

MEDINA COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2020

MEDINA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable County Judge and
Commissioners' Court
Hondo, Texas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OFFICE LOCATIONS

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Medina County, Texas, as of September 30, 2020, 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 management's discussion and analysis, budgetary comparison information, pension and other post-employment benefit be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Medina County Texas' basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021 on our consideration of Medina County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Medina County, Texas' internal control over financial reporting and compliance.

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

Waco, Texas
March 29, 2021

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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Management's Discussion and Analysis

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

Financial Highlights

- The assets and deferred outflows of Medina County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$45,062,331.
- The County's total net position increased by \$2,971,107.
- Unrestricted net position of \$13,414,849 is available to meet the County's ongoing obligations to citizens and creditors.
- Restricted net position of \$2,366,624 are funds set aside for specific purposes.
- As of the close of the fiscal year ending September 30, 2020, Medina County's governmental funds reported combined ending fund balances of \$37,772,021, a decrease of \$568,801 from the prior year.
- Unassigned fund balance for the General Fund was \$10,888,318.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, debt payments, and earned but unused vacation leave).

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

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

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

Medina County maintains 55 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service Fund, and the 2019 Certificate of Obligation Fund which are considered to be major funds. Data from the other 52 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Medina County adopts an annual appropriated budget for its General Fund, certain Special Revenue Funds, and the Debt Service Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

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

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

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

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

Financial Analysis of Government-wide Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Medina County, assets exceeded liabilities by \$45,062,331 at the close of the most recent fiscal year.

MEDINA COUNTY'S NET POSITION

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Current assets	\$ 45,530,188	\$ 45,125,389
Capital assets	<u>36,189,923</u>	<u>30,801,112</u>
Total assets	<u>81,720,111</u>	<u>75,926,501</u>
Deferred outflows of resources	<u>1,094,450</u>	<u>2,889,081</u>
Current liabilities	1,508,371	1,393,392
Noncurrent liabilities	<u>34,897,718</u>	<u>34,991,393</u>
Total liabilities	<u>36,406,089</u>	<u>36,384,785</u>
Deferred inflows of resources	<u>1,346,141</u>	<u>339,573</u>
Net position:		
Net investment		
in capital assets	29,280,858	26,526,176
Restricted	2,366,624	2,793,474
Unrestricted	<u>13,414,849</u>	<u>12,771,574</u>
Total net position	<u>\$ 45,062,331</u>	<u>\$ 42,091,224</u>

A portion of the County's net position, \$29,280,858, reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). Medina County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay the debt associated with these capital assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Capital assets are shown in the chart below.

	<u>2020</u>	<u>2019</u>
Non-depreciable:		
CIP	\$ 5,395,009	\$ 1,484,315
Land	<u>2,963,289</u>	<u>1,518,703</u>
Capital assets, non-depreciable	<u>8,358,298</u>	<u>3,003,018</u>
Capital assets, net of depreciation:		
Buildings and improvements	11,130,408	11,636,317
Equipment	4,822,534	4,231,565
Infrastructure	<u>11,878,683</u>	<u>11,930,212</u>
	<u>\$ 27,831,625</u>	<u>\$ 27,798,094</u>

An additional portion of the County's net position, \$2,366,624, represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of \$13,414,849 may be used to meet the County's ongoing obligations to citizens and creditors.

MEDINA COUNTY'S CHANGES IN NET POSITION

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
REVENUES		
Program revenues:		
Charges for services	\$ 3,654,619	\$ 4,332,966
Operating grants and contributions	3,352,686	1,673,545
General revenues:		
Property taxes	20,114,942	19,342,618
Sales taxes	3,119,649	3,214,940
Other	69,882	65,656
Investment earnings	478,605	392,281
Gain on sale of capital assets	185,934	-
Miscellaneous	<u>623,159</u>	<u>790,431</u>
Total revenues	<u>31,599,476</u>	<u>29,812,437</u>
EXPENSES		
General government	8,091,030	6,878,362
Legal	3,817,227	4,084,901
Public safety	8,484,944	8,162,023
Public transportation	6,029,200	5,291,874
Health and welfare	1,373,228	1,387,426
Interest on long-term debt	<u>832,740</u>	<u>609,273</u>
Total expenses	<u>28,628,369</u>	<u>26,413,859</u>
CHANGE IN NET POSITION	2,971,107	3,398,578
NET POSITION, BEGINNING	<u>42,091,224</u>	<u>38,692,646</u>
NET POSITION, ENDING	<u>\$ 45,062,331</u>	<u>\$ 42,091,224</u>

Property taxes are collected to support government activity through the General Fund, special road and bridge funds, and Debt Service Fund. The county tax rate increased from the prior year. Property tax revenues increased by \$772,324 to \$20,114,942 for the year because of increased values and new developments added to the rolls.

