

YOAKUM COUNTY, TEXAS

Annual Financial Report

December 31, 2019



PATTILLO, BROWN & HILL, LLP

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

YOAKUM COUNTY, TEXAS

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YOAKUM COUNTY, TEXAS

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YOAKUM COUNTY, TEXAS

Official Roster

December 31, 2019

County Commission

Jim Barron	County Judge
Woodson Lindsey	Commissioner, Precinct 1
Ray Marion	Commissioner, Precinct 2
Tommy Box	Commissioner, Precinct 3
Tim Addison	Commissioner, Precinct 4

Administrative and Elected Officials

Darla Welch	County Treasurer
Darinda McWhirter	County Auditor
David Bryant	Sheriff
Marc Traweek	Justice of the Peace #1
Troy Scott	Justice of the Peace #2
Summer Lovelace	County Clerk
Sandra Roblez	District Clerk
Jan Parrish	Tax Assessor/Collector
Bill Helwig	County District Attorney

FINANCIAL SECTION

Independent Auditor's Report

To the Honorable County Judge and
Members of the County Commission
Yoakum County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of Yoakum County, Texas (the "County") as of and for the year ended December 31, 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OFFICE LOCATIONS

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules – General Fund, Budgetary Comparison Schedules – Farm/Market Lateral Roads, the Schedule of Changes in Net Pension Liability and Related Rations, the Schedule of County Pension Contributions and the Schedule of Changes in Total OPEB Liability 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 general 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.

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions and disclaimers of opinions on the basic financial statements are not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The accompanying supplementary information on pages 49 through 68 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information on pages 49 through 68 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, L.L.P.
Albuquerque, New Mexico
March 30, 2022

FINANCIAL STATEMENTS

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF NET POSITION

December 31, 2019

ASSETS	Governmental Activities	Business-Type Activities	Total
<i>Current:</i>			
Cash and cash equivalents	\$ 24,564,201	9,914,800	34,479,001
Investments	13,843,171	1,251,147	15,094,318
Taxes receivable, net	14,531,177	-	14,531,177
Due from other governments	107,818	-	107,818
Other receivables, net	4,707	3,570,853	3,575,560
Due to/from other funds	1,758,040	-	1,758,040
Inventory	-	626,853	626,853
Prepaid expenses	131,767	1,504,411	1,636,178
<i>Total current assets</i>	<u>54,940,881</u>	<u>16,868,064</u>	<u>71,808,945</u>
<i>Noncurrent assets:</i>			
Held in self-insurance trust fund	-	195,374	195,374
Capital assets, net accumulated depreciation	21,846,486	11,681,249	33,527,735
<i>Total noncurrent assets</i>	<u>21,846,486</u>	<u>11,876,623</u>	<u>33,723,109</u>
 <i>Total assets</i>	 <u>76,787,367</u>	 <u>28,744,687</u>	 <u>105,532,054</u>
DEFERRED OUTFLOWS			
Pension related	3,875,422	4,577,331	8,452,753
OPEB related	970,169	3,689,880	4,660,049
<i>Total deferred outflows</i>	<u>4,845,591</u>	<u>8,267,211</u>	<u>13,112,802</u>
<i>Total assets and deferred outflows</i>	<u>\$ 81,632,958</u>	<u>37,011,898</u>	<u>118,644,856</u>

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF NET POSITION

December 31, 2019

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	\$ 301,769	764,044	1,065,813
Accrued expenses	328,846	1,404,826	1,733,672
Accrued interest	8,695	-	8,695
Compensated absences	68,677	-	68,677
Current portion of long-term debt	<u>586,232</u>	<u>8,205</u>	<u>594,437</u>
<i>Total current liabilities</i>	<u>1,294,219</u>	<u>2,177,075</u>	<u>3,471,294</u>
<i>Noncurrent liabilities:</i>			
Landfill closure and post-closure obligation	55,814	-	55,814
Self-funded malpractice insurance reserve	-	120,000	120,000
Net pension liability	2,297,392	3,522,296	5,819,688
Net OPEB liability	38,491,479	22,606,107	61,097,586
Long-term debt due after on year	<u>1,120,000</u>	<u>-</u>	<u>1,120,000</u>
<i>Total noncurrent liabilities</i>	<u>41,964,685</u>	<u>26,248,403</u>	<u>68,213,088</u>
<i>Total liabilities</i>	<u>43,258,904</u>	<u>28,425,478</u>	<u>71,684,382</u>
DEFERRED INFLOWS			
Pension related	997,598	1,529,499	2,527,097
OPEB related	2,127,013	1,249,193	3,376,206
Unearned revenue - advance tax collections	4,795,644	-	4,795,644
Unavailable tax revenue	<u>14,139,563</u>	<u>-</u>	<u>14,139,563</u>
<i>Total deferred inflows</i>	<u>22,059,818</u>	<u>2,778,692</u>	<u>24,838,510</u>
NET POSITION			
Net investment in capital assets	20,140,254	11,673,044	31,813,298
Restricted	10,630,455	-	10,630,455
Unrestricted	<u>(14,456,473)</u>	<u>(5,865,316)</u>	<u>(20,321,789)</u>
<i>Total net position</i>	<u>16,314,236</u>	<u>5,807,728</u>	<u>22,121,964</u>
<i>Total liabilities, deferred inflows, and net position</i>	<u>\$ 81,632,958</u>	<u>37,011,898</u>	<u>118,644,856</u>

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 6,074,650	931,179	213,813	-
Public safety	4,354,007	191,486	-	-
Public works	4,883,075	260,381	114,646	-
Health and welfare	245,428	-	-	-
Culture and recreation	1,566,611	-	24,900	-
Interest expense	39,874	-	-	-
Unallocated depreciation	<u>1,035,422</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Governmental Activities</i>	<u>\$ 18,199,067</u>	<u>1,383,046</u>	<u>353,359</u>	<u>-</u>
Business-type activities				
Hospital funds	29,177,500	25,291,936	-	-
Nursing home fund	<u>4,811,703</u>	<u>3,381,609</u>	<u>-</u>	<u>-</u>
<i>Total business-type activities</i>	<u>\$ 33,989,203</u>	<u>28,673,545</u>	<u>-</u>	<u>-</u>

General Revenues:

Property taxes:
 General services
 Debt service
Miscellaneous
Investment earnings
Proceeds from insurance claim
Other revenues and reimbursements
Gain on disposal of assets
Transfers, net

Total general revenues

Change in net position

Net position - beginning

Restatement (Note 18)

Net position - beginning after restatement

Ending net position

**Net Program (Expense) Revenue and Changes
in Net Position**

Primary Government		
Government Activities	Business-Type Activities	Total
(4,929,658)	-	(4,929,658)
(4,162,521)	-	(4,162,521)
(4,508,048)	-	(4,508,048)
(245,428)	-	(245,428)
(1,541,711)	-	(1,541,711)
(39,874)	-	(39,874)
(1,035,422)	-	(1,035,422)
<u>(16,462,662)</u>	<u>-</u>	<u>(16,462,662)</u>
-	(3,885,564)	(3,885,564)
<u>-</u>	<u>(1,430,094)</u>	<u>(1,430,094)</u>
	(5,315,658)	(5,315,658)
19,136,422	-	19,136,422
207,560	-	207,560
87,705	-	87,705
1,042,367	-	1,042,367
56,473	-	56,473
-	457,522	457,522
1,351	-	1,351
<u>(1,875,215)</u>	<u>1,875,215</u>	<u>-</u>
<u>18,656,663</u>	<u>2,332,737</u>	<u>20,989,400</u>
<u>2,194,001</u>	<u>(2,982,921)</u>	<u>(788,920)</u>
12,631,884	8,580,510	21,212,394
<u>1,488,351</u>	<u>210,139</u>	<u>1,698,490</u>
<u>14,120,235</u>	<u>8,790,649</u>	<u>22,910,884</u>
<u>\$ 16,314,236</u>	<u>5,807,728</u>	<u>22,121,964</u>

**STATE OF TEXAS
YOAKUM COUNTY**

BALANCE SHEET
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund 100	Farm/Market Lateral Roads 170	Nonmajor Governmental	Total Governmental
ASSETS				
<i>Current:</i>				
Cash and cash equivalents	\$ 17,505,123	1	7,036,187	24,541,311
Investments	10,136,876	-	3,706,295	13,843,171
Taxes receivable, net	10,058,081	2,402,372	2,070,724	14,531,177
Intergovernmental receivables	97,462	-	10,356	107,818
Other receivables	4,707	-	-	4,707
Due from other funds	1,281,041	279,474	676,216	2,236,731
Prepaid expenses	116,197	-	15,570	131,767
<i>Total current assets</i>	\$ 39,199,487	2,681,847	13,515,348	55,396,682
LIABILITIES AND FUND BALANCE				
<i>Current liabilities:</i>				
Accounts payable	\$ 188,866	-	112,903	301,769
Accrued payroll liabilities	254,510	-	74,336	328,846
Due to other funds	2,680	279,477	196,534	478,691
<i>Total current liabilities</i>	446,056	279,477	383,773	1,109,306
DEFERRED INFLOWS				
Unavailable revenue - advance tax collections	3,319,414	792,841	683,389	4,795,644
Unavailable tax revenue	9,922,549	2,370,000	2,042,821	14,335,370
<i>Total deferred inflows</i>	13,241,963	3,162,841	2,726,210	19,131,014
FUND BALANCE (DEFICIT)				
Nonspendable	116,197	-	15,229	131,426
Restricted	-	-	10,630,455	10,630,455
Unassigned	25,395,271	(760,471)	(240,319)	24,394,481
<i>Total fund balance (deficit)</i>	25,511,468	(760,471)	10,405,365	35,156,362
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	\$ 39,199,487	2,681,847	13,515,348	55,396,682

See Notes to Financial Statements

**STATE OF TEXAS
YOAKUM COUNTY**

GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	\$	35,156,362
Residual balance of Internal Service Funds are included within the governmental activities but not reported within the governmental funds		22,890
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		21,846,486
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		3,875,422
Defined OPEB plan deferred outflows are not financial resources and, therefore, are not reported in the funds.		970,169
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Property taxes		195,807
Long-term liabilities, are not due in the current period and, therefore, are not reported in the funds		
Landfill closure and post-closure obligation	(	55,814)
Net pension liability	(	2,297,392)
Net OPEB liability	(	38,491,479)
Bond and note obligations	(	1,706,232)
Accrued Interest	(	8,695)
Compensated absences	(	68,677)
Defined benefit pension plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	(	997,598)
Defined OPEB plan deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	(	<u>2,127,013</u>)
Total net position	\$	<u>16,314,236</u>

See Notes to Financial Statements

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund 100	Farm/Market Lateral Roads 170	Nonmajor Governmental	Total Governmental
<i>Revenues:</i>				
Taxes	\$ 15,542,951	2,111,108	1,494,116	19,148,175
Intergovernmental	213,813	-	139,546	353,359
Permits and charges for service	931,179	-	451,867	1,383,046
Interest and other	900,060	8,761	279,075	1,187,896
<i>Total revenues</i>	<u>17,588,003</u>	<u>2,119,869</u>	<u>2,364,604</u>	<u>22,072,476</u>
<i>Expenditures:</i>				
Current				
General government	5,321,258	-	-	5,321,258
Public safety	3,562,057	-	202,829	3,764,886
Public works	728,125	-	3,740,382	4,468,507
Health and welfare	245,428	-	-	245,428
Culture and recreation	1,546,267	-	20,344	1,566,611
Capital outlay	245,392	-	1,220,325	1,465,717
Debt service				
Principal	-	-	570,116	570,116
Interest	-	-	39,874	39,874
<i>Total expenditures</i>	<u>11,648,527</u>	<u>-</u>	<u>5,793,870</u>	<u>17,442,397</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,939,476</u>	<u>2,119,869</u>	<u>(3,429,266)</u>	<u>4,630,079</u>
<i>Other financing sources (uses):</i>				
Transfers in	-	-	3,717,995	3,717,995
Transfers out	(2,298,339)	(2,880,340)	(414,531)	(5,593,210)
<i>Total other financing sources (uses)</i>	<u>(2,298,339)</u>	<u>(2,880,340)</u>	<u>3,303,464</u>	<u>(1,875,215)</u>
Net change in fund balances	3,641,137	(760,471)	(125,802)	2,754,864
Fund balances (deficit)- beginning of year	<u>21,870,331</u>	<u>-</u>	<u>10,531,167</u>	<u>32,401,498</u>
Fund balances (deficit) - end of year	<u>\$ 25,511,468</u>	<u>(760,471)</u>	<u>10,405,365</u>	<u>35,156,362</u>

