,500	11,053	28,447
District Court	173,308	173,308	81,192	92,116
Justices of the Peace	466,564	466,564	454,073	12,491
District Attorney	137,630	137,630	111,057	26,573
Financial Administration				
County Treasurer	111,143	111,143	102,665	8,478
County Auditor	214,116	214,116	166,764	47,352
Tax Assessor-Collector	323,655	323,655	347,355	(23,700)
Public Facilities				
Courthouse Building	150,464	150,464	125,232	25,232
Annex	136,011	156,771	137,927	18,844
Public Safety				
Adult Probation	36,401	36,401	21,812	14,589
Ambulance	196,900	196,900	209,622	(12,722)
D.P.S./Parks and Wildlife	175,585	175,585	179,296	(3,711)
Jail	562,395	562,395	403,330	159,065
Probation	45,000	45,000	42,293	2,707
Sheriff	1,065,930	1,065,930	950,205	115,725
(continued)				

(continued)

0

excess budget
\$112,000

(continued)

(continued)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Transportation				
Street Lights	\$5,000	\$5,000	\$3,860	\$1,140
Culture and Recreation				
Library	223,370	223,370	186,290	37,080
Cemetery	146,296	146,296	127,543	18,753
County Park	159,114	159,114	165,361	(6,247)
Health and Welfare				
Health	2,009	2,009	1,938	71
Welfare	138,175	138,175	123,096	15,079
Van Driver	37,695	37,695	31,413	6,282
Conservation - Agriculture				
Agriculture Extension Service	145,223	145,223	99,769	45,454
4-H Center	68,700	68,700	53,333	15,367
Debt Service				
Principal Retirement	33,674	33,674	33,674	0
Interest and Fiscal Charges	22,030	22,030	5,423	16,607
Total Expenditures	5,897,049	5,928,684	5,147,915	780,769
Excess (Deficiency) of Revenues Over (Under) Expenditures	(536,574)	(568,209)	265,288	833,497
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	(43,000)	(43,000)	(22,806)	20,194
Total Other Financing Sources (Uses)	(43,000)	(43,000)	(22,806)	20,194
Net Changes in Fund Balances	(\$579,574)	(\$611,209)	242,482	\$853,691
Fund Balances - Beginning	6,558,129	6,558,129	6,558,129	
Fund Balances - Ending	\$5,978,555	\$5,946,920	\$6,800,611	\$853,691

0

The accompanying notes are an integral part of this statement.

SUTTON COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes				
Property	\$735,918	\$735,918	\$779,252	\$43,334
Licenses and Permits	260,000	260,000	247,264	(12,736)
Interest	5,000	5,000	5,142	142
Miscellaneous	46,200	46,200	34,665	(11,535)
Total Revenues	1,047,118	1,047,118	1,066,323	19,205
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	1,125,249	1,125,249	891,800	233,449
Debt Service				
Principal Retirement	14,207	14,207	14,207	0
Interest and Fiscal Charges	4,993	4,993	4,346	647
Total Expenditures	1,144,449	1,144,449	910,353	234,096
Excess (Deficiency) of Revenues Over (Under) Expenditures	(97,331)	(97,331)	155,970	253,301
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	40,000	40,000	0	(40,000)
Operating Transfers In	(60,000)	(60,000)	(60,000)	0
Total Other Financing Sources (Uses)	(20,000)	(20,000)	(60,000)	(40,000)
Net Changes in Fund Balances	(117,331)	(117,331)	95,970	213,301
Fund Balances - Beginning	519,779	519,779	519,779	
Fund Balances - Ending	\$402,448	\$402,448	\$615,749	\$213,301

0

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

SUTTON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$6,107,168
Receivables (net of allowance for uncollectibles)	0
Due from Others	0
Total Assets	<u>\$6,107,168</u>
LIABILITIES:	
Accounts Payable	\$0
Due to Others	<u>6,107,168</u>
Total Liabilities	<u>6,107,168</u>
NET POSITION	
Held in Trust - unexpendable	0
Held in Trust - historical purposes	<u>\$0</u>
Total Net Position	<u>0</u>

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

SUTTON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies

A. Reporting entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

The government reports the following major governmental funds:

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

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

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

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

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

2. Receivables and Payables

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

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

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at September 30, 2020 and 10 percent of the delinquent outstanding property taxes at September 30, 2020.

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

3. Inventories and Prepaid Items

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

There were no prepaid items at September 30, 2020.

4. Restricted Net Position

The County had no restricted assets at September 30, 2020.

5. Capital Assets

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

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

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

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

Years

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

6. Compensated Absences

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

7. Long-Term Obligations

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

8. Fund Balances – Governmental Funds

As of September 30, 2020, fund balances of the governmental funds are classified as follows:

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

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

Unassigned — all other spendable amounts.

As of September 30, 2020, fund balances are composed of the following:

Fund Balances:	
Restricted	
Judicial	\$162,709
Legal	40
Public Safety	104,539
Public Transportation	713,804
Committed	
Building Improvement/ Public Safety	490,570
Unassigned	6,738,944
Total Fund Balance	<u>\$8,210,606</u>

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

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

9. Deferred outflows/inflows of resources

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

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

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

10. Net position flow assumption

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

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this \$1,545,870 difference are as follows:

GASB 75 Payable	\$1,175,913
Compensated Absences	175,675
Capital Lease	194,282
	<u>\$1,545,870</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$4,699,106 difference are as follows:

Capital Assets Not Being Depreciated	\$545,173
Capital Assets Being Depreciated	10,686,408
Depreciation Expense	(6,532,475)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$4,699,106</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles.*)" The details of this \$152,776 difference are as follows:

Property taxes Receivable	\$163,826
Allowance for Doubtful Accounts	(11,050)
Net	<u>\$152,776</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$1,209,396 difference are as follows:

Fines and Fees receivable	\$3,006,210
Allowance for Doubtful Accounts	(2,466,560)
Net Pension Receivable	879,173
GASB 68	
Deferred Outflow of Resources-Contributions (after 12/31/19)	302,152
Changes of assumptions	32,516
Net difference between projected and actual earnings	(469,799)
Differences between expected and actual experience	(143,038)
GASB 75	
Differences between expected and actual experience	(25,092)
Changes of assumptions	93,834
Net	<u>\$1,209,396</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this (\$224,300) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$69,472
Capital Outlay - Additions - Being Depreciated	68,549
Capital Outlay - Deletions	0
Depreciation Expense	(362,321)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>(224,300)</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

The final amended budget is used in this report.