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, Medina County's governmental funds reported combined ending fund balances of \$37,772,021, a decrease of \$568,801 in comparison with the prior year. This decrease is primarily attributable to project costs using bond funds obtained in prior years. Revenues exceeded expenditures for regular operations. Approximately 28% percent of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, \$27,061,261 is non-spendable, restricted or assigned and is not available for new spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance of the General Fund was \$11,263,400. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Fund balance in the General Fund represents 58% of total General Fund expenditures. Maintaining a significant fund balance is essential for sound financial management because a great majority of the grant funding for the County is in the form of reimbursements requiring the use of County funding upfront.

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

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for fiscal year ending September 30, 2020, can be summarized as follows:

- Actual revenue exceeded budgeted revenue by \$978,752.
- Actual revenues exceeded expenditures by \$1,248,080.
- Actual final expenditures exceeded the final budgeted expenditure amount by \$463,936.

Capital Asset and Debt Administration

Capital assets. Medina County's investment in capital assets for its governmental activities as of September 30, 2020, amounts to \$36,189,923 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, roads, highways, and bridges.

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

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

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

Long-term debt. During the current fiscal year, the County had long-term debt of \$31,703,226. The full amount is backed by the full faith and credit of the County. Included in this amount are general obligation bonds, certificates of obligation, tax notes, and time warrants. Overall debt increased due to the issuance of Tax Notes Series 2019 in the amount of \$4,000,000.

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

Economic Factors and Next Year's Budgets and Rates

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

Our fiscal year 2020-2021 budget had a new taxable appraised value of \$3.83 billion, an increase of \$364 million (10.5%) from the previous fiscal year 2019-2020. This increase is mainly due to new properties and property values. The total tax rate adopted by the Commissioner's County for the County of Medina is \$0.5473 per \$100 of assessed valuation, is a decrease from total tax rate from prior fiscal year 2019-2020. This tax rate will provide 32% of our approximate total \$62.6 million of budgeted expenses and expect the remaining from other revenue sources and beginning fund balance. The general operating fund spending increased in fiscal year 2020-2021 budget to \$21 million from \$20.1 million in prior fiscal year 2019-2020 budget. This 4.5% increase in the budget was primarily due to wage increases, personnel additions and the creation of two new offices; the Medina County Criminal District Attorney's Office and the 454th District Court.

The County of Medina continues to experience an increase in population throughout the area. The County is currently at the end stages of a new County Courthouse Annex and at the beginning stages of the expansion of our County Jail. Along with these two capital projects, we have purchased buildings and land that surround the new and existing courthouses in order to bring together all county offices. These purchases were made primarily from the sales of existing county buildings and an approved \$4M Tax Note which will also be used for other capital investments.

Requests for Information

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

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**BASIC
FINANCIAL STATEMENTS**

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MEDINA COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash and investments	\$ 38,216,825
Receivables:	
Ad valorem taxes	1,393,084
Sales tax	439,015
Intergovernmental	1,613,754
Fines	3,503,098
Other	364,412
Capital assets:	
Nondepreciable	8,358,298
Depreciable, net of accumulated depreciation	<u>27,831,625</u>
Total assets	<u>81,720,111</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	742,032
Deferred outflows related to OPEB	<u>352,418</u>
Total deferred outflows of resources	<u>1,094,450</u>
LIABILITIES	
Accounts payable	894,554
Accrued liabilities	327,468
Interest payable	81,950
Unearned revenue	52,657
Other liabilities	151,742
Noncurrent liabilities:	
Due within one year	
Long-term debt	1,891,609
Due in more than one year	
Long-term debt	29,811,617
Net pension liability	223,235
Total OPEB - retiree health	<u>2,971,257</u>
Total liabilities	<u>36,406,089</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	857,172
Deferred inflows related to OPEB - retiree health	<u>488,969</u>
Total deferred outflows of resources	<u>1,346,141</u>
NET POSITION	
Net investment in capital assets	29,280,858
Restricted for:	
Road and bridge	1,180,717
Debt service	64,816
Records management and technology	656,212
Law enforcement and security	249,904
Grant requirements	214,975
Unrestricted	<u>13,414,849</u>
Total net position	<u>\$ 45,062,331</u>