See Notes to Financial Statements

**STATE OF TEXAS
YOAKUM COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2019

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

Net change in fund balances - total governmental funds	\$	2,754,864
Change in net position of internal service funds		22,890
Net pension expense	(	2,181,932)

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:

Capital expenditures		1,623,831
Depreciation expense	(	1,035,422)
Loss on disposition of capital assets	(	44,145)

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

Change in unearned revenue related to the property taxes receivable		195,807
Decrease in accrued compensated absences		171,439
Change in landfill liability		116,553
Principal payments on notes and bonds		<u>570,116</u>
Change in net position	\$	<u>2,194,001</u>

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2019

	Business Type Activities			Governmental Activities
	Hospital Funds	Nursing Home Fund	Total Enterprise Funds	Internal Service Fund
ASSETS				
Current assets				
Cash and cash equivalents	\$ 9,856,121	58,679	9,914,800	22,890
Investments	1,251,147	-	1,251,147	-
Accounts receivables, net	1,954,966	358,018	2,312,984	-
Other receivables	1,257,869	-	1,257,869	-
Inventory	617,364	9,489	626,853	-
Prepaid expenses	1,504,411	-	1,504,411	-
Total current assets	<u>16,441,878</u>	<u>426,186</u>	<u>16,868,064</u>	<u>22,890</u>
Noncurrent assets				
Held in self-insurance trust fund	195,374	-	195,374	-
Capital assets, net	6,695,340	4,985,909	11,681,249	-
Total noncurrent assets	<u>6,890,714</u>	<u>4,985,909</u>	<u>11,876,623</u>	<u>-</u>
Deferred outflows of resources:				
Pension related	4,577,331	-	4,577,331	-
OPEB related	3,689,880	-	3,689,880	-
Total assets and deferred outflows of resources	<u>\$ 31,599,803</u>	<u>5,412,095</u>	<u>\$ 37,011,898</u>	<u>\$ 22,890</u>
LIABILITIES AND NET POSITION				
Current liabilities				
Accounts payable	\$ 470,326	293,718	764,044	-
Accrued expenses	1,279,702	125,124	1,404,826	-
Due to other funds	-	-	-	7,500
Current portion of long-term debt	8,205	-	8,205	-
Total current liabilities	<u>1,758,233</u>	<u>418,842</u>	<u>2,177,075</u>	<u>7,500</u>
Noncurrent liabilities				
Self-funded insurance reserve	120,000	-	120,000	-
Long-term debt due after one year	-	-	-	-
Net OPEB liability	22,606,107	-	22,606,107	-
Net pension liability	3,522,296	-	3,522,296	-
Total liabilities	<u>28,006,636</u>	<u>418,842</u>	<u>28,425,478</u>	<u>7,500</u>
Deferred inflows of resources:				
Pension related	1,529,499	-	1,529,499	-
OPEB related	1,249,193	-	1,249,193	-
Total deferred inflows of resources	<u>2,778,692</u>	<u>-</u>	<u>2,778,692</u>	<u>-</u>
Net position				
Net investment in capital assets	6,687,135	4,985,909	11,673,044	-
Unrestricted	(5,872,660)	7,344	(5,865,316)	15,390
Total net position	<u>814,475</u>	<u>4,993,253</u>	<u>5,807,728</u>	<u>15,390</u>
Total liabilities, deferred inflows of resources, and net position (deficit)	<u>\$ 31,599,803</u>	<u>5,412,095</u>	<u>37,011,898</u>	<u>22,890</u>

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Business Type Activities			Governmental Activities
	Hospital Funds	Nursing Home Fund	Total Enterprise Funds	Internal Service Fund
<i>Operating Revenues</i>				
Charges for services	\$ 25,205,908	2,926,600	28,132,508	-
Other and miscellaneous	86,028	455,009	541,037	48,216
<i>Total revenues</i>	<u>25,291,936</u>	<u>3,381,609</u>	<u>28,673,545</u>	<u>48,216</u>
<i>Operating Expenses</i>				
Personnel services	17,471,593	1,520,050	18,991,643	-
Contracted and purchased services	4,848,789	2,706,820	7,555,609	33,194
Supplies	5,725,737	437,197	6,162,934	-
Depreciation	1,131,381	147,636	1,279,017	-
<i>Total operating expenses</i>	<u>29,177,500</u>	<u>4,811,703</u>	<u>33,989,203</u>	<u>33,194</u>
<i>Operating income (loss)</i>	(3,885,564)	(1,430,094)	(5,315,658)	15,022
<i>Nonoperating revenues (expenses)</i>				
Contributed services	131,180	-	131,180	-
Noncapital grants and gifts	53,370	-	53,370	-
Interest expense	(822)	(78)	(900)	-
Interest income	273,872	-	273,872	368
<i>Total non-operating revenues (expenses)</i>	<u>457,600</u>	<u>(78)</u>	<u>457,522</u>	<u>368</u>
<i>Income (loss) before contributions and transfers</i>	(3,427,964)	(1,430,172)	(4,858,136)	15,390
Transfers in	995,099	880,116	1,875,215	-
Transfers out	-	-	-	-
<i>Change in net position</i>	(2,432,865)	(550,056)	(2,982,921)	15,390
Net position - beginning	3,247,340	5,333,170	8,580,510	-
Restatement (Note 18)	-	210,139	210,139	-
Net position - beginning as restated	<u>3,247,340</u>	<u>5,543,309</u>	<u>8,790,649</u>	<u>-</u>
<i>Net position - end of year</i>	<u>\$ 814,475</u>	<u>4,993,253</u>	<u>5,807,728</u>	<u>15,390</u>

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Business Type Activities			Governmental Activities
	Hospital Funds	Nursing Home Fund	Total Enterprise Funds	Internal Service Fund
<i>Cash flows from operating activities</i>				
Receipts from and on behalf of patients	\$ 25,145,180	3,471,724	28,616,904	55,716
Payments to suppliers and contractors	(10,967,935)	(3,949,240)	(14,917,175)	-
Payments and benefits to and on behalf of employees	(15,344,949)	(419,541)	(15,764,490)	(33,194)
Other receipts and payments, net	86,028	-	86,028	-
<i>Net cash provided (used) by operating activities</i>	(1,081,676)	(897,057)	(1,978,733)	22,522
<i>Cash flows from capital financing activities</i>				
Principal paid on long-term debt and capital leases	(10,355)	-	(10,355)	-
Interest paid on long-term debt and capital leases	(822)	(78)	(900)	-
Purchase of capital assets	(733,683)	(11,202)	(744,885)	-
<i>Net cash provided by capital financing activities</i>	(744,860)	(11,280)	(756,140)	-
<i>Cash flows from noncapital financing activities</i>				
Non-capital grants and contributions	53,370	-	53,370	-
County transfers	995,099	880,116	1,875,215	-
<i>Net cash provided by noncapital financing activities</i>	1,048,469	880,116	1,928,585	-
<i>Cash flows from investing activities</i>				
Interest income	273,872	-	-	368
<i>Net cash provided by investing activities</i>	273,872	-	-	368
<i>Net (decrease) increase in cash and cash equivalents</i>	(504,195)	(28,221)	(532,416)	22,890
Cash and cash equivalents - beginning of year	11,806,837	86,900	11,893,737	-
Cash and cash equivalents - end of year	\$ 11,302,642	58,679	11,361,321	22,890
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</i>				
Operating income (loss)	\$ (3,885,564)	(1,430,094)	(5,315,658)	15,022
Noncash items				
Depreciation Expense	1,131,381	147,636	1,279,017	-
Indigent care contributions	131,180	-	131,180	-
Provision for uncollectible accounts	1,776,027	-	1,776,027	-
Loss on disposal of fixed assets	-	-	-	-
Changes in assets and liabilities				
Receivables	(1,214,512)	90,115	(1,124,397)	-
Other receivables	(622,243)	-	(622,243)	-
Accounts payable	92,537	86,108	178,645	-
Self-insured health insurance	(16,000)	-	(16,000)	-
Accrued expenses	-	(27,794)	(27,794)	-
Accrued compensated absences	-	30,242	30,242	-
Due to other funds	-	-	-	7,500
Other assets , deferred outflows of resources and liabilities	1,525,518	206,730	1,732,248	-
<i>Net cash provided (used) by operating activities</i>	\$(1,081,676)	(897,057)	(1,978,733)	22,522

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2019

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 6,048,035
Investments	-
Receivables	20,978
Due from other funds	<u>1,021,827</u>
<i>Total assets</i>	<u>\$ 7,090,840</u>
LIABILITIES	
Due to other funds	2,772,367
NET POSITION	
Restricted for Individuals, organizations or other governments	<u>4,318,473</u>
<i>Total net position</i>	<u>\$ 4,318,473</u>

See Notes to Financial Statements

**STATE OF TEXAS
YOAKUM COUNTY**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2019

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Property taxes	\$ 52,557,505
Motor vehicle taxes	1,109,959
Vehicle sales taxes	1,087,690
Interest	38,167
Other income	<u>4,031,483</u>
<i>Total contributions</i>	<u>58,824,804</u>
DEDUCTIONS	
Distributions:	
Property taxes distributed	\$ 50,735,999
Motor vehicle taxes distributed	1,111,990
Vehicle sales taxes distributed	1,075,481
Other distributions	<u>6,540,477</u>
<i>Total deductions</i>	<u>59,463,947</u>
Net increase (decrease) in fiduciary net position	(639,143)
Net Position, beginning	-
Prior period adjustment (Note 18)	<u>4,957,616</u>
Net Position, ending	<u>\$ 4,318,473</u>

See Notes to Financial Statements

YOAKUM COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Yoakum County, Texas (County) was created in 1907 under the provisions of the State of Texas. The County functions under the applicable laws and regulations of the State of Texas. The County's powers are exercised through an elected Commissioners Court, which is the governing body of the County. The Commissioners Court consists of the County Judge and four County Commissioners. The County provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to generally accepted accounting principles (GAAP) in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB). The most significant accounting and reporting policies of the County are described in the following notes to the basic financial statements.

Reporting Entity - The members of the County's Commissioners Court (the Court) are elected by the public, and the Court has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the County is a financial reporting entity as defined by the GASB accounting principles generally accepted in the United States of America require that these financial statements present the County (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria; the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The County has no component units.

Government-Wide and Fund Financial Statements - The Statement of Net Position and the Statement of Activities are government-wide financial statements (GWFS). They report information on all of County's non-fiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the County operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the County. Examples include charges for collecting taxes for the surrounding cities/districts and record management services provided by the County Clerk. The "grants and contributions" column includes amounts paid by organizations outside the County to help meet the operational or capital requirements of a given function. Examples include grants for emergency response equipment. If revenues are not considered program revenues, they are considered general revenues used to support all of the County's functions. Taxes are always general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund activities within governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Net Position.

The fund financial statements (FFS) provide reports on the financial condition and results of operations for three fund categories: governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column for each major fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The County considers all revenues available if they are collectible within 60 days after year-end. Revenues not considered available are recorded as uncollectible receivables.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state are recognized under the "susceptible-to-accrual" concept. In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one type, monies are expended on the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures incurred. In the other type, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

Property taxes are recognized as revenue in the year for which the taxes are levied if they will be collected within 60 days of the end of the fiscal year. Sales tax, fines and forfeitures, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The proprietary fund types and fiduciary funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. This basis allows the County to accrue unbilled service revenue in the proprietary funds.

Fund Accounting

Governmental funds are used to account for the County's expendable financial resources and related liabilities (except those accounted for in the proprietary funds). The County reports the following major governmental funds:

General Fund - The general fund is the County's primary operating fund. It accounts for financial resources except those required to be accounted for in another fund. The General Fund presented in the financial statements consists of several individual funds: General, Payroll and Disbursement funds.

Farm/Market Lateral Road Fund - The lateral road fund acts as a clearinghouse fund, which receives and then distributes taxes collected to the individual precincts Road and Bridge Funds for maintenance and construction projects within the precincts.