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

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

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

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

Budgets for the 2020 fiscal year were adopted for the General Fund and the Road and Bridge Fund.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2020, excess of expenditures over appropriations did not occur in any fund.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2020 except for the Border Prosecution Fund which had a deficit of \$1,774, the Texas Pecos Trail Fund which had a deficit of \$164, the Law Enforcement Grants Fund which had a deficit of \$482, and the Records Management Fund which had a deficit of \$59,247. These deficits are expected to be liquidated by future resources of these funds.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments:

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

As of September 30, 2020, the government had the following investments: None

Policies Governing Deposits and Investments:

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

Custodial credit risk - deposits. In the case of deposits, there is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of September 30, 2020, the government's bank balance of \$14,812,070 was not exposed to custodial credit risk because it was fully insured and or collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$15,903,983 and the FDIC coverage is \$250,700. The book amount of cash at September 30, 2020 is \$14,373,788.

IV. Detailed Notes on All Funds (continued)

B. Receivables

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

	General	Road and Bridge	Other Governmental Funds	Total
<u>Receivables</u>				
Taxes	\$135,291	\$28,535		\$163,826
Fees and Fines	3,006,210			3,006,210
Officers Fees	46,486	5,577		52,063
Other			11	11
Gross Receivables	3,187,987	34,112	11	3,222,110
Less: Allowance for Uncollectibles	2,475,712	1,898		2,477,610
Net Total Receivables	<u>\$712,275</u>	<u>\$32,214</u>	<u>\$11</u>	<u>\$744,500</u>

C. Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

Governmental Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$245,073			\$245,073
Other Assets	300,100			300,100
Construction in Progress	125,172	69,472	194,644	0
Total capital assets not being depreciated:	<u>670,345</u>	<u>69,472</u>	<u>194,644</u>	<u>545,173</u>
Capital assets being depreciated:				
Building and Improvements	5,838,414	246,546		6,084,960
Machinery, Equipment and Vehicles	2,603,115	16,647		2,619,762
Intangible	73,947			73,947
Infrastructure	1,907,739			1,907,739
Total capital assets being depreciated:	<u>10,423,215</u>	<u>263,193</u>	<u>0</u>	<u>10,686,408</u>
Less: Accumulated Depreciation for:				
Building and Improvements	2,344,665	136,132		2,480,797
Machinery, Equipment and Vehicles	1,858,594	211,400		2,069,994
Intangible	59,156	14,789		73,945
Infrastructure	1,907,739			1,907,739
Total Accumulated Depreciation	<u>6,170,154</u>	<u>362,321</u>	<u>0</u>	<u>6,532,475</u>
Total Capital Assets Depreciated, Net	<u>4,253,061</u>	<u>(99,128)</u>	<u>0</u>	<u>4,153,933</u>
Governmental Activities capital assets, Net	<u>\$4,923,406</u>	<u>(\$29,656)</u>	<u>\$194,644</u>	<u>\$4,699,106</u>

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

Governmental Activities	
General Administration	\$17,788
Judicial	8,758
Financial Administration	7,278
Public Facilities	68,982
Public Safety	96,503
Public Transportation	112,451
Culture and Recreation	43,976
Conservation - Agriculture	<u>6,585</u>
Total Depreciation Expense - Governmental Activities	<u>\$362,321</u>

Construction commitments: None

D. Interfund Receivables, Payables, and Transfers

There were no advances at September 30, 2020.

There was no Due to/from other funds at September 30, 2020.

The following were the transfers for the year ended September 30, 2020.

<i>ACCOUNT</i>	<i>AMOUNT</i>	<i>REASON</i>	<i>TYPE</i>
<u>FROM GENERAL FUND</u>			
TO FLOOD CONTROL FUND	\$3,000	FLOOD CONTROL	RECURRING
TO SEIZURE FUND	19,806	STONEGARDEN GRANT	RECURRING
<u>FROM ROAD & BRIDGE FUND</u>			
TO FMFC EQUIPMENT REPLACEMENT	60,000	ROAD EQUIPMENT	RECURRING
	<u>\$82,806</u>		

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$17,124 for the year ended September 30, 2020. The future minimum lease payments for these leases are as follows:

<u>Year Ending Sep. 30,</u>	<u>Amount</u>
2021	\$10,369
2022	7,465
2023	6,983
2024	<u>6,261</u>
Total	<u>\$31,078</u>

Rent expenditures were \$6,000 for the year ended September 30, 2020. Sublease rental income was \$0 for the year ended September 30, 2020. Rental income was \$0 for the year ended September 30, 2020.

F. Long-Term Debt

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

Assets acquired through capital leases are as follows:

	Governmental Activities			
	CATERPILLAR WHEEL LOADER	CLERK VOTING EQUIPMENT	THREE POLICE TAHOES	TOTAL
Asset:				
Cost	\$154,778	\$43,788	\$160,678	\$359,244
Less: Accumulated Depreciation	123,823	26,273	64,271	214,367
Total	\$30,955	\$17,515	\$96,407	\$144,877

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020, were as follows:

YEAR	Governmental Activities			
	CATERPILLAR WHEEL LOADER	CLERK VOTING EQUIPMENT	THREE POLICE TAHOES	TOTAL
2021	18,553	9,195	29,902	57,650
2022	85,000	9,196	29,902	124,098
2023			29,902	29,902
TOTAL MINIMUM LEASE PAYMENTS	103,553	18,391	89,706	211,650
LESS: AMOUNT REPRESENTING INTEREST	7,737	668	8,963	17,368
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	\$95,816	\$17,723	\$80,743	\$194,282

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

Changes in long-term liabilities:

TDBRS
Plan
Post Retirement

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<u>Governmental Activities:</u>						
GASB 75	\$1,045,087	\$130,826		\$1,175,913	\$0	\$1,175,913
Capital Lease	242,163		47,881	194,282	49,546	144,736
Compensated Absences	181,653	175,675	181,653	175,675	175,675	0
GASB 68	488,827		488,827	0	0	0
Total Governmental Activities	<u>1,957,730</u>	<u>306,501</u>	<u>718,361</u>	<u>1,545,870</u>	<u>225,221</u>	<u>1,320,649</u>
Grand Total	<u>\$1,957,730</u>	<u>\$306,501</u>	<u>\$718,361</u>	<u>\$1,545,870</u>	<u>\$225,221</u>	<u>\$1,320,649</u>

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2021 -22 year is \$175,675.