The County reports the following non-major governmental funds:

Special Revenue Funds - The County accounts for resources restricted to, or designated for, specific purposes by the County or a grantor in special revenue funds. Some federal and state financial assistance is accounted for in special revenue funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Debt Service Funds - The County accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in debt service funds.

Capital Projects Funds - The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in capital projects funds. The County at this time has the following capital projects fund, the Nursing Home Construction Fund and the Jail Construction Fund.

Proprietary funds are those through which most of the costs of providing the services are funded through charges for services. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Enterprise Funds - The County's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in enterprise funds. The County has two enterprise funds, the Yoakum County Hospital (the Hospital or hospital fund) and the Shinnery Oaks Community (the Community or nursing home fund), and reports both as major funds.

The Hospital is an organization licensed to operate a 24-bed acute healthcare facility located in Denver City, Texas. It is operated under a six (6) member Board of Directors, which are appointed by the commissioners of the County. The County's General Fund subsidizes the Hospital as needed with a budgeted portion of the ad valorem tax revenue assessed by the County each year.

Under the Indigent Health Care and Treatment Act of the State of Texas, county hospitals are responsible for providing certain levels of health care to county indigents. The Hospital's policies for charity care comply with the Indigent Health Care and Treatment Act.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Community is an organization licensed to operate a 60 bed skilled health care facility located in Denver City, Texas. The Community is organized for providing healthcare and rehabilitation services to the residents of the County and the surrounding area. The Community's primary sources of support are from resident revenues and other ancillary income. The County's General Fund subsidizes the Community as needed with a budgeted portion of the ad valorem tax revenue assessed by the County each year.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County Commissioners. The financial statements of the County may be obtained by writing to the Yoakum County Auditor's Office, P.O. Box 516, Plains, Texas 79355.

Additionally, the County reports the following fund types:

Custodial Funds - The County accounts for resources held in a custodial of the County in custodial funds. This includes amounts received for County operations but not transferred to the governmental funds.

Other Accounting Policies

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Equity in Pooled Cash and Investments - The County pools the resources of various funds in order to facilitate the management of cash and enhance investment earnings. Records are maintained which reflect each fund's equity in the pooled account. The County's investments are stated at fair value.

Cash Equivalents - Cash equivalents are defined as short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less when purchased which present and insignificant risk of changes in value because of changes in interest rates.

Use of Restricted Cash - When the County incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

Property Taxes Receivable - Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General, Special Revenue and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Proprietary Fund Accounts Receivable - Within the Enterprise Funds, services rendered and billed but not collected as of the close of the fiscal year are accrued and this amount is reflected in the accounts receivable balance. Amounts billed are reflected as accounts receivable net of an allowance for uncollectible accounts.

Inventories - The County reports inventories of supplies at lower of cost, as determined on a first in, first out basis or market including consumable utility maintenance and office items. Supplies are recorded as expenditures when they are consumed, except for certain utility and other supplies.

Capital Assets and Depreciation - Capital assets, including public domain infrastructure (e.g. streets, bridges, sidewalks and other assets that are immovable and of value only to the County) are defined as assets with an initial, individual cost and an estimated useful life in excess of one year. These capital assets are reported in the GWFS and in the proprietary FFS. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated assets are recorded at the estimated fair value on the date of donation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major outlays for capital assets and improvements are capitalized as the projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Depreciation is based on the estimated useful lives, and is calculated by use of the straight-line method applied to cost. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the proprietary FFS. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

The County uses the following schedule to determine the useful lives of capital assets:

Infrastructure/Improvements	5-50 Years
Buildings	5-50 Years
Equipment	3-15 Years

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

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

Compensated Absences - It is the County’s policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. All sick pay and vacation pay is accrued when incurred in the government-wide or proprietary fund financial statements.

Fund Balances/Net Position

Government-Wide Financial Statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted balances, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, and then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund classifications can be used.

Fund Financial Statements:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net position of the enterprise funds are classified in two components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Risk Management - The County is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. For the past several years, the County has obtained coverage from outside sources to insure the County against the risk of loss. There were no significant reductions in insurance coverage from coverage in the prior year. Settlement amounts have not exceeded coverage for the current year or past fiscal years.

Commitments and Contingencies - The County participates in federally assisted programs. In connection with grants under these programs, the County is required to comply with specific terms and agreements, as well as applicable federal and state laws and regulations. Such compliance is subject to review and audit by the grantors and their representatives. In the opinion of management, the County has complied with all requirements. However, since such programs are subject to future audit or review, the possibility of disallowed expenditures exists. In the event of such disallowance of claimed expenditures, the County expects the resulting liability to be immaterial.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net 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.

In addition to liabilities, the statement of net 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 County has three items that qualify for reporting in this category. Unearned Revenue and Unearned Deferred Revenue are reported in the government- wide Statement of Net Position. Any current taxes levied and collected between October 1 and December 31 are not available for use until January 1, the beginning of the next fiscal year. Therefore, all collections of current taxes during this period and all current taxes receivable as of December 31 are recorded as deferred inflows of resources, unavailable tax revenue – advance collections and unavailable tax revenue, respectively, since the tax revenue has not been earned as of December 31, 2019.

Defined Benefit Pension Plan - The County provides pension benefits to its employees through the County's agent multiple-employer defined benefit pension plan operated by the Texas County & District Retirement System (the Plan). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Patient Service Revenue – Both the Hospital and the Community have agreements with third-party payers that provide for payments at amounts different from their established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and include estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods, as adjustments become known.

Charity Care - The Hospital provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because they do not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net revenue. The costs of charity care provided under the Hospital's charity care policy was approximately \$2,608,989 for 2019. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges.

Budgetary Data - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. In general, annual appropriated budgets are adopted for the general, special revenue, debt service, and capital projects funds. All annual appropriations lapse at fiscal yearend.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County Commissioners' Court, under budgetary laws established by the Texas legislature, is required to adopt an annual budget for all governmental fund types to cover all the proposed expenditures of the County government, and to levy a tax sufficient, when considered with other revenues and available funds, to provide for these expenditures. Once the budget is approved, no expenditures may be made except in strict compliance with the budget.

Emergency expenditures in case of grave public necessity, to meet unusual and unforeseen conditions, which could not, by reasonable thought and diligent attention, have been included in the original budget, may from time to time be authorized by the Court as amendments to the original budget. The Commissioners' Court is the sole agency having discretionary power to determine existence of such facts as would constitute an emergency justifying a budget amendment.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. Prior to September 15, the County Auditor, as the County's Chief Budgetary Officer, will submit to the Commissioners' Court a proposed operating budget for the fiscal year commencing the following January 1.
- b. After the presentation of the proposed budget and prior to December 1, the Commissioners' Court will conduct a series of hearings with the individual department heads to review and analyze their expenditure reports. These meetings are all open to the public to encourage public comment.
- c. Prior to December 15, the Commissioners' Court will finalize the proposed budget and file it with the County Clerk.
- d. Prior to January 1, two public hearings will be held to receive citizen input, adopt the budget, and set the tax rate for the coming budget year.
- d. All budget amendments are approved by the Commissioners' Court. From time to time, during the period covered by these financial statements, supplemental budget amendments were required and approved by the Commissioners' Court, under the provisions outlined above. Budgeted amounts presented in these financial statements are inclusive of any amendments made during the period January 01, 2019 through December 31, 2019.
- e. Budgets for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governments, using the modified accrual basis of accounting.
- f. By law, appropriations for the total County budget cannot exceed the total resources that will be available for the year as forecasted by the County Auditor.
- g. The level of budgetary control (that is the level at which expenditures may not legally exceed appropriations) is established by organization within an individual fund.

Subsequent Events - Accounting standards require reporting entities to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or were available to be issued. Management has evaluated subsequent events through March 30, 2022, the date the financial statements were issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk for Deposits - State statute requires that public funds in the County's depository institution be secured by eligible securities, as defined by Vernon's Texas Statutes and Codes Annotated (VTCA), Local Government Code Chapter 2257, in an amount not less than the amount on deposit plus any accrued interest less any amount provided for by insurance of the United States or an instrumentality thereof.

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the VTCA, Local Government Code, Chapter 116. The depository bank places approved pledged

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. The County's depository agreement provides that as security for the deposits of the County their bank will pledge to the County securities at 100% of the amount of County funds on deposit including interest accrued to date. Value of the securities comprising the pledge will be set at the lower of par value or estimated market value.

The securities pledged must satisfy the requirements of Article 2560 of the Texas Revised Civil Statutes Annotated. Furthermore, the pledged securities are subject to the approval of the Commissioners Court as to type and value. Substitutions of securities or change of total amounts of securities may be made only by and with proper written authorization by the County. A copy of the safekeeping receipts for securities pledged will be issued to the County at the conclusion of each investment transaction.

At December 31, 2019, the carrying amount of the County's deposits (including restricted and custodial amounts) was \$40,504,146. The County's cash deposits during the year ended December 31, 2019 were properly secured at all times by a combination of FDIC insurance and by pledged collateral held by the County's agent bank in the County's name.

Compliance with the Public Funds Investment Act - The County's investment policies are governed by State statutes. 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.

The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County's investment policies further limit State statutes such that eligible investments include the following:

- a. Obligations, including letters of credit, of the United States and/or its agencies and instrumentalities;
- b. Direct obligations of this state and/or its agencies and instrumentalities;
- c. Collateralized mortgage obligations directly issued by a federal agency and/or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
- d. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities;
- e. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
- f. Certificates of deposit if issued by a state or national bank domiciled in this state, savings bank domiciled in this state, or a state or federal credit union domiciled in this state;
- g. Certain repurchase agreements as defined by the policy;
- h. Certain bankers' acceptances as defined by the policy;
- i. Certain no-load money market mutual funds as defined by the policy;
- j. Certain no-load mutual funds as defined by the policy; and
- k. Investment pools.

The County is in substantial compliance with the requirements of the Public Funds Investment Act and local policies.

TexPool - During 1986, the 69th Texas Legislature authorized the State Treasurer to incorporate a special-purpose trust company called the Texas Treasury Safekeeping Trust Company. The Trust has direct

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

access to the services of the Federal Reserve Bank and performs other trust company activities. It is specifically authorized to manage, disburse, transfer safe-keep, and invest public funds and securities more efficiently and economically (sec.404.102 et seq., Texas Government Code). The trust created the Texas Local Government Investment Pool (TexPool) as a public funds investment pool. TexPool is established as a trust fund, segregated from all other trustors, investments and activities of the Trust Company. Only local governments having contracted to participate in TexPool have an investment interest in its pool of assets, and participation in the pool is voluntary.

Credit Risk - To limit the risk that an insurer or other counter-party to an investment will not fulfill its obligations, the County limits investments in commercial paper, corporate bonds, and mutual bond funds to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of December 31, 2019, the County’s investments were rated AAA or higher by Standard & Pools.

As of December 31, 2019, the County had the following investments (including restricted and custodial amounts):

<u>Investment or Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
DWS Government Cash Institutional Shares (Money Market Funds)	\$ 12,023,412	32 days
TexPool	2,499,004	34 days
Certificate of deposit	<u>571,902</u>	30 days
	<u>\$ 15,094,318</u>	

Investments by the County in investment pools are considered unclassified as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

Custodial Credit Risk for Investments - To limit the risk that, in the event of the failure of the counter- party to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the County requires counter-parties to register the securities in the name of the County and hand them over to the County or its designated agent. This includes securities in securities lending transactions. All of the securities are in the County’s name and held by the County’s agent.

Concentration of Credit Risk - To limit the risk of loss attributed to the magnitude of a government’s investment in a single issuer, the County limits investments in a single issuer to less than 5% of its total investments. The County further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental activities and individual major funds than they are in the primary government. Usually this limitation is 20%.

Interest Rate Risk - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the County requires the investment portfolio to have weighted average maturities of one year or less.

NOTE 3 - PROPERTY TAXES

In accordance with state law, all appraisals of County property for tax purposes are made by the countywide appraisal authority, Yoakum County Appraisal District. Assessed values are based upon 100 percent of appraised market value and are reviewed every three years. Taxpayers have the right to challenge the assessed value. The County is subject to a tax rate rollback if the total amount of property taxes imposed in any year, as defined by statute, exceeds the total amount of property taxes imposed in the preceding year, as defined by statute, by 8%. The County's ad valorem taxes are levied on October 1 but do not become due until January 1 of the following year. Taxes become past due February 1 and become delinquent June 30. The County's taxes become a lien on real property on the due date of January 1.

NOTE 3 - PROPERTY TAXES (CONTINUED)

The tax rates for fiscal per \$1000 assessed value in the County:

	Tax year 2019
Total tax assessed	\$ 19,131,014
General fund operations	0.69217
Farm/market lateral M&O	0.16533
Debt service	0.02965

For financial statement reporting, the net property taxes receivables and advanced collection of taxes are reported as deferred inflow of resources because the collection of the property taxes will fund the operations of the County in the next fiscal year.

Concentration of Risk - During the year, the County collected approximately 53% of its property tax revenue from one oil and gas company operating within the County. This poses a potential risk to the County, which could be adversely affected if a situation arose where this company could or would not pay the assessed taxes.

The amount of property taxes due to the County by fund at December 31, 2019 is as follows:

Fund		Property Tax Delinquent	Property Taxes Receivable
General fund	\$	135,532	10,058,081
Road and bridge		4,328	321,206
Farm/market lateral		32,372	2,402,372
Jury fund		1,003	74,428
Nursing home debt service		5,805	430,776
Permanent improvement		16,767	1,244,314
	\$	<u>195,807</u>	<u>14,531,177</u>

Any current taxes levied and collected between October 1 and December 31 are not available for use until January 1, the beginning of the next fiscal year. Availability only affects the recognition of revenue in governmental funds. Therefore, all collections of current taxes during this period and all current taxes receivable as of December 31 are recorded as Unavailable Revenue and Deferred Revenue in the fund statements and the government-wide statements, respectively. Each of t mounts are listed in the Deferred Inflows section of their respective financial statements.

Deferred Inflows of Resources Unavailable Revenue			
	Advance Tax Collections	Tax Revenue	Total
General fund	\$ 3,319,414	9,922,549	13,241,963
Road and bridge	106,006	316,878	422,884
Farm/market lateral	792,841	2,370,000	3,162,841
Jury fund	24,563	73,425	97,988
Nursing home debt service	142,166	424,971	567,137
Permanent improvement	410,654	1,227,547	1,638,201
	\$ <u>4,795,644</u>	<u>14,335,370</u>	<u>19,131,014</u>

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in

NOTE 4 - INTERFUND BALANCES AND TRANSFERS (CONTINUED)

the funds involved. Reimbursements from one fund to another for expenditures or expenses already made are recorded as expenditures or expenses in the reimbursing fund. Non-recurring or no-routine transfers of equity between funds are treated as residual equity transfers and are reported as residual equity transfers and are reported as additions to or deductions from the fund balance of governmental funds. All other transfers are treated as operating transfers and are included in the results of operations of the governmental funds.

The County had the following interfund balances as of the end of the year (intra-fund receivables and payables have been eliminated):

<u>Due from</u>	<u>General</u> <u>Fund</u>	<u>Farm/Market</u> <u>Lateral</u> <u>Roads</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Fund</u>	<u>Totals</u>
Nonmajor governmental funds	\$ 1,281,041	279,474	676,216	-	2,236,731
Custodial funds	<u>4,607</u>	<u>-</u>	<u>1,009,720</u>	<u>7,500</u>	<u>1,021,827</u>
	<u>\$ 1,285,648</u>	<u>279,474</u>	<u>1,700,936</u>	<u>7,500</u>	<u>3,258,558</u>
Custodial fund reconciliation:					
Due from other funds			\$ 1,021,827		
Due to other funds			<u>2,772,367</u>		
Net due to other funds			1,750,540		
Internal service fund			<u>7,500</u>		
Net due to/from other funds			<u>\$ 1,758,040</u>		

During the year ended December 31, 2019, the County made the following interfund transfers:

<u>Transfer to</u> <u>Governmental funds</u>	<u>Transfer from</u>	<u>Amount</u>	<u>Purpose</u>
Road and bridge – precinct 1		78,281	Property tax allocation
Road and bridge – precinct 2		78,282	Property tax allocation
Road and bridge – precinct 3	Road and bridge	78,282	Property tax allocation
Road and bridge – precinct 4	clearing	78,282	Property tax allocation
Road and bridge – city streets		100,000	Property tax allocation
Road and bridge – precinct 1	Farm/market lateral	720,085	Property tax allocation
Road and bridge – precinct 2	roads	720,085	Property tax allocation
Road and bridge – precinct 3		720,085	Property tax allocation
Road and bridge – precinct 4		720,085	Property tax allocation
Sheriff’s office forfeiture fund	Sheriff’s office seizure	913	Subsidize operations
CDA forfeiture fund	Fund	491	Subsidize operations
Yoakum County landfill	General fund	<u>423,124</u>	Subsidize operations
Total governmental fund transfers		<u>\$ 3,717,995</u>	
Proprietary funds			
Nursing home fund	General fund	\$ 880,116	Subsidize operations
Hospital funds		<u>995,099</u>	Subsidize operations
Total Proprietary fund transfers		<u>\$ 1,875,215</u>	

NOTE 5 - OTHER RECEIVABLES

The Hospital and Community grant credit without collateral to its patients, most of who are local residents, and are insured under third-party payor agreements. They provides allowances for doubtful receivables equal to the estimated collection losses that will be included in collection of all receivables. These estimated losses are based on historical collection experience, coupled with review of the status of the existing receivables. Patient accounts receivables are reported as current assets by the County at December 31, 2019.

The Hospital and Community have agreements with third-party payers that provide for payments at amounts different from its established rates. These payment arrangements include:

Medicare. The Hospital is certified as a Critical Access Hospital (CAH) by Medicare. As a CAH, the Hospital is reimbursed for substantially all inpatient and outpatient services to Medicare beneficiaries based on a reasonable cost methodology. Additionally, as a CAH, the Hospital’s licensed beds are limited to 25, and the Hospital’s acute average length of stay may not exceed 96 hours. The Hospital is reimbursed for substantially all services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor. The Medicare administrative contractor through December 31, 2019 has audited the Hospital’s Medicare cost reports. The Community is also an approved Medicare provider and is paid at contractually established rates.

Medicaid. The state of Texas has converted the Medicaid program to managed care agreements, which are managed by private insurance companies. The Hospital and Community are reimbursed at contractually established rates. A small portion of the Medicaid population is still covered by traditional Medicaid which is cost reimbursed.

Approximately 56% of the Hospital and 74% of the Community net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the year ended December 31, 2019. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Hospital and Community have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

	Governmental Activities	Business-type Activities	Total
Fees and refunds receivable	\$ 4,707	-	4,707
Patient accounts receivable			
Medicare	-	1,874,883	1,874,883
Medicaid	-	972,453	972,453
Other third-party payors	-	1,212,978	1,212,978
Self pay	-	3,344,678	3,344,678
Total patient accounts receivable	-	7,404,992	7,409,699
Less allowance for uncollectibles	-	(5,092,008)	(5,092,008)
Estimated amounts due from third parties	-	1,257,869	1,257,869
	<u>\$ 4,707</u>	<u>3,570,853</u>	<u>3,575,560</u>

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the County for the year ended December 31, 2019 is disclosed below. Governmental activities depreciation of \$1,035,422 is reported as a separate line item on the Statement Activities and is not allocated to the County’s governmental functions.

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance 12/31/18	Restatement	Adjusted Balance 12/31/18	Additions	Deletions	Ending Balance 12/31/19
Governmental activities:						
Assets not depreciated:						
Land and land improvements	861,758	(21,927)	839,831	11,295	-	851,126
Construction in progress	-	-	-	150,914	-	150,914
Total assets not depreciated	861,758	(21,927)	839,831	162,209	-	1,002,040
Depreciable assets:						
Buildings and improvements	17,636,516	(372,996)	17,263,520	99,970	-	17,363,490
Land improvements	-	1,599,192	1,599,192	-	-	1,599,192
Furniture and equipment	16,362,438	302,405	16,664,843	1,361,652	(647,909)	17,378,586
Total depreciable assets	33,998,954	1,528,601	35,527,555	1,461,622	(647,909)	36,341,268
Less accumulated depreciation	(15,046,841)	(18,323)	(15,065,164)	(1,035,422)	603,764	(15,496,822)
Net depreciable assets	18,952,113	1,510,278	20,462,391	426,200	(44,145)	20,844,446
Net governmental capital assets	19,813,871	1,488,351	21,302,222	588,409	(44,145)	21,846,486

	Beginning Balance 12/31/18	Additions	Deletions	Ending Balance 12/31/19
Business-type activities:				
Assets not depreciated:				
Land	\$ 150,463	-	-	150,463
Construction in progress	-	-	-	-
Total assets not depreciated	150,463	-	-	150,463
Depreciable assets:				
Buildings and improvements	20,254,389	66,347	(7,670)	20,313,066
Major moveable equipment	11,327,726	687,887	(72,803)	11,942,810
Total depreciable assets	31,582,115	754,234	(80,473)	32,255,876
Less accumulated depreciation	(19,517,197)	(1,279,017)	71,124	(20,725,090)
Net depreciable assets	12,064,918	(524,783)	(9,349)	11,530,806
Net governmental capital assets	\$ 12,215,381	(524,783)	(9,349)	11,681,249

Long-Lived Asset Impairment

The County evaluates the recoverability of the carrying value of long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets. No asset impairment was recognized during the year ended December 31, 2019.

NOTE 7 - BONDS AND NOTES PAYABLE

Governmental Activities

The County has entered into a line of credit with a local financial institution to cover the closure and post closure costs associated with the county landfill. The County did not draw on this line of credit in 2020.

Bond indebtedness of the County is reflected in the Government-Wide Statement of Net Position. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. In 2006 Certificates of Obligation (COO) were issued to finance construction of the jail and in 2012 General Obligation Bonds (GOB) were issued for the construction of a nursing home. Debt service on the bonds consists of semi-annual interest payments and annual principal payments. Interest rates range from 1% to 4% and are secured by the property tax collections of the County.

In 2017 the County entered into a capital lease of \$244,846 to purchase one Caterpillar 963K (Track Loader) for the landfill. This lease is for a period of five years with annual payments of \$52,551 at an interest rate of 2.5% and is collateralized by the asset. The caterpillar cost \$211,000 and has a current book value of \$195,761.

A summary of activity in general long-term debt for the year ended December 31, 2019 in the governmental funds is as follows:

	Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Bank of New York - GOB	\$ 2,175,000	-	(520,000)	1,655,000
Sun Trust – capital lease	101,348	-	(50,116)	51,232
Compensated absences	-	140,516	(71,839)	68,677
	<u>\$ 2,276,348</u>	<u>140,516</u>	<u>(641,955)</u>	<u>1,774,909</u>

	Interest Rate	Original Amount	Maturity	Due Within One Year
Bank of New York - GOB	1% to 2%	\$ 5,000,000	February 2022	535,000
Sun Trust – capital lease	1% to 2%	244,846	February 2020	51,232
Compensated absences				<u>68,677</u>
				<u>\$ 654,909</u>

Debt Service Requirements- Debt service requirements for bonds and capital leases are funded through Debt Service Fund, General Fund or Precinct 3 Fund. Below is the maturity schedule for the governmental funds notes and capital lease obligations.

Year Ended December 31,	Principal	Interest	Debt Service
2020	\$ 586,232	28,981	615,213
2021	550,000	16,900	566,900
2022	570,000	5,700	575,700
	<u>\$ 1,706,232</u>	<u>51,581</u>	<u>1,757,813</u>

Business-type Activities

The Hospital is obligated under two leases for equipment that is accounted for as capital leases. Assets under capital leases at December 31, 2019 had a cost of \$52,700, with accumulated depreciation of \$44,795. The following is a schedule by year of future minimum lease payments under the capital lease including interest at a rates of 6.1% with the present value of the future minimum lease payments as of December 31, 2019:

	Interest Rate	Original Amount	Maturity	Due Within One Year
Capital Lease	6.1%	52,700	Oct. 2020	\$ <u>8,205</u>

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	Total Debt Service
Year Ended December 31, 2020	\$ <u>9,144</u>
Total minimum lease payments	9,144
Less amount representing interest	<u>(939)</u>
Present value of future minimum lease payments	\$ <u>8,205</u>

Debt Service Requirements - Debt service requirements for capital leases are funded through the Hospital Funds.