The government-wide statement of activities includes \$225,221 as "noncurrent liabilities, due within one year".

The total amount of interest expensed in 2019-2020 is \$9,769.

V. Other Information

A. Risk management

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

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

	Year Ended September 30, 2020	Year Ended September 30, 2019
Unpaid claims, beginning of fiscal year	\$0	\$0
Incurred claims (including IBNRs)	0	0
Claim payments	0	0
Unpaid claims, end of fiscal year	<u>\$0</u>	<u>\$0</u>

1. General Liability Insurance

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

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

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

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

2. Property and Casualty Insurance

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

3. Workers' Compensation Insurance

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

4. Group Health and Life Insurance

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

5. Unemployment Compensation Insurance

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

B. Related Party Transaction –

The Sheriff, Oscar Chavez, is married to Lou Chavez who works as a jailer.

* Carl Teaff who is the Commissioner for Precinct #3 is Robert Hughes landlord, who works for the Road and Bridge departments.

C. Subsequent Events:

On November 23, 2020, the County awarded the bid to Roberts Construction in the amount of \$175,111 for the Loma Alta Sewer Grant.

On June 7, 2021, the County appointed Pam Thorp as the County and District Clerk.

On October 25, 2021, the County approved to pay the Lillian M. Hudspeth Memorial Hospital EMS balance settlement in full for an amount of \$18,886.83.

D. Contingent Liabilities

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

Maria Fraire v. Marcos Guajardo, Jr. and Sutton County, Texas, Cause No. CV06357, In the 112th Judicial District, Sutton County, Texas: This lawsuit arises out of an automobile collision occurring on or about January 7, 2019, between the Plaintiff Maria Fraire and Deputy Marcos Guajardo, Jr. of the Sutton County Sheriff's Department while he was responding to a call on FM 2129 in Sutton County. The Plaintiffs deposition had been set for Friday, October 15, 2021. The County also asked Plaintiffs' counsel to provide them with his client's latest settlement demand. Due to the COVID-19 pandemic, no trial date has been set. This is a case of probable liability but limited damages. The maximum exposure of this case, pursuant to the Texas Tort Claims Act, is \$100,000. However, this is a case of probable liability but limited damages. Plaintiff has produced medical bills of approximately \$2,000. The probable exposure of this case is \$5,000- \$15,000. As of October 28, 2021, the lawsuit has been settled and will soon be dismissed.

E. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year. The County had a prior period adjustment whereby governmental activities' Net Position was restated downward by \$25,908 due to the double listing of equipment. This restatement had the corresponding effect on the beginning net position, as follows:

	Net Position As Previously Reported	Fixed Asset Restatement	Net Position As Restated
Governmental Activities:			
Net Position	\$12,564,601	(\$25,908)	\$12,538,693
Total Governmental Activities	<u>\$12,564,601</u>	<u>(\$25,908)</u>	<u>\$12,538,693</u>

F. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	December 31, 2018	December 31, 2019
Total pension liability	\$16,949,510	\$17,834,147
Fiduciary net position	16,460,683	18,713,319
Net pension liability/(asset)	488,827	(879,173)
Fiduciary net position as a % of total pension liability	97.12%	104.93%
Pensionable covered payroll	\$2,703,009	\$2,717,818
Net Pension liability as a % of covered payroll	18.08%	(32.35%)

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

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

Discount Rate

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

Other Key Actuarial Assumptions

All actuarial assumptions that determined the total pension liability as of December 31, 2019 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

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

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

	Beginning Date	Ending Date
Valuation date	December 31, 2018	December 31, 2019
Measurement date	December 31, 2018	December 31, 2019
Employer's fiscal year	October 1, 2019	September 30, 2020

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on April 2020 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon; the most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013 -December 31, 2016 for more details.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
U.S. Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	7.00%	5.20%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	6.90%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%

Depletion of Plan Assets / GASB Discount Rate

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

2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

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

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

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

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

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

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

Projection of Fiduciary Net Position

Calendar Year Ending	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
2020	\$18,713,319	\$373,939	\$1,127,581	\$18,713	\$1,485,107	\$19,426,071
2021	19,426,071	357,455	1,076,010	19,426	1,544,205	20,232,295
2022	20,232,295	344,306	1,155,713	20,232	1,605,790	21,006,446
2023	21,006,446	333,378	1,287,703	21,006	1,662,790	21,693,905
2024	21,693,905	325,349	1,396,467	21,694	1,713,809	22,314,902
2025	22,314,902	317,640	1,462,402	22,315	1,761,161	22,908,986
2026	22,908,986	308,648	1,522,699	22,909	1,806,506	23,478,532
2027	23,478,532	298,948	1,582,454	23,479	1,849,859	24,021,406
2028	24,021,406	289,329	1,639,789	24,021	1,891,151	24,538,076
2029	24,538,076	278,763	1,726,113	24,538	1,929,133	24,995,321
2030	24,995,321	271,516	1,765,405	24,995	1,964,304	25,440,741
2031	25,440,741	261,925	1,827,843	25,441	1,997,505	25,846,887
2032	25,846,887	254,351	1,859,911	25,847	2,028,812	26,244,292
2033	26,244,292	248,573	1,887,382	26,244	2,059,666	26,638,905
2034	26,638,905	242,532	1,954,990	26,639	2,088,689	26,988,497
2035	26,988,497	237,014	1,982,369	26,988	2,115,686	27,331,840
2036	27,331,840	231,689	1,998,511	27,332	2,142,631	27,680,317
2037	27,680,317	226,187	2,023,580	27,680	2,169,629	28,024,873
2038	28,024,873	221,910	2,043,053	28,025	2,196,582	28,372,287
2039	28,372,287	217,394	2,095,232	28,372	2,222,457	28,688,534
2040	28,688,534	212,841	2,146,277	28,689	2,245,852	28,972,261
2041	28,972,261	207,810	2,157,907	28,972	2,268,162	29,261,354
2042	29,261,354	202,648	2,153,135	29,261	2,291,551	29,573,157
2043	29,573,157	197,714	2,147,088	29,573	2,316,839	29,911,049
2044	29,911,049	193,591	2,135,876	29,911	2,344,476	30,283,329
2045	30,283,329	189,340	2,132,803	30,283	2,374,569	30,684,152
2046	30,684,152	186,853	2,113,600	30,684	2,407,684	31,134,405
2047	31,134,405	184,313	2,089,858	31,134	2,444,979	31,642,705
2048	31,642,705	182,369	2,065,432	31,643	2,487,023	32,215,022
2049	32,215,022	181,070	2,072,121	32,215	2,533,041	32,824,797
2050	32,824,797	180,368	2,032,458	32,825	2,583,956	33,523,838
2051	33,523,838	179,464	2,019,264	33,524	2,641,038	34,291,552
2052	34,291,552	178,714	1,990,251	34,292	2,704,315	35,150,038
2053	35,150,038	179,278	1,976,510	35,150	2,774,387	36,092,043
2054	36,092,043	179,809	1,938,988	36,092	2,852,163	37,148,935
2055	37,148,935	180,895	1,898,051	37,149	2,939,398	38,334,028
2056	38,334,028	182,638	1,858,411	38,334	3,036,987	39,656,908
2057	39,656,908	185,241	1,810,323	39,657	3,146,100	41,138,269
2058	41,138,269	188,391	1,757,330	41,138	3,268,261	42,796,453