	Balance			Balance
	12/31/18	Additions	Payments	12/31/2019
Capital Lease	\$ <u>18,560</u>	<u>-</u>	<u>(10,355)</u>	<u>8,205</u>

NOTE 8 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its landfill location when it stops accepting waste and to perform certain maintenance and monitoring functions at the location for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as operating expenses and increases the corresponding long term liability in each period based on landfill County used as each balance sheet date.

The \$55,814 included in the landfill closure and post closure care liability at December 31, 2019 represents the cumulative amount expensed by the County to date for its landfill that is registered under Texas Commission on Environmental Quality, less any amounts previously paid. Approximately 10% of the estimated capacity has been used, with \$55,814 of the estimated \$558,144 closing costs to be recognized over the remaining closure period. The volume amount of used capacity and estimated remaining life of the landfill is evaluated annually. Post closure care costs are based on prior estimates and have been adjusted for inflation. Actual costs may differ due to inflation, deflation, changes in technology, or other regulatory changes.

The County is required by state and federal laws and regulations to provide assurance that financial resources will be available for landfill closure, post closure care, and remediation or containment of environmental hazards. The County is in compliance with these requirements by securing a designated line of credit with a local financial institution as a mechanism for providing assurance. The County expects to finance costs through normal operations.

	Balance			Balance
	12/31/18	Additions	Reductions	12/31/19
Landfill closure costs	\$ <u>172,367</u>	<u>-</u>	<u>(116,553)</u>	<u>55,814</u>

NOTE 9 - RESTRICTED NET POSITION

The County established a debt service fund and a capital project fund to account for the transactions affecting the jail and nursing home construction and the related bond's debt service. The amounts in these funds cannot be used for any other purpose than debt service and construction, and accordingly, their fund balances were restricted and the corresponding net assets under full accrual have been restricted.

The construction of the jail and nursing home have both been completed and the corresponding funds have been closed. There were no restricted funds at December 31, 2019.

NOTE 10 - DEFINED BENEFIT PENSION PLAN

Plan Description

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

- a. Yoakum 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:
 - 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.
 - The plan provides retirement, disability and survivor benefits.
 - 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.
 - 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. One is not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the funding valuation. Each year, the County may elect an ad-hoc COLA for its retirees.
 - 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 Yoakum 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.

Employees covered by benefit terms.

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Beneficiaries currently receiving benefits	197
Inactive employees entitled to but not yet receiving benefits	262
Active employees	<u>335</u>
	<u><u>794</u></u>

The employer has elected the annually determined rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both the employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed the actuarially determined rate of 8.31% for the year ended December 31, 2019. The County has elected to contribute 12%. The contribution rate payable by the employee members is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the option available in the TCDRS Act.

NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the County reported a liability of \$5,819,688 for its net pension liability. The net pension liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date. The County's net pension liability was based on the County's long-term contributions to the pension plan relative to the projected contributions of all participating entities of the TCDRS, actuarially determined.

For the year ended December 31, 2019, the County recognized pension expense of approximately \$2,262,726. At December 31, 2019, the County reported deferred outflows and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between actual and expected experience	\$ 83,451	543,085
Net difference between expected and actual earnings		
Investment (gain) or loss	5,444,324	1,984,012
Change in assumptions	212,399	-
Contributions made subsequent to measurement date	<u>2,712,579</u>	<u>-</u>
Total	<u>\$ 8,452,753</u>	<u>2,527,097</u>

An amount of \$2,712,579 is reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	Amount
2019	\$ 1,161,071
2020	560,446
2021	348,473
2022	1,143,087
2023	-
Thereafter	-
	<u>\$ 3,213,077</u>

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2018
Inflation	2.75%
Salary increases (average)	4.9%
Long-term assumed investment rate of return	8.0%

The annual salary increases 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 currently 3.25% and a merit, promotion, and longevity component that varies based on age and longevity.

Mortality rates were based on the RP-2000 Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA. For service retirees, beneficiaries, and non-depositing members, the mortality rates were based on the RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females. For disabled retirees the mortality rates were based on the RP- 2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The actuarial cost method was Entry Age Normal, as required by GASB 68. Straight-line amortization over Expected Working Life with a 5 year smoothing period, and a non-asymptotic recognition method with no corridor were utilized in the actuarial calculations.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

The 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 assumption and information shown in the table below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2019 information for a 10 year time horizon. Note that the valuation assumption for long-term expected return is re-assessed at a minimum of ever four years, and is set based on a 30-year time horizon. The most recent analysis was performed in 2017.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	10.5%	5.40%
Private equity	18.0	8.40
Global equities	2.5	5.70
International equities - developed	10.0	5.40
International equities - emerging	7.0	5.90
Investment – grade bonds	3.0	1.60
Strategic credit	12.0	4.39
Direct lending	11.0	7.95
Distressed debt	2.0	7.20
REIT equities	2.0	4.15
Master limited partnerships	3.0	5.35
Private real estate partnerships	6.0	6.30
Hedge funds	13.0	3.90
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.1% at December 31, 2018. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate

The following presents the net pension liability of the County, calculated using the discount rate of 8.1 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1 percent) or 1-percentage-point higher (9.1 percent) than the current rate:

	<u>1% Decrease (7.1%)</u>	<u>Current Discount Rate (8.1%)</u>	<u>1% Increase (9.1%)</u>
Net pension liability (asset) \$	13,270,248	5,819,688	(480,226)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in the Net Pension (Asset) Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/17	\$ 59,153,478	57,586,234	1,567,244
Changes of the year:			
Service cost	1,666,019	-	1,666,019
Interest	4,787,726	-	4,787,726
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	(533,111)	-	(533,111)
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(3,491,515)	(3,491,515)	-
Contributions - employer	-	1,773,491	(1,773,491)
Contributions - employee	-	1,034,539	(1,034,539)
Net investment income	-	(1,080,454)	1,080,454
Administrative expense	-	(44,797)	44,797
Other	-	(14,589)	14,589
Net changes	<u>2,429,119</u>	<u>(1,823,306)</u>	<u>4,252,425</u>
Balances at 12/31/18	\$ <u>61,582,597</u>	<u>55,762,939</u>	<u>5,819,688</u>

NOTE 11 - EMPLOYEE HEALTH CARE COVERAGE

The County has a self-funded plan for benefits of comprehensive major medical, dental, and vision care. The Texas Association of Counties Pool (Blue Cross Blue Shield of Texas) serves as the third party insurance carrier and administrator. The fund services all claims for risk of loss of group health to which the County is exposed. All departments, with the exception of the Adult Probation department, which is required to use the State's health insurance plan, participate in the fund. The fund allocates the cost of providing claims servicing, claims payments, and reinsurance costs by charging a premium to each department based on number and level of employees participating in the program. The County contributes a set amount per pay period per employee as agreed upon by the County Commissioners. This charge considers recent trends in actual claims experience of the County and makes provisions for catastrophic losses. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The fund's liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

The contract between Yoakum County and the third party administrator is renewable annually and terms of coverage and contribution costs are included in the contractual provisions.

In accordance with state statute, Yoakum County was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Blue Cross/Blue Shield of Texas, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$40,000. Other counties and/or their employees contributed to the self-insurance pool which was operated under contractual provisions of Article 4413(32c), Interlocal Cooperation Act.

NOTE 12 – OTHER POST RETIREMENT BENEFITS

Plan Participants

Full-time employees of the County who meet the County's requirements eligible to participate in the retiree health care plan.

Normal Retirement Benefits

NOTE 12 – OTHER POST RETIREMENT BENEFITS (CONTINUED)

Employees of Yoakum County that are hired, elected, or appointed prior to January 1, 2003 will retain health insurance benefits upon retirement (pursuant to pension service requirements for retirement) for both employee or official and his/her spouse with the premiums being paid by Yoakum County.

An employee or official hired, elected, or appointed after December 31, 2002 who chooses to retire before the age of 60 must elect to retain and pay for his/her and the spouse’s health insurance premiums until the retiree reaches the age of 60; the County will pay the premiums after the age of 60 for both the retiree and spouse if the insurance is retained upon retirement. An employee retiring with dependent children will have the option to pay at their own expense, the difference in premium for family health coverage versus employee/spouse coverage. When the employee turns 65, the dependent health coverage ceases.

Vested Termination Benefit

Members terminating before normal retirement conditions are not eligible for retiree health care.

Death-in-Service Retirement Benefits

The County does not provide death-in-service benefits to a surviving spouse of a TCDRS Employee.

Dental Coverage

The County does not provide dental coverage to retirees.

Life Insurance Coverage

The County provides a \$5,000 life insurance policy to all county retirees.

Benefits for Spouses of Retired Employees

The spouse of a retiree hired prior to January 1, 2003 will be provided health insurance at a cost of \$50 per month. The spouse of a retiree hired after December 31, 2002 will be provided health insurance at a cost of \$50 per month if the retiree is over the age of 60, or if the health insurance was retained by the employee and his/her spouse until the retiree reached the age of 60.

The following table provides a summary of the number of County participants in the plan as of December 31, 2019:

Inactive plan members or beneficiaries currently receiving benefits	119
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	279
	398

The County is not required to make contributions to the plan on behalf for retirees and funds the plan on a projected pay-as-you-go financing method.

Total OPEB Liability

The County’s total OPEB liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2017.

Actuarial assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age
Inflation	2.5% per year
Healthcare cost trend rate	Pre-65: Initial rate of 7.5% declining to an ultimate rate of 6.00% after 7 years; Ultimate trend rate includes a 1.75% adjustment for the excise tax. Post-65: Initial rate of 6.50% to an ultimate rate of 4.25% after 15 years.
Discount rate	3.71% as of December 31, 2018
Salary increases	0.50% to 5.00%, not including wage inflation of 3.25%

NOTE 12 – OTHER POST RETIREMENT BENEFITS (CONTINUED)

The gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with rates for males multiplied by 130% and rates for females multiplied by 110%. For healthy retirees, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.

The rates of post retirement mortality for disabled retirees:

The gender-distinct RP-2014 Disabled Retiree Mortality Tables are used with rates for males multiplied by 130% and rates for females multiplied by 115%. For disabled retirees, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.

The rates of mortality for active members:

The gender-distinct RP-2014 Employee Mortality Tables are used with rates for males and females multiplied by 90%. For active members, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.

Discount rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For purposes of the most recent OPEB valuation, the municipal bond rate is 3.71% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 3.31% as of the prior measurement date.

Changes in the OPEB liability		Total OPEB Liability
Balance at December 31, 2018	\$	61,016,062
Changes for the year		
Service cost		3,562,556
Interest		2,053,331
Changes on benefit terms		-
Difference between expected and actual experience		(57,472)
Changes of assumptions		(3,950,557)
Benefit payments		(1,526,334)
Net changes		<u>81,524</u>
Balance at December 31, 2019	\$	<u><u>61,097,586</u></u>

The following represents the total OPEB liability of the County, calculated using the discount rate of 3.71%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
	(2.71%)	(3.71%)	(4.71%)
County's Total OPEB Liability	\$ 71,711,965	61,097,586	52,653,909

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rate

NOTE 12 – OTHER POST RETIREMENT BENEFITS (CONTINUED)

The following represents the total OPEB liability of the County, calculated using the assumed healthcare cost trend rate, as well as what the County’s total OPEB liability would be if it were using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
County’s Total OPEB Liability	\$ 51,253,294	61,097,586	73,828,414

OPEB Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019 the County recognized total OPEB expense of \$5,712,146.

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between actual and expected experience	\$ -	48,412
Change in assumptions	3,162,494	3,327,794
Contributions made subsequent to measurement date	1,497,555	-
Total	\$ 4,660,049	3,376,206

\$1,497,555 reported as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability as of December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	Amount
2020	\$ 96,259
2021	96,259
2022	96,259
2023	96,259
2024	(381,657)
Thereafter	(217,091)
	\$ (213,712)

NOTE 13 – MEDICAL MALPRACTICE CLAIMS

The Hospital and the Community are units of government covered by the Texas Tort Claims Act which, by statute, limits its liability to \$100,000 per individual and \$300,000 aggregate per claim. The Hospital is self-insured for amounts not covered under statute. Losses from asserted and unasserted claims incorporate the Hospital’s past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. It is reasonably possible that the Hospital’s estimate of losses will change by a material amount in the near term.

Activity in the Hospital’s accrued medical malpractice claims liability during 2019 is summarized as follows:

Balance at beginning of the year	\$ 136,000
Current year change in estimates for claims incurred in prior years	(16,000)
Balance at end of year	\$ 120,000

NOTE 14 - AGREEMENTS FOR MANAGEMENT SERVICES

In September 2018, the County entered into a contract with 24 Karat Ventures, LLC to manage the operation of the Community. The contract effective November 1, 2018 is for 3 years and 24 Karat Ventures receives a management fee of 5% of resident collections, with a minimum monthly management fee of \$13,000. Total management fees expense recorded as of December 31, 2019 is \$162,851.

NOTE 15 - MEDICAID SUPPLEMENTAL PAYMENT PROGRAMS

During fiscal year 2010, the Hospital entered into an affiliation agreement with the Service Organization of West Texas (SOWT), a group established to improve the level of health care provided to the indigent population of the Hospital by strategically allocating the available community health care resources and the burden of providing services. This agreement is intended to increase funding for the Medicaid population and to access federal funding for the indigent population through the Texas Medicaid supplemental payment programs. Under these programs, the Hospital contributes certain government funds to the state of Texas. SOWT funds certain costs of care to the Medicaid and Non-Medicaid indigent in the County and surrounding areas. These services were valued at approximately \$399,208 for the year ended December 31, 2019.

On December 12, 2011, the United States Department of Health and Human Services approved a Medicaid Section 1115(a) demonstration project entitled "Texas Health Transformation Quality Improvement Program" (the Waiver). The Waiver expanded existing Medicaid managed care programs and established two funding pools that assist providers with uncompensated care costs (UC Pool) and promote health system transformation (DSRIP Pool). The revenue from the two funding pools is recognized as earned throughout the related demonstration year. Total revenue recognized from these programs was approximately \$1,832,000 for the years ended December 31, 2019 and is included as supplemental Medicaid funding in the accompanying statements of revenues, expenses and changes in net position.

The Waiver was originally effective from October 1, 2011, to December 31, 2017. On December 21, 2017, the Texas Health & Human Services Commission (HHSC) announced CMS has agreed to extend the waiver through 9/30/2022. The programs described above are subject to review and scrutiny by both the Texas Legislature and the CMS and the programs could be modified or terminated based on new legislation or regulation in future periods.

NOTE 16 – RECENT ACCOUNTING PRONOUNCEMENTS

In November 2016, GASB issued Statement No. 83 ("GASB 83"), *Certain Asset Retirement Obligations* (ARO). GASB 83 establishes uniform criteria for governments to recognize and measure certain asset retirement obligations, defined as a legally enforceable liability associated with the retirement of a tangible capital asset. An ARO is recognized when the liability is incurred, which is manifested by the occurrence of both an external obligating event (such as a legally binding contract or a court judgment) and an internal obligating event (such as placing a tangible capital asset into service). A government also recognizes a deferred outflow of resources when it recognizes an ARO liability. The ARO is measured at the best estimate of the current value of outlays expected to be incurred. Additional note disclosures are required. GASB 83 is effective for reporting periods beginning after June 15, 2019. The County has determined that no know AROs exist; therefore, adopted the Statement with no modification.

In June 2018, GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* ("GASB 88"). GASB 88 specifies disclosures that should be made in the financial statements related to debt. It also provides a definition of debt so that governments know which types of liabilities should be included in those disclosures. If a government has direct borrowings or direct placements, disclosures related to these should be provided separately from disclosures related to other types of debt. This statement is effective for reporting periods beginning after June 15, 2019. The County has adopted this statement and revised note disclosures.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The implementation of the Statement was postponed by Statement No. 95 to reporting periods beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The County has implemented this statement and the fiduciary activities have been restated.

NOTE 16 – RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In August 2018, the GASB issued Statement No. 90, an amendment of Statements No. 14 and No. 61, Majority Equity Interests. The implementation of Statement No. 90 was postponed by Statement No. 95. The new effective date is for reporting periods beginning after December 15, 2019. Statement No. 90 modifies previous guidance for reporting a government's majority equity interest in a separate organization. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. There are no equity interests, and the implementation of this Statement had no effect on the County's financial statements.

NOTE 17 – NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at December 31, 2019.

GASB Statement No. 87, Leases. Effective for fiscal years beginning after December 15, 2019

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2019.

GASB Statement No. 91, Conduit Debt Obligations. Effective for reporting periods beginning after December 15, 2020.

The County will implement the new GASB pronouncements in the fiscal year no later than the required effective date.

NOTE 18 – RESTATEMENTS

In the implementation of GASB Statement No. 84 relating to the presentation of fiduciary activities, the County adjusted the beginning net position of the custodial fund \$4,957,616.

County management identified certain capital items that had not been capitalized in the prior fiscal year. As a result, net position for the government activities in the government-wide financial statements was restated to account for those items. The beginning net position for government activities was restated by \$1,488,351.

Certain errors resulting in an understatement of previously reported assets were discovered during the current year in the Nursing Home Fund. Accordingly, an adjustment of \$210,139 was made during 2019 to correct the assets as of the beginning of the year. A corresponding entry was made to increase previously reported net assets by \$210,139.

NOTE 19 – COVID-19

The COVID-19 pandemic developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have had an adverse affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our staff and County residents (including social distancing and working from home).

The County has received financial assistance from both the State of Texas and the Federal government through various grant programs designed to limit the spread of the virus and to provide vaccines for county residents.

The County's evaluation of the effects of these events is ongoing as of the date the accompanying financial statements were issued. The extent of the impact will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF TEXAS
YOAKUM COUNTY**

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 13,358,176	13,358,176	15,542,951	2,184,775
Intergovernmental	240,210	240,210	213,813	(26,397)
Permits and charges for services	583,711	583,711	931,179	347,468
Other	<u>450,000</u>	<u>450,000</u>	<u>900,060</u>	<u>450,060</u>
<i>Total revenues</i>	<u>14,632,097</u>	<u>14,632,097</u>	<u>17,588,003</u>	<u>2,955,906</u>
Expenditures				
Current				
County judge	249,093	249,093	299,161	(50,068)
Commissioners' court	31,120	31,120	26,808	4,312
County clerk	388,128	388,128	363,056	25,072
Human resources	98,445	98,445	94,471	3,974
Veteran services	20,418	20,418	384	20,034
Administrative and general	2,615,335	2,615,335	2,276,867	338,468
Judicial	152,394	152,394	56,225	96,169
District judge	134,755	134,755	131,045	3,710
District clerk	291,853	291,853	278,123	13,730
Justice of the peace #1	202,954	202,954	186,441	16,513
Justice of the peace #2	277,172	277,172	270,519	6,653
Criminal district attorney	421,186	421,186	390,751	30,435
County auditor	314,118	314,118	296,167	17,951
County treasurer	273,974	273,974	270,027	3,947
Tax assessor/collector	487,376	487,376	474,161	13,215
Maintenance	992,828	992,828	669,029	323,799
County sheriff	2,083,177	2,083,177	2,058,776	24,401
Juvenile probation	189,181	189,181	169,071	20,110
Health and sanitation	299,520	299,520	259,324	40,196
Welfare	14,000	14,000	-	14,000
Plains library	214,272	214,272	190,719	23,553
Denver city library	279,621	279,621	273,452	6,169
Parks and recreation	1,231,119	1,231,119	1,082,096	149,023
County agricultural agent	129,450	129,450	59,096	70,354
County health agent	47,028	47,028	17,872	29,156
Elections	48,945	48,945	23,736	25,209
Non departmental	2,459,156	2,459,156	1,175,973	1,283,183
Capital outlay	<u>538,285</u>	<u>538,285</u>	<u>255,177</u>	<u>283,108</u>
<i>Total expenditures</i>	<u>14,484,903</u>	<u>14,484,903</u>	<u>11,648,527</u>	<u>2,836,376</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>147,194</u>	<u>147,194</u>	<u>5,939,476</u>	<u>5,792,282</u>
Other financing sources (uses):				
Transfers	(3,933,555)	(3,933,555)	(2,298,339)	1,635,216
<i>Total other financing sources (uses)</i>	<u>(3,933,555)</u>	<u>(3,933,555)</u>	<u>(2,298,339)</u>	<u>1,635,216</u>
Net changes in fund balances	(3,786,361)	(3,786,361)	3,641,137	\$ <u>7,427,498</u>
Fund balance - beginning of year	<u>21,870,331</u>	<u>21,870,331</u>	<u>21,870,331</u>	
Fund balance, end of year	<u>\$ 18,083,970</u>	<u>18,083,970</u>	<u>25,511,468</u>	

**STATE OF NEW MEXICO
YOAKUM COUNTY**

FARM/MARKET LATERAL ROADS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,901,660	2,901,660	2,111,108	(790,552)
Interest and other	<u>1,500</u>	<u>1,500</u>	<u>8,761</u>	<u>7,261</u>
<i>Total revenues</i>	<u>2,903,160</u>	<u>2,903,160</u>	<u>2,119,869</u>	<u>(783,291)</u>
Expenditures				
Current				
Public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,903,160</u>	<u>2,903,160</u>	<u>2,119,869</u>	<u>(783,291)</u>
Other financing sources (uses):				
Transfers	(2,903,160)	(2,903,160)	(2,880,340)	<u>22,820</u>
<i>Total other financing sources (uses)</i>	<u>(2,903,160)</u>	<u>(2,903,160)</u>	<u>(2,880,340)</u>	<u>22,820</u>
Net changes in fund balances	-	-	(760,471)	\$(<u>760,471</u>)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	<u>(760,471)</u>	

**STATE OF TEXAS
YOAKUM COUNTY**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

YEAR ENDED DECEMBER 31, 2019

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 1,666,019	1,664,232	1,794,323	1,651,217	1,625,361
Interest (on total pension liability)	4,787,726	4,510,469	4,262,067	4,034,107	3,781,757
Effects of plan change	-	-	-	(313,979)	-
Difference between expected and actual experience	(533,111)	166,903	(573,007)	(151,993)	169,636
Change in assumptions	-	424,799	-	710,538	-
Benefit payments, including refunds of employee contributions	<u>(3,491,515)</u>	<u>(3,204,611)</u>	<u>(3,197,976)</u>	<u>(2,792,530)</u>	<u>(2,549,057)</u>
Net change in total pension liability	2,429,119	3,561,792	2,285,407	3,137,360	3,027,697
Total pension liability - beginning	<u>59,153,477</u>	<u>55,591,685</u>	<u>53,306,278</u>	<u>50,168,918</u>	<u>47,141,221</u>
Total pension liability - ending (a)	<u>\$ 61,582,596</u>	<u>59,153,477</u>	<u>55,591,685</u>	<u>53,306,278</u>	<u>50,168,918</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,773,491	1,730,230	1,766,707	1,619,006	1,652,615
Contributions - employee	1,034,539	1,009,304	997,056	977,555	983,241
Net investment income	(1,080,454)	7,393,364	3,523,998	170,612	3,050,649
Benefit payments, including refunds of employee contributions	(3,491,515)	(3,204,611)	(3,197,976)	(2,792,530)	(2,549,057)
Administrative expense	(44,797)	(38,297)	(38,410)	(34,320)	(35,472)
Other	<u>(14,589)</u>	<u>(6,594)</u>	<u>(78,548)</u>	<u>148,913</u>	<u>55,837</u>
Net change in plan fiduciary net position	(1,823,325)	6,883,396	2,972,827	89,236	3,157,813
Plan fiduciary net position - beginning	<u>57,586,232</u>	<u>50,702,836</u>	<u>47,730,009</u>	<u>47,640,773</u>	<u>44,482,960</u>
Plan fiduciary net positions - ending (b)	<u>\$ 55,762,907</u>	<u>57,586,232</u>	<u>50,702,836</u>	<u>47,730,009</u>	<u>47,640,773</u>
Net Pension Liability/(asset), ending (a)-(b)	<u>5,819,688</u>	<u>1,567,245</u>	<u>4,888,849</u>	<u>5,576,269</u>	<u>2,528,145</u>
Plan fiduciary net position as a percentage of total pension liability	90.55%	97.35%	91.21%	89.54%	94.96%
Covered employee payroll	\$ 14,779,131	14,418,630	14,243,659	13,965,075	13,471,245
County's net pension liability as a percentage of covered employee payroll	39.38%	10.87%	34.32%	39.93%	18.77%

NOTE: The County implemented GASB Statement No. 68 in fiscal year 2015. Information in this table has been determined as of the measurement date (December 31, 2017) of the net pension liability and will ultimately contain information for ten years. However, until a full ten-year trend is available, only the years available will be included.