2059	42,796,453	192,065	1,702,865	42,796	3,404,817	44,647,674
2060	44,647,674	196,126	1,650,027	44,648	3,556,952	46,706,077
2061	46,706,077	200,787	1,594,727	46,706	3,725,982	48,991,413
2062	48,991,413	205,806	1,538,399	48,991	3,913,440	51,523,269
2063	51,523,269	211,183	1,482,232	51,523	4,120,864	54,321,561
2064	54,321,561	216,668	1,433,247	54,322	4,349,577	57,400,237
2065	57,400,237	223,251	1,369,401	57,400	4,601,625	60,798,312
2066	60,798,312	229,673	1,313,707	60,798	4,879,200	64,532,680
2067	64,532,680	236,869	1,250,614	64,533	5,184,327	68,638,729
2068	68,638,729	244,203	1,191,807	68,639	5,519,381	73,141,867
2069	73,141,867	252,069	1,129,920	73,142	5,886,726	78,077,600
2070	78,077,600	260,204	1,069,989	78,078	6,289,027	83,478,764
2071	83,478,764	268,517	1,013,124	83,479	6,728,895	89,379,573
2072	89,379,573	277,175	956,726	89,380	7,209,210	95,819,852
2073	95,819,852	286,183	900,615	95,820	7,733,203	102,842,803
2074	102,842,803	295,484	845,728	102,843	8,304,332	110,494,048
2075	110,494,048	305,088	791,964	110,494	8,926,296	118,822,974
2076	118,822,974	315,003	739,113	118,823	9,603,100	127,883,141
2077	127,883,141	325,241	687,036	127,883	10,339,089	137,732,552
2078	137,732,552	335,811	635,676	137,733	11,138,959	148,433,913
2079	148,433,913	346,725	585,105	148,434	12,007,786	160,054,885
2080	160,054,885	357,993	535,454	160,055	12,951,043	172,668,412
2081	172,668,412	369,628	486,916	172,668	13,974,627	186,353,083
2082	186,353,083	381,641	439,675	186,353	15,084,895	201,193,591
2083	201,193,591	394,044	393,993	201,194	16,288,693	217,281,141
2084	217,281,141	406,851	350,137	217,281	17,593,396	234,713,970
2085	234,713,970	420,074	308,292	234,714	19,006,950	253,597,988
2086	253,597,988	433,726	268,698	253,598	20,537,920	274,047,338
2087	274,047,338	447,822	231,551	274,047	22,195,540	296,185,102
2088	296,185,102	462,376	197,115	296,185	23,989,765	320,143,943
2089	320,143,943	477,403	165,625	320,144	25,931,327	346,066,904
2090	346,066,904	492,919	137,255	346,067	28,031,801	374,108,302
2091	374,108,302	508,939	112,104	374,108	30,303,675	404,434,704
2092	404,434,704	525,479	90,201	404,435	32,760,436	437,225,983
2093	437,225,983	542,557	71,481	437,226	35,416,649	472,676,482
2094	472,676,482	560,191	55,768	472,676	38,288,056	510,996,285
2095	510,996,285	578,397	42,818	510,996	41,391,676	552,412,544
2096	552,412,544	597,195	32,363	552,413	44,745,910	597,170,873
2097	597,170,873	616,604	24,093	597,171	48,370,656	645,536,869
2098	645,536,869	636,643	17,657	645,537	52,287,432	697,797,750
2099	697,797,750	657,334	12,730	697,798	56,519,506	754,264,062

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2018	\$16,949,510	\$16,460,683	\$488,827
Changes of the year:			
Service cost	310,037		310,037
Interest on total pension liability	1,366,045		1,366,045
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	13,820		13,820
Effect of assumptions changes or inputs	0		0
Refund of contributions	(55,886)	(55,886)	0
Benefit payments	(749,380)	(749,380)	0
Administrative expenses		(14,260)	14,260
Member contributions		190,247	(190,247)
Net investment income		2,703,604	(2,703,604)
Employer contributions		190,247	(190,247)
Other	0	(11,936)	11,936
Balances as of December 31, 2019	\$17,834,147	\$18,713,319	(\$879,173)

Sensitive Analysis

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$19,895,080	\$17,834,147	\$16,078,549
Fiduciary net position	18,713,319	18,713,319	18,713,319
Net pension liability/(asset)	\$1,181,761	(\$879,173)	(\$2,634,770)

Pension Expense / (Income)

Pension Expense / (Income)	January 1, 2019 to December 31, 2019
Service cost	\$310,037
Interest on total pension liability	1,366,045
Effect of plan changes	0
Administrative expenses	14,260
Member contributions	(190,247)
Expected investment return net of investment expenses	(1,315,407)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(60,895)
Recognition of assumption changes or inputs	16,257
Recognition of investment gains or losses	133,525
Other	11,936
Pension expense	<u>\$285,511</u>

As of December 31, 2019, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$154,094	\$11,056
Changes of assumptions	0	32,516
Net difference between projected and actual earnings	469,799	0
Contributions made subsequent to measurement date	N/A	Employer determined