**STATE OF TEXAS
YOAKUM COUNTY**

SCHEDULE OF CONTRIBUTIONS

YEAR ENDED DECEMBER 31, 2019

	Actuarially Determined Contribution	Employer Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
12/31/2018	\$ 1,228,146	1,773,491	(545,345)	14,779,131	12.00%
12/31/2017	1,216,932	1,730,230	(513,298)	14,418,630	12.00%
12/31/2016	1,297,597	1,766,707	(469,110)	14,243,659	12.40%
12/31/2015	1,294,562	1,619,006	(324,444)	13,965,075	11.59%
12/31/2014	1,289,198	1,652,615	(363,417)	13,471,245	12.27%
12/31/2013	1,238,519	1,561,177	(322,658)	12,996,006	12.01%
12/31/2012	1,160,243	1,492,272	(332,029)	12,435,612	12.00%
12/31/2011	1,115,819	1,455,415	(339,596)	12,128,470	12.00%
12/31/2010	1,079,202	1,230,710	(151,508)	11,654,447	10.56%
12/31/2009	1,086,429	1,205,114	(118,685)	11,412,067	10.56%
12/31/2008	1,038,566	1,079,590	(41,024)	10,795,903	10.00%
12/31/2007	918,030	948,378	(30,348)	9,483,785	10.00%

Notes to Schedule of Contributions

Valuation date: actuarially determined contribution rates are calculated as of 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 normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	4.2 years
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 mortality assumptions were reflected. 2017: new mortality assumptions were reflected. 2015: no changes in plan provisions were reflected in the schedule.
Changes in Plan Provisions 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 change in plan provisions were reflected in the schedule.

*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the notes to schedule.

**STATE OF TEXAS
YOAKUM COUNTY**

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 3,562,556	3,079,139
Interest (on the total OPEB liability)	2,053,331	2,038,550
Changes of benefit terms	-	-
Difference between expected and actual experience	(57,472)	-
Change of assumptions	(3,950,557)	4,618,658
Benefit payments	<u>(1,526,334)</u>	<u>(1,371,926)</u>
Net change in total OPEB liability	81,524	8,364,421
Total OPEB liability - beginning	<u>61,016,062</u>	<u>52,651,641</u>
Total OPEB liability - ending (a)	<u>\$ 61,097,586</u>	<u>61,016,062</u>
Covered payroll	12,149,445	13,052,157
County's total OPEB liability as a percentage	502.88%	467.48%

Note: The County implemented GASB Statement No. 75 in FY 2018. Information in this table has been determined as of the measurement date (December 31) of the total OPEB liability and will ultimately contain information for ten years.

Changes in assumptions: reflect a change in the discount rate from 3.31% as of December 31, 2017 to 3.71% as of measurement date December 31, 2018.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OTHER SUPPLEMENTARY INFORMATION

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2019

	<u>Road and Bridge Precinct 1</u>	<u>Road and Bridge Precinct 2</u>	<u>Road and Bridge Precinct 3</u>
	151	152	153
ASSETS			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 1,725,692	1,276,236	1,036,493
Investments	742,167	1,208,872	183,426
Taxes receivable, net	-	-	-
Intergovernmental receivables	-	-	-
Due from agency and other funds	79,534	79,534	79,534
Prepaid expenses	<u>4,009</u>	<u>4,021</u>	<u>3,623</u>
<i>Total current assets</i>	<u>\$ 2,551,402</u>	<u>2,568,663</u>	<u>1,303,076</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
<i>Current liabilities:</i>			
Accounts payable	\$ 6,182	4,532	5,558
Accrued payroll liabilities	16,029	15,583	15,520
Due to other funds	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
<i>Total current liabilities</i>	<u>47,211</u>	<u>45,115</u>	<u>46,078</u>
<i>Deferred inflows:</i>			
Unavailable revenue - tax revenue	-	-	-
Unavailable revenue - advance tax collections	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances (deficit)</i>			
Nonspendable	4,009	4,021	3,623
Restricted	2,500,182	2,519,527	1,253,375
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balance (deficit)</i>	<u>2,504,191</u>	<u>2,523,548</u>	<u>1,256,998</u>
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	<u>\$ 2,551,402</u>	<u>2,568,663</u>	<u>1,303,076</u>

Road and Bridge Precinct 4	City Streets	Road and Bridge	Lateral Road	Jury	County Clerk Records Management
154	155	160	180	200	210
387,394	50,086	1	-	347,974	167,996
911,447	-	-	-	601,519	57,813
-	-	321,206	-	74,428	-
-	-	-	-	10,356	-
79,546	100,000	37,528	-	8,692	2,513
3,576	-	-	-	-	-
<u>1,381,963</u>	<u>150,086</u>	<u>358,735</u>	<u>-</u>	<u>1,042,969</u>	<u>228,322</u>
28,688	-	-	-	-	-
15,947	-	-	-	3,758	-
25,000	-	37,529	-	-	-
<u>69,635</u>	<u>-</u>	<u>37,529</u>	<u>-</u>	<u>3,758</u>	<u>-</u>
-	-	316,878	-	73,425	-
-	-	106,006	-	24,563	-
-	-	422,884	-	97,988	-
3,576	-	-	-	-	-
1,308,752	150,086	-	-	941,223	228,322
-	-	(101,678)	-	-	-
<u>1,312,328</u>	<u>150,086</u>	<u>(101,678)</u>	<u>-</u>	<u>941,223</u>	<u>228,322</u>
<u>1,381,963</u>	<u>150,086</u>	<u>358,735</u>	<u>-</u>	<u>1,042,969</u>	<u>228,322</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2019

	County Clerk Records Archives 211	District Clerk Records Management 212	Family Protection 213
ASSETS			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 255,454	6,065	1,428
Investments	-	-	-
Taxes receivable, net	-	-	-
Intergovernmental receivables	-	-	-
Due from agency and other funds	2,512	37	30
Prepaid expenses	-	-	-
<i>Total current assets</i>	\$ 257,966	6,102	1,458
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
<i>Current liabilities:</i>			
Accounts payable	\$ -	-	-
Accrued payroll liabilities	-	-	-
Due to other funds	-	-	-
<i>Total current liabilities</i>	-	-	-
<i>Deferred inflows:</i>			
Unavailable revenue - tax revenue	-	-	-
Unavailable revenue - advance tax collections	-	-	-
<i>Total deferred inflows</i>	-	-	-
<i>Fund balances (deficit)</i>			
Nonspendable	-	-	-
Restricted	257,966	6,102	1,458
Unassigned	-	-	-
<i>Total fund balance (deficit)</i>	257,966	6,102	1,458
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	\$ 257,966	6,102	1,458

Child Abuse Prevention 214	District Clerk Records Archives 215	County and District Court Technology 216	Justice Court Technology JP1 217	Justice Court Technology JP2 218
341	5,634	2,956	28,329	10,996
-	-	-	-	-
-	-	-	-	-
-	36	7	336	143
-	-	-	-	-
<u>341</u>	<u>5,670</u>	<u>2,963</u>	<u>28,665</u>	<u>11,139</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
341	5,670	2,963	28,665	11,139
-	-	-	-	-
<u>341</u>	<u>5,670</u>	<u>2,963</u>	<u>28,665</u>	<u>11,139</u>
<u>341</u>	<u>5,670</u>	<u>2,963</u>	<u>28,665</u>	<u>11,139</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2019

	<u>Courthouse Security</u>	<u>Justice Court Building Security</u>	<u>Specialty Court Fund</u>
	220	221	225
ASSETS			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 41,853	3,175	-
Investments	-	-	-
Taxes receivable, net	-	-	-
Intergovernmental receivables	-	-	-
Due from agency and other funds	379	120	-
Prepaid expenses	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total current assets</i>	\$ <u>42,232</u>	<u>3,295</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
<i>Current liabilities:</i>			
Accounts payable	\$ -	-	-
Accrued payroll liabilities	-	-	-
Due to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows:</i>			
Unavailable revenue - tax revenue	-	-	-
Unavailable revenue - advance tax collections	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total deferred inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances (deficit)</i>			
Nonspendable	-	-	-
Restricted	42,232	3,295	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total fund balance (deficit)</i>	<u>42,232</u>	<u>3,295</u>	<u>-</u>
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	\$ <u>42,232</u>	<u>3,295</u>	<u>-</u>

Criminal District Attorney	Pretrial Diversion	Truancy Prevention and Diversion	Jail Commissary	Law Library	Probate Education
<u>230</u>	<u>232</u>	<u>233</u>	<u>235</u>	<u>260</u>	<u>270</u>
7,271	20,913	-	19,625	3,716	994
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,915	175	5
-	-	-	-	-	-
<u>7,271</u>	<u>20,913</u>	<u>-</u>	<u>28,540</u>	<u>3,891</u>	<u>999</u>
-	-	-	593	-	-
-	-	-	-	-	-
-	4,499	-	-	-	-
-	4,499	-	593	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,271	16,414	-	27,947	3,891	999
-	-	-	-	-	-
<u>7,271</u>	<u>16,414</u>	<u>-</u>	<u>27,947</u>	<u>3,891</u>	<u>999</u>
<u>7,271</u>	<u>20,913</u>	<u>-</u>	<u>28,540</u>	<u>3,891</u>	<u>999</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2019

	Abandoned Vehicles	Special Video	TAC Special Inventory
	277	280	295
ASSETS			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 676	7,410	1,274
Investments	-	-	-
Taxes receivable, net	-	-	-
Intergovernmental receivables	-	-	-
Due from agency and other funds	-	15	181
Prepaid expenses	-	-	-
	-	-	-
<i>Total current assets</i>	\$ 676	7,425	1,455
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
<i>Current liabilities:</i>			
Accounts payable	\$ -	-	-
Accrued payroll liabilities	-	-	-
Due to other funds	-	-	-
	-	-	-
<i>Total current liabilities</i>	-	-	-
<i>Deferred inflows:</i>			
Unavailable revenue - tax revenue	-	-	-
Unavailable revenue - advance tax collections	-	-	-
	-	-	-
<i>Total deferred inflows</i>	-	-	-
<i>Fund balances (deficit)</i>			
Nonspendable	-	-	-
Restricted	676	7,425	1,455
Unassigned	-	-	-
	-	-	-
<i>Total fund balance (deficit)</i>	676	7,425	1,455
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	\$ 676	7,425	1,455

Yoakum County Forfeiture	Sheriff's Office Seizure Fund	Sheriff's Office Forfeiture Fund	CDA Forfeiture Fund	CDA Seizure Fund	YC Records Management
300	304	305	306	307	320
8	4,267	3,665	4,076	315	20,171
-	-	-	-	-	-
-	-	-	-	-	-
-	-	913	491	-	85
-	-	-	-	-	-
<u>8</u>	<u>4,267</u>	<u>4,578</u>	<u>4,567</u>	<u>315</u>	<u>20,256</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	1,404	-	-	-	-
-	1,404	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8	2,863	4,578	4,567	315	20,256
-	-	-	-	-	-
<u>8</u>	<u>2,863</u>	<u>4,578</u>	<u>4,567</u>	<u>315</u>	<u>20,256</u>
<u>8</u>	<u>4,267</u>	<u>4,578</u>	<u>4,567</u>	<u>315</u>	<u>20,256</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2019

	Court Records Preservation 321	Yoakum County Airport 340	Yoakum County Landfill 360
ASSETS			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 5,012	1,446	1,020,666
Investments	-	-	-
Taxes receivable, net	-	-	-
Intergovernmental receivables	-	-	-
Due from agency and other funds	26	-	-
Prepaid expenses	-	-	341
<i>Total current assets</i>	<u>\$ 5,038</u>	<u>1,446</u>	<u>1,021,007</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
<i>Current liabilities:</i>			
Accounts payable	\$ -	340	3,061
Accrued payroll liabilities	-	-	7,499
Due to other funds	-	-	-
<i>Total current liabilities</i>	<u>-</u>	<u>340</u>	<u>10,560</u>
<i>Deferred inflows:</i>			
Unavailable revenue - tax revenue	-	-	-
Unavailable revenue - advance tax collections	-	-	-
<i>Total deferred inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances (deficit)</i>			
Nonspendable	-	-	-
Restricted	5,038	1,106	1,010,447
Unassigned	-	-	-
<i>Total fund balance (deficit)</i>	<u>5,038</u>	<u>1,106</u>	<u>1,010,447</u>
<i>Total liabilities, deferred inflows, and fund balance (deficit)</i>	<u>\$ 5,038</u>	<u>1,446</u>	<u>1,021,007</u>

HAVA Grant Fund	Justice Assistance Grant	Library Grants	Nursing Home Debt	Permanent Improvement	Total Non-Major Funds
380	384	390	620	700	
-	302	4,823	684	560,770	7,036,187
-	-	-	-	1,051	3,706,295
-	-	-	430,776	1,244,314	2,070,724
-	-	-	-	-	10,356
-	-	-	50,138	144,791	676,216
-	-	-	-	-	15,570
<u>-</u>	<u>302</u>	<u>4,823</u>	<u>481,598</u>	<u>1,950,926</u>	<u>13,515,348</u>
-	-	-	-	63,949	112,903
-	-	-	-	-	74,336
-	-	-	53,102	-	196,534
<u>-</u>	<u>-</u>	<u>-</u>	<u>53,102</u>	<u>63,949</u>	<u>383,773</u>
-	-	-	424,971	1,227,547	2,042,821
-	-	-	142,166	410,654	683,389
-	-	-	567,137	1,638,201	2,726,210
-	-	-	-	-	15,229
-	302	4,823	-	248,776	10,630,455
-	-	-	(138,641)	-	(240,319)
<u>-</u>	<u>302</u>	<u>4,823</u>	<u>(138,641)</u>	<u>248,776</u>	<u>10,405,365</u>
<u>-</u>	<u>302</u>	<u>4,823</u>	<u>481,598</u>	<u>1,950,926</u>	<u>13,515,348</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Road and Bridge Precinct 1	Road and Bridge Precinct 2	Road and Bridge Precinct 3
	<u>151</u>	<u>152</u>	<u>153</u>
Revenues			
Taxes	\$ 113,332	113,337	113,333
Intergovernmental	-	-	-
Permits and charges for service	16,283	16,283	17,283
Interest and other	<u>62,481</u>	<u>64,237</u>	<u>37,494</u>
<i>Total revenues</i>	<u>192,096</u>	<u>193,857</u>	<u>168,110</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	719,743	751,786	867,511
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	383,145	325,474	103,824
Debt service			
Principal	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>1,102,888</u>	<u>1,077,260</u>	<u>971,335</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(910,792)</u>	<u>(883,403)</u>	<u>(803,225)</u>
Other financing sources (uses):			
Proceeds from bonds and notes payable	-	-	-
Transfers in	798,366	798,367	798,367
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>798,366</u>	<u>798,367</u>	<u>798,367</u>
Net changes in fund balances	(112,426)	(85,036)	(4,858)
Fund balances (deficit) - beginning of year	<u>2,616,617</u>	<u>2,608,584</u>	<u>1,261,856</u>
Fund balances (deficit) - end of year	<u>\$ 2,504,191</u>	<u>2,523,548</u>	<u>1,256,998</u>

Road and Bridge Precinct 4	City Streets	Road and Bridge	Lateral Road	Jury	County Clerk Records Management
154	155	160	180	200	210
113,334	-	309,975	-	95,512	-
-	-	-	16,281	64,876	-
13,283	-	-	-	-	37,953
<u>35,936</u>	<u>3,344</u>	<u>1,473</u>	<u>18</u>	<u>21,229</u>	<u>5,189</u>
<u>162,553</u>	<u>3,344</u>	<u>311,448</u>	<u>16,299</u>	<u>181,617</u>	<u>43,142</u>
-	-	-	-	-	-
-	-	-	-	115,451	21,729
896,143	111,264	-	16,299	-	-
-	-	-	-	-	-
-	-	-	-	-	-
279,338	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,175,481</u>	<u>111,264</u>	<u>-</u>	<u>16,299</u>	<u>115,451</u>	<u>21,729</u>
(1,012,928)	(107,920)	311,448	-	66,166	21,413
-	-	-	-	-	-
798,367	100,000	-	-	-	-
<u>-</u>	<u>-</u>	<u>(413,127)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>798,367</u>	<u>100,000</u>	<u>(413,127)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(214,561)	(7,920)	(101,679)	-	66,166	21,413
<u>1,526,889</u>	<u>158,006</u>	<u>1</u>	<u>-</u>	<u>875,057</u>	<u>206,909</u>
<u>1,312,328</u>	<u>150,086</u>	<u>(101,678)</u>	<u>-</u>	<u>941,223</u>	<u>228,322</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>County Clerk</u>	<u>District Clerk</u>	
	Records Archives	Records Management	Family Protection
	<u>211</u>	<u>212</u>	<u>213</u>
Revenues			
Taxes	\$ -	-	-
Intergovernmental	-	-	-
Permits and charges for service	37,909	730	510
Interest and other	<u>5,686</u>	<u>137</u>	<u>24</u>
<i>Total revenues</i>	<u>43,595</u>	<u>867</u>	<u>534</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>43,595</u>	<u>867</u>	<u>534</u>
Other financing sources (uses):			
Proceeds from bonds and notes payable	-	-	-
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	43,595	867	534
Fund balances (deficit) - beginning of year	<u>214,371</u>	<u>5,235</u>	<u>924</u>
Fund balances (deficit) - end of year	<u>\$ 257,966</u>	<u>6,102</u>	<u>1,458</u>

Child Abuse Prevention	District Clerk Records Archives	County and District Court Technology	Justice Court Technology JP1	Justice Court Technology JP2
214	215	216	217	218
-	-	-	-	-
-	-	-	-	-
-	664	157	3,246	1,933
<u>8</u>	<u>128</u>	<u>69</u>	<u>643</u>	<u>239</u>
<u>8</u>	<u>792</u>	<u>226</u>	<u>3,889</u>	<u>2,172</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>8</u>	<u>792</u>	<u>226</u>	<u>3,889</u>	<u>2,172</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8	792	226	3,889	2,172
<u>333</u>	<u>4,878</u>	<u>2,737</u>	<u>24,776</u>	<u>8,967</u>
<u>341</u>	<u>5,670</u>	<u>2,963</u>	<u>28,665</u>	<u>11,139</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Courthouse Security</u>	<u>Justice Court Building Security</u>	<u>Specialty Court Fund</u>
	220	221	225
Revenues			
Taxes	\$ -	-	-
Intergovernmental	-	-	-
Permits and charges for service	4,201	1,390	-
Interest and other	<u>958</u>	<u>1,905</u>	<u>-</u>
<i>Total revenues</i>	<u>5,159</u>	<u>3,295</u>	<u>-</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,159</u>	<u>3,295</u>	<u>-</u>
Other financing sources (uses):			
Proceeds from bonds and notes payable	-	-	-
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	5,159	3,295	-
Fund balances (deficit) - beginning of year	<u>37,073</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - end of year	<u>\$ 42,232</u>	<u>3,295</u>	<u>-</u>

Criminal District Attorney	Pretrial Diversion	Truancy Prevention and Diversion	Jail Commissary	Law Library	Probate Education
230	232	233	235	260	270
-	-	-	-	-	-
-	-	-	-	-	-
-	10,677	-	22,877	3,238	121
<u>176</u>	<u>379</u>	<u>-</u>	<u>335</u>	<u>74</u>	<u>25</u>
<u>176</u>	<u>11,056</u>	<u>-</u>	<u>23,212</u>	<u>3,312</u>	<u>146</u>
-	-	-	-	-	-
-	4,499	-	15,269	2,950	231
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>4,499</u>	<u>-</u>	<u>15,269</u>	<u>2,950</u>	<u>231</u>
<u>176</u>	<u>6,557</u>	<u>-</u>	<u>7,943</u>	<u>362</u>	<u>(85)</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
176	6,557	-	7,943	362	(85)
<u>7,095</u>	<u>9,857</u>	<u>-</u>	<u>20,004</u>	<u>3,529</u>	<u>1,084</u>
<u>7,271</u>	<u>16,414</u>	<u>-</u>	<u>27,947</u>	<u>3,891</u>	<u>999</u>

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Abandoned Vehicles	Special Video	TAC Special Inventory
	277	280	295
Revenues			
Taxes	\$ -	-	-
Intergovernmental	-	-	-
Permits and charges for service	-	444	-
Interest and other	16	173	212
	<u>16</u>	<u>617</u>	<u>212</u>
<i>Total revenues</i>	<u>16</u>	<u>617</u>	<u>212</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>16</u>	<u>617</u>	<u>212</u>
Other financing sources (uses):			
Proceeds from bonds and notes payable	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	16	617	212
Fund balances (deficit) - beginning of year	<u>660</u>	<u>6,808</u>	<u>1,243</u>
Fund balances (deficit) - end of year	<u>\$ 676</u>	<u>7,425</u>	<u>1,455</u>

Yoakum County Forfeiture	Sheriff's Office Seizure Fund	Sheriff's Office Forfeiture Fund	CDA Forfeiture Fund	CDA Seizure Fund	YC Records Management
300	304	305	306	307	320
-	-	-	-	-	-
-	1,642	-	-	-	-
-	-	-	-	-	1,715
-	82	89	99	8	778
-	1,724	89	99	8	2,493
-	-	-	-	-	-
-	-	-	-	-	13,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	13,000
-	1,724	89	99	8	(10,507)
-	-	-	-	-	-
-	-	913	491	-	-
-	(1,404)	-	-	-	-
-	(1,404)	913	491	-	-
-	320	1,002	590	8	(10,507)
8	2,543	3,576	3,977	307	30,763
8	2,863	4,578	4,567	315	20,256

**STATE OF TEXAS
YOAKUM COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Court Records Preservation 321	Yoakum County Airport 340	Yoakum County Landfill 360
Revenues			
Taxes	\$ -	-	-
Intergovernmental	-	2,147	-
Permits and charges for service	589	8,000	252,381
Interest and other	114	39	24,418
<i>Total revenues</i>	703	10,186	276,799
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	9,443	339,791
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	50,116
Interest	-	-	2,434
<i>Total expenditures</i>	-	9,443	392,341
<i>Excess (deficiency) of revenues over expenditures</i>	703	743	(115,542)
Other financing sources (uses):			
Proceeds from bonds and notes payable	-	-	-
Transfers in	-	-	423,124
Transfers out	-	-	-
<i>Total other financing sources (uses)</i>	-	-	423,124
Net changes in fund balances	703	743	307,582
Fund balances (deficit) - beginning of year	4,335	363	702,865
Fund balances (deficit) - end of year	\$ 5,038	1,106	1,010,447

HAVA Grant Fund	Justice Assistance Grant	Library Grants	Nursing Home Debt	Permanent Improvement	Total Non-Major Funds
380	384	390	620	700	
-	-	-	427,733	207,560	1,494,116
-	29,700	24,900	-	-	139,546
-	-	-	-	-	451,867
-	-	-	1,590	9,270	279,075
-	29,700	24,900	429,323	216,830	2,364,604
-	-	-	-	-	-
-	29,700	-	-	-	202,829
-	-	-	-	28,402	3,740,382
-	-	20,344	-	-	20,344
-	-	-	-	-	-
-	-	-	-	128,544	1,220,325
-	-	-	520,000	-	570,116
-	-	-	37,440	-	39,874
-	29,700	20,344	557,440	156,946	5,793,870
-	-	4,556	(128,117)	59,884	(3,429,266)
-	-	-	-	-	-
-	-	-	-	-	3,717,995
-	-	-	-	-	(414,531)
-	-	-	-	-	3,303,464
-	-	4,556	(128,117)	59,884	(125,802)
-	302	267	(10,524)	188,892	10,531,167
-	302	4,823	(138,641)	248,776	10,405,365