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

Year ending December 31:	
2020	(\$154,005)
2021	(173,493)
2022	22,054
2023	(274,877)
2024	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2019	
Original Amount	Date Established	Original Recognition Period	Amount Recognized for 2019	Inflows	Outflows
(a)	(b)	(c)	(a) / (c)		
Investment (gains) or losses					
(\$1,388,197)	12/31/2019	5.0	(\$277,639)	\$1,110,558	\$0
1,703,426	12/31/2018	5.0	340,685	0	1,022,056
(1,001,962)	12/31/2017	5.0	(200,392)	400,786	0
97,441	12/31/2016	5.0	19,488	0	19,489
1,256,916	12/31/2015	5.0	251,383	0	0
Economic/demographic (gains) or losses					
13,820	12/31/2019	5.0	2,764	0	11,056
(218,793)	12/31/2018	5.0	(43,759)	131,275	0
(57,048)	12/31/2017	5.0	(11,410)	22,819	0
(33,960)	12/31/2016	4.0	(8,490)	0	0
(220,875)	12/31/2015	4.0	0	0	0
Assumption changes or inputs					
0	12/31/2019	5.0	0	0	0
0	12/31/2018	5.0	0	0	0
81,287	12/31/2017	5.0	16,257	0	32,516
0	12/31/2016	4.0	0	0	0
149,757	12/31/2015	4.0	0	0	0

Schedule of Changes in Net Pension Liability and Related Ratios

Year Ended December 31

	2019	2018	2017	2016	2015	2014	2013- 2009
Total Pension Liability							
Service cost	\$310,037	\$312,305	\$315,275	\$320,508	\$294,914	\$323,443	N/A
Interest on total pension liability	1,366,045	1,316,780	1,247,334	1,164,239	1,105,562	1,047,272	N/A
Effect of plan changes	0	0	0	0	(35,090)	0	N/A
Effect of assumption changes or inputs	0	0	81,287	0	149,757	0	N/A
Effect of economic/demographic (gains) or losses	13,820	(218,793)	(57,048)	(33,960)	(220,875)	-201,020	N/A
Benefit payments/refunds of contributions	<u>(805,265)</u>	<u>(794,584)</u>	<u>(661,030)</u>	<u>(508,076)</u>	<u>(543,636)</u>	<u>-442,906</u>	<u>N/A</u>
Net change in total pension liability	884,637	615,708	925,817	942,711	750,633	726,790	N/A
Total pension liability, beginning	<u>16,949,510</u>	<u>16,335,801</u>	<u>15,407,984</u>	<u>14,465,274</u>	<u>13,714,641</u>	<u>12,987,851</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$17,834,147</u>	<u>\$16,949,510</u>	<u>\$16,333,801</u>	<u>\$15,407,984</u>	<u>\$14,465,274</u>	<u>\$13,714,641</u>	<u>N/A</u>
Fiduciary Net Position							
Employer contributions	\$190,247	\$189,211	\$183,382	\$183,595	\$177,388	\$176,865	N/A
Member contributions	190,247	189,211	183,382	183,595	177,388	176,865	N/A
Investment income net of investment expenses	2,703,604	(325,571)	2,229,494	1,063,321	(65,391)	940,907	N/A
Benefit payments/refunds of contributions	(805,265)	(794,584)	(661,030)	(508,076)	(543,636)	(442,906)	N/A
Administrative expenses	(14,260)	(13,221)	(11,456)	(11,577)	(10,455)	(11,020)	N/A
Other	<u>(11,936)</u>	<u>(10,668)</u>	<u>(4,052)</u>	<u>(18,481)</u>	<u>181</u>	<u>(101,898)</u>	<u>N/A</u>
Net change in fiduciary net position	2,252,637	(765,623)	1,919,720	892,378	(264,526)	738,812	N/A
Fiduciary net position, beginning	<u>16,460,683</u>	<u>17,226,306</u>	<u>15,306,586</u>	<u>14,414,208</u>	<u>14,678,734</u>	<u>13,939,922</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$18,713,319</u>	<u>\$16,460,683</u>	<u>\$17,226,306</u>	<u>\$15,306,586</u>	<u>\$14,414,208</u>	<u>\$14,678,734</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>(\$879,173)</u>	<u>\$488,827</u>	<u>(\$892,504)</u>	<u>\$101,398</u>	<u>\$51,066</u>	<u>(\$964,093)</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	104.93%	97.12%	105.46%	99.34%	99.65%	107.03%	N/A
Pensionable covered payroll	\$2,717,818	\$2,703,009	\$2,619,738	\$2,622,790	\$2,534,111	\$2,526,640	N/A
Net pension liability/(asset) as % of covered payroll	-32.35%	18.08%	-34.07%	3.87%	2.02%	-38.16%	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$151,151	\$186,278	(\$35,127)	\$2,661,116	7.0%
2011	140,252	176,576	(36,324)	2,522,509	7.0%
2012	142,732	173,459	(30,727)	2,477,983	7.0%
2013	158,999	179,515	(20,516)	2,564,503	7.0%
2014	175,096	176,865	(1,769)	2,526,640	7.0%
2015	165,224	177,388	(12,164)	2,534,111	7.0%
2016	159,466	183,595	(24,130)	2,622,790	7.0%
2017	143,824	183,382	(39,558)	2,619,738	7.0%
2018	153,801	189,211	(35,409)	2,703,009	7.0%
2019	150,567	190,247	(39,680)	2,717,818	7.0%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	1.7 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: 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.

Appendix A— GASB 68 Plan Description for Sutton County

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

- a. Sutton County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 150%) and is then converted to an annuity.
 - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Sutton County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2018 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

Members	Dec. 31, 2018	Dec. 31, 2019
Number of inactive employees entitled to but not yet receiving benefits:	51	51
Number of active employees:	66	70
Average monthly salary:	\$3,205	\$3,179
Average age:	49.62	49.55
Average length of service in years:	13.32	12.38

Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	37	40
Average monthly benefit:	\$1,674	\$1,753

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2019 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Sutton County December 31, 2019 Summary Valuation Report for further details.

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

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

Appendix C—Actuarial Methods and Assumptions Used for Funding Valuation

Except where indicated in the section of this GASS 68 report entitled "Actuarial Methods and Assumptions Used for GASS Calculations", the assumptions used in this analysis for the December 31, 2019 financial reporting metrics are the same as those used in the December 31, 2019 actuarial valuation analysis for Sutton County.

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

Economic Assumptions

TCDRS system-wide economic assumptions:

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

The assumed long-term investment return of 8% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 8% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee. (See Table 1 for Merit Salary Increases.)

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	3.25%

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

Table 1
Merit Salary Increase

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

Demographic Assumptions

TCDRS system-wide demographic assumptions:

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

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

Table 2
Annual Rates of Disability

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

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

Mortality

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

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

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

Table 3
Annual Rates of Service Retirement

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

Employer-specific demographic assumptions:

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

Table 4
Annual Rates of Termination

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

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

Table 5
Probability of Withdrawal

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

F. OPEB Information

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

- Effective Date — Financial disclosures must comply with GASB 75 for fiscal years beginning after June 15, 2017 including annual updates to these measurements.
- Terminology — The actuarial accrued liability is referred to as the Total OPEB Liability, the fair market value of assets is referred to as the Plan Fiduciary Position, and the unfunded actuarial liability and balance sheet liability are referred to as the Net OPEB Liability.
- Net OPEB Liability — Plan sponsors must recognize the Net OPEB Liability on its balance sheet.
- Discount Rate Assumption — For OPEB plans without assets, the Total OPEB liability is measured using a 20-year municipal bond index rate (AA/Aa or higher). Using the September 30, 2020 S&P Municipal Bond 20 Year High Grade Rate Index, a 2.14% discount rate is used for the current measurement.
- OPEB Expense — GASB 75 requires a calculation of OPEB expense for the sponsor's financial statements that will result in more rapid cost recognition of changes in the Net OPEB Liability than prior rules. The GASB 75 OPEB expense will equal the sum of the following components:
 - Service Cost (Normal Cost) for additional benefits accrued.
 - Interest Cost on Total OPEB Liability.
 - Amortization of changes in the components of Net OPEB Liability:
 - Full and immediate recognition of plan changes and improvements.
 - Plan asset experience gains and losses amortized over 5 years (not applicable for this plan).
 - Plan liability experience gain/loss amortized over future service.
 - Impact of assumption changes amortized over future service.

1.2 Actuarial Assumptions and Methods

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

Please see Exhibit 3.2 for a summary of the actuarial assumptions and methods used in the valuation for fiscal year ending September 30, 2020.

1.3 Healthcare Trend and Sensitivity Analysis

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

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

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

1.4 Insurance Premiums

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

The current year valuation was based on participant census data provided by Sutton County as of October 1, 2020. Although we have not performed a detailed audit of the census data provided, we have reviewed the data for reasonableness and consistency. Please see Exhibit 3.1 for a summary of current year participant statistics.

1.6 Substantive Plan

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

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

2.1 GASB 75 Disclosure

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Sutton County	
Balance at 9/30/2019	\$1,045,087
Changes for the year:	
Service Cost	15,051
Interest on Total OPEB Liability	21,559
Experience	-
Employer Contributions	-
Member Contributions	-
Net Investment Income	-
Benefit Payments	(75,274)
Administrative Expense	-
Assumption Changes	121,453
Changes in Benefit Terms	-
Net Changes	<u>130,826</u>
Balance at 9/30/2020	<u>\$1,175,913</u>

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

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

	1% Decrease 1.14%	Current Discount Rate of 2.14%	1% Increase 3.14%
Total OPEB Liability	\$1,255,036	\$1,175,913	\$1,104,024

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

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

	1% Decrease	Current Healthcare Trend Rates	1% Increase
Total OPEB Liability	\$1,100,305	\$1,175,913	\$1,260,710

2.1 GASB 75 Information — (Continued)

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

	FYE 9/30/2020
OPEB Expense Components	\$15,051
Service Cost	21,559
Interest on Total OPEB Liability	(37,654)
Differences between expected and actual experience	30,833
Changes in Assumptions	-
Changes in Benefit Terms	-
Employee Contributions	-
Projected Earnings on OPEB Plan Investments	-
Differences between projected and actual earnings on plan investments	-
Administrative Expenses	-
Other Changes in Fiduciary Net Position	-
Total OPEB Expense	\$29,789

For the year ended September 30, 2020, the County should recognize an OPEB expense of \$29,789. At September 30, 2020, the Department should report deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	36,234	61,326
Changes in assumptions	93,834	-
Net differences between projected and actual investment earnings	-	-
County Contributions subsequent to Measurement Date	-	-
Total	130,068	61,326

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

Year Ended September 30:	
2021	(\$6,821)
2022	\$30,767
2023	\$41,882
2024	\$2,914
2025	\$0
Thereafter	\$0

2.1 GASB 75 Disclosure Information — (Continued)

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

Fiscal Year Ending 30-Sep	Changes in Assumptions	Recognition Period (Years)	2020	2021	2022	2023	2024	2025
2019	\$4,206	4.24	\$992	\$992	\$992	\$238	\$0	\$0
2020	\$121,453	4.07	\$29,841	\$29,841	\$29,841	\$29,841	\$2,089	\$0
Subtotal			\$30,833	\$30,833	\$30,833	\$30,079	\$2,089	\$0

Total			(\$6,821)	(\$6,821)	\$30,767	\$41,882	\$2,914	\$0
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3.1 Participant Coverage Statistics

Census Data	September 30, 2019	September 30, 2020
A. Activities		
1. Number	59	58
2. Average Age	51.00	52.45
3. Average Service	10.82	11.55
B. Retired Participants		
1. Number	6	8
2. Average Age	58.46	58.70

3.2 Actuarial Assumptions and Methods

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

Discount Rate Assumption – 2.14%

Healthcare Trend Rates

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

Average per capita benefit cost:
(Sample ages)

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

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

Inflation Assumption – 2.50% per year

Administrative Expenses — Included in per capita premium amounts

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

3.2 Actuarial Assumptions and Methods (Continued)

Retirement Rates — Percentage of population assumed to retire:

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

Modified rates from 2017 TCDRS CAFR report.

Termination Rates — (Sample rates below)

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

Rates from Croker-Sarason Table T-9

Changes in Actuarial Assumptions and Methods

The discount rate was changed from 3.58% to 2.14%. In addition, the mortality improvement scale was updated.

3.3 Summary of Plan Provisions

Eligibility and Retiree Medical Benefits

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

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31						
	2019	2018	2017	2016	2015	2014	2013- 2009
Total Pension Liability							
Service cost	\$310,037	\$312,305	\$315,275	\$320,508	\$294,914	\$323,443	N/A
Interest on total pension liability	1,366,045	1,316,780	1,247,334	1,164,239	1,105,562	1,047,272	N/A
Effect of plan changes	0	0	0	0	(35,090)	0	N/A
Effect of assumption changes or inputs	0	0	81,287	0	149,757	0	N/A
Effect of economic/demographic (gains) or losses	13,820	(218,793)	(57,048)	(33,960)	(220,875)	-201,020	N/A
Benefit payments/refunds of contributions	<u>(805,265)</u>	<u>(794,584)</u>	<u>(661,030)</u>	<u>(508,076)</u>	<u>(543,636)</u>	<u>-442,906</u>	<u>N/A</u>
Net change in total pension liability	884,637	615,708	925,817	942,711	750,633	726,790	N/A
Total pension liability, beginning	<u>16,949,510</u>	<u>16,335,801</u>	<u>15,407,984</u>	<u>14,465,274</u>	<u>13,714,641</u>	<u>12,987,851</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$17,834,147</u>	<u>\$16,949,510</u>	<u>\$16,333,801</u>	<u>\$15,407,984</u>	<u>\$14,465,274</u>	<u>\$13,714,641</u>	<u>N/A</u>
Fiduciary Net Position							
Employer contributions	\$190,247	\$189,211	\$183,382	\$183,595	\$177,388	\$176,865	N/A
Member contributions	190,247	189,211	183,382	183,595	177,388	176,865	N/A
Investment income net of investment expenses	2,703,604	(325,571)	2,229,494	1,063,321	(65,391)	940,907	N/A
Benefit payments/refunds of contributions	(805,265)	(794,584)	(661,030)	(508,076)	(543,636)	(442,906)	N/A
Administrative expenses	(14,260)	(13,221)	(11,456)	(11,577)	(10,455)	(11,020)	N/A
Other	<u>(11,936)</u>	<u>(10,668)</u>	<u>(4,052)</u>	<u>(18,481)</u>	<u>181</u>	<u>(101,898)</u>	<u>N/A</u>
Net change in fiduciary net position	2,252,637	(765,623)	1,919,720	892,378	(264,526)	738,812	N/A
Fiduciary net position, beginning	<u>16,460,683</u>	<u>17,226,306</u>	<u>15,306,586</u>	<u>14,414,208</u>	<u>14,678,734</u>	<u>13,939,922</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$18,713,319</u>	<u>\$16,460,683</u>	<u>\$17,226,306</u>	<u>\$15,306,586</u>	<u>\$14,414,208</u>	<u>\$14,678,734</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>(\$879,173)</u>	<u>\$488,827</u>	<u>(\$892,504)</u>	<u>\$101,398</u>	<u>\$51,066</u>	<u>(\$964,093)</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	104.93%	97.12%	105.46%	99.34%	99.65%	107.03%	N/A
Pensionable covered payroll	\$2,717,818	\$2,703,009	\$2,619,738	\$2,622,790	\$2,534,111	\$2,526,640	N/A
Net pension liability/(asset) as % of covered payroll	-32.35%	18.08%	-34.07%	3.87%	2.02%	-38.16%	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$151,151	\$186,278	(\$35,127)	\$2,661,116	7.0%
2011	140,252	176,576	(36,324)	2,522,509	7.0%
2012	142,732	173,459	(30,727)	2,477,983	7.0%
2013	158,999	179,515	(20,516)	2,564,503	7.0%
2014	175,096	176,865	(1,769)	2,526,640	7.0%
2015	165,224	177,388	(12,164)	2,534,111	7.0%
2016	159,466	183,595	(24,130)	2,622,790	7.0%
2017	143,824	183,382	(39,558)	2,619,738	7.0%
2018	153,801	189,211	(35,409)	2,703,009	7.0%
2019	150,567	190,247	(39,680)	2,717,818	7.0%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	1.7 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: 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.

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2019 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Sutton County December 31, 2019 Summary Valuation Report for further details.

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

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

OPEB Retirement System Information:

OPEB Plans

Changes in the Total OPEB Liability

Changes for the year	<u>2020</u>
Service Cost	\$15,051
Interest on Total OPEB Liability	21,559
Experience	48,037
Employer Contributions	0
Member Contributions	0
Net Investment Income	0
Benefit Payments	(75,274)
Administrative Expense	0
Assumption Changes	121,453
Changes in Benefit Terms	<u>0</u>
Net Change	<u>130,826</u>
Total OPEB Liability - beginning of year	<u>\$1,045,087</u>
Total OPEB Liability - end of year	<u><u>\$1,175,913</u></u>

SUTTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	SPECIAL REVENUE					
	911 FUND	APPELLATE COURT FUND	BORDER PROSECUTION	BUILDING IMPROVE./VEHICLE REPLACEMENT	COURT- HOUSE SECURITY	FLOOD CONTROL
ASSETS						
Cash and Cash Equivalents	\$5,724	\$120		\$490,570	\$92,955	\$26,317
Receivables (net of allowance for uncollectibles)	1	10				
Total Assets	<u>\$5,725</u>	<u>\$130</u>	<u>\$0</u>	<u>\$490,570</u>	<u>\$92,955</u>	<u>\$26,317</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable					\$46	
Bank Overdraft			1,774			
Total Liabilities	<u>0</u>	<u>0</u>	<u>1,774</u>	<u>0</u>	<u>46</u>	<u>0</u>
Fund Balances						
Restricted						
Judicial		130				
Legal						
Public Safety	5,725				92,909	
Public Transportation						26,317
Committed						
Building Improvement/ Public Safety				490,570		
Unassigned			(1,774)			
Total Fund Balances	<u>5,725</u>	<u>130</u>	<u>(1,774)</u>	<u>490,570</u>	<u>92,909</u>	<u>26,317</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$5,725</u>	<u>\$130</u>	<u>\$0</u>	<u>\$490,570</u>	<u>\$92,955</u>	<u>\$26,317</u>

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

SPECIAL REVENUE

FMFC EQUIPMENT REPLACE	FMLR FUND	HOT CHECK FEES	LAW ENFORCEMENT GRANTS	LAW LIBRARY FUND	LEOSE TRAINING	PRE- TRIAL DIVERSION	RECORDS MANAGE- MENT	SEIZURE FUND	TEXAS PECOS TRAIL	TOTAL
\$60,000	\$11,738	\$40		\$26,644	\$1,562	\$136,696		\$4,343		\$856,709
										11
\$60,000	\$11,738	\$40	\$0	\$26,644	\$1,562	\$136,696	\$0	\$4,343	\$0	\$856,720
			\$285			\$761				\$1,092
			197				59,247		164	61,382
0	0	0	482	0	0	761	59,247	0	164	62,474
				26,644		135,935				162,709
		40								40
					1,562			4,343		104,539
60,000	11,738									98,055
										490,570
			(482)				(59,247)		(164)	(61,667)
60,000	11,738	40	(482)	26,644	1,562	135,935	(59,247)	4,343	(164)	794,246
\$60,000	\$11,738	\$40	\$0	\$26,644	\$1,562	\$136,696	\$0	\$4,343	\$0	\$856,720

SUTTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	SPECIAL REVENUE					
	911 FUND	APPELLATE COURT FUND	BORDER PROSECUTION	BUILDING IMPROVE./VEHICLE REPLACEMENT	COURT- HOUSE SECURITY	FLOOD CONTROL
REVENUES						
Intergovernmental			\$74,028			
Charges for Services		210			16,454	
Interest	9					
Miscellaneous				131,700		
Total Revenues	9	210	74,028	131,700	16,454	0
EXPENDITURES						
Current:						
General Administration						
Judicial		257				
Public Facilities						
Public Safety			60,027		9,396	
Public Transportation				70,282		
Total Expenditures	0	257	60,027	70,282	9,396	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	9	(47)	14,001	61,418	7,058	0
OTHER FINANCING SOURCES (USES):						
Operating Transfers In						3,000
Total Other Financing Sources (Uses)	0	0	0	0	0	3,000
Net Changes in Fund Balances	9	(47)	14,001	61,418	7,058	3,000
Fund Balances - Beginning	5,716	177	(15,775)	429,152	85,851	23,317
Fund Balances - Ending	\$5,725	\$130	(\$1,774)	\$490,570	\$92,909	\$26,317

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

SPECIAL REVENUE

FMFC EQUIPMENT REPLACE	FMLR FUND	HOT CHECK FEES	LAW ENFORCEMENT GRANTS	LAW LIBRARY FUND	LEOSE TRAINING	PRE- TRIAL DIVERSION	RECORDS MANAGE- MENT	SEIZURE FUND	TEXAS PECOS TRAIL	TOTAL
\$12,020				1,400	1,575	64,668	15,324	28		86,048
										99,631
										37
										131,700
0	12,020	0	0	1,400	1,575	64,668	15,324	28	0	317,416
							29,112			29,112
						47,136				47,393
										0
			482		1,433			50,522		121,860
	12,020									82,302
0	12,020	0	482	0	1,433	47,136	29,112	50,522	0	280,667
0	0	0	(482)	1,400	142	17,532	(13,788)	(50,494)	0	36,749
60,000								19,806		82,806
60,000	0	0	0	0	0	0	0	19,806	0	82,806
60,000	0	0	(482)	1,400	142	17,532	(13,788)	(30,688)	0	119,555
	11,738	40	0	25,244	1,420	118,403	(45,459)	35,031	(164)	674,691
\$60,000	\$11,738	\$40	(\$482)	\$26,644	\$1,562	\$135,935	(\$59,247)	\$4,343	(\$164)	\$794,246

SUTTON COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Agency Funds			
	State Tax Fund	Employee Benefit Fund	County Officer Accounts	TOTAL
ASSETS				
Cash and Cash Equivalents	\$433,029	\$449,862	\$5,224,277	\$6,107,168
Receivables (net of allowance for uncollectibles)	0			0
Due from Others				0
Total Assets	\$433,029	\$449,862	\$5,224,277	\$6,107,168
LIABILITIES:				
Accounts Payable	\$0	\$0	\$0	\$0
Due to Others	433,029	449,862	5,224,277	6,107,168
Total Liabilities	433,029	449,862	5,224,277	6,107,168
Net Position				
Held in Trust - unexpendable				0
Held in Trust - historical purposes				0
Total Net Position	\$0	\$0	\$0	\$0

SUTTON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>STATE TAX FUND</u>		BALANCE		BALANCE
		10/1/2019	ADDITIONS	DEDUCTIONS 9/30/2020
ASSETS				
Cash and Cash Equivalents		\$444,999		\$11,970 \$433,029
Receivables (net of allowance for uncollectibles)				0
Due from Others				0
Total Assets		\$444,999	\$0	\$11,970 \$433,029
LIABILITIES:				
Accounts Payable				\$0
Due to Others		444,999	0	11,970 433,029
Total Liabilities		444,999	0	11,970 433,029
NET POSITION				
Held in Trust - unexpendable				0
Held in Trust - historical purposes				0
Total Net Position		\$0	\$0	\$0 \$0

<u>EMPLOYEE BENEFIT FUND</u>		BALANCE		BALANCE
		10/1/2019	ADDITIONS	DEDUCTIONS 9/30/2020
ASSETS				
Cash and Cash Equivalents		\$427,365	\$22,497	\$449,862
Receivables (net of allowance for uncollectibles)				0
Due from Others				0
Total Assets		\$427,365	\$22,497	\$0 \$449,862
LIABILITIES:				
Accounts Payable				\$0
Due to Others		427,365	22,497	0 449,862
Total Liabilities		427,365	22,497	0 449,862
NET POSITION				
Held in Trust - unexpendable				0
Held in Trust - historical purposes				0
Total Net Position		\$0	\$0	\$0 \$0

COUNTY OFFICER ACCOUNTS

ASSETS

	BALANCE 10/1/2019	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2020
Cash and Cash Equivalents	\$435,515	\$4,788,762		\$5,224,277
Receivables (net of allowance for uncollectibles)				0
Due from Others				0
Total Assets	\$435,515	\$4,788,762	\$0	\$5,224,277

LIABILITIES:

Accounts Payable				\$0
Due to Others	435,515	4,788,762	0	5,224,277
Total Liabilities	435,515	4,788,762	0	5,224,277

NET POSITION

Held in Trust - unexpendable				0
Held in Trust - historical purposes				0
Total Net Position	\$0	\$0	\$0	\$0

TOTAL

ASSETS

	BALANCE 10/1/2019	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2020
Cash and Cash Equivalents	\$1,307,879	\$4,811,259	\$11,970	\$6,107,168
Receivables (net of allowance for uncollectibles)	0	0	0	0
Due from Others	0	0	0	0
Total Assets	\$1,307,879	\$4,811,259	\$11,970	\$6,107,168

LIABILITIES:

Accounts Payable	\$0	\$0	\$0	\$0
Due to Others	1,307,879	4,811,259	11,970	6,107,168
Total Liabilities	1,307,879	4,811,259	11,970	6,107,168

NET POSITION

Held in Trust - unexpendable	0	0	0	0
Held in Trust - historical purposes	0	0	0	0
Total Net Position	\$0	\$0	\$0	\$0