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

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MEDINA COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>and Changes in Net Position</u>
				<u>Primary Government</u>
				<u>Governmental Activities</u>
Primary Government:				
Governmental activities:				
General administration	\$ 8,091,030	\$ 1,459,144	\$ 211,000	\$(6,420,886)
Legal	3,817,227	220,096	519,150	(3,077,981)
Public safety	8,484,944	994,377	1,760,460	(5,730,107)
Public transportation	6,029,200	978,272	-	(5,050,928)
Health and welfare	1,373,228	2,730	862,076	(508,422)
Interest on long-term debt	832,740	-	-	(832,740)
Total governmental activities	\$ <u>28,628,369</u>	\$ <u>3,654,619</u>	\$ <u>3,352,686</u>	(<u>21,621,064</u>)
General revenues:				
Taxes:				
Property				20,114,942
Sales				3,119,649
Other taxes				69,882
Investment earnings				478,605
Gain on sale of capital assets				185,934
Miscellaneous				623,159
Total general revenues				<u>24,592,171</u>
Change in net position				2,971,107
Net position, beginning				<u>42,091,224</u>
Net position, ending				\$ <u>45,062,331</u>

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

MEDINA COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	<u>General</u>	<u>Debt Service</u>
ASSETS		
Cash and investments	\$ 11,077,094	\$ 55,126
Receivables:		
Ad valorem taxes	1,071,529	86,169
Sales tax	439,015	-
Intergovernmental	1,372,774	-
Other	164,203	-
Due from other funds	<u>460,099</u>	<u>-</u>
Total assets	<u>14,584,714</u>	<u>141,295</u>
LIABILITIES		
Accounts payable	621,336	-
Payroll liabilities	247,234	-
Other liabilities	129,509	-
Due to other funds	-	-
Unearned revenue	-	-
Total liabilities	<u>998,079</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	978,947	101,705
Unavailable revenue - grants	<u>1,344,288</u>	<u>-</u>
Total deferred inflows of resources	<u>2,323,235</u>	<u>101,705</u>
FUND BALANCES		
Restricted for:		
Road and bridge	-	-
Debt service	-	39,590
Records management and technology	-	-
Law enforcement and security	-	-
Grant requirements	-	-
Capital Projects	-	-
Assigned for:		
Utilization of fund balance in subsequent year's budget	375,082	-
Unassigned	<u>10,888,318</u>	<u>-</u>
Total fund balances	<u>11,263,400</u>	<u>39,590</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 14,584,714</u>	<u>\$ 141,295</u>

Certificates of Obligation 2019	Other Governmental	Total Governmental Funds
\$ 20,396,092	\$ 6,491,230	\$ 38,019,542
-	235,386	1,393,084
-	-	439,015
-	240,980	1,613,754
-	190,767	354,970
-	-	460,099
<u>20,396,092</u>	<u>7,158,363</u>	<u>42,280,464</u>
13,254	257,194	891,784
-	80,234	327,468
-	22,233	151,742
-	460,099	460,099
-	44,624	44,624
<u>13,254</u>	<u>864,384</u>	<u>1,875,717</u>
-	207,786	1,288,438
-	-	1,344,288
<u>-</u>	<u>207,786</u>	<u>2,632,726</u>
-	972,931	972,931
-	5,471	45,061
-	656,212	656,212
-	249,904	249,904
-	214,975	214,975
20,382,838	4,164,258	24,547,096
-	-	375,082
-	(177,558)	10,710,760
<u>20,382,838</u>	<u>6,086,193</u>	<u>37,772,021</u>
<u>\$ 20,396,092</u>	<u>\$ 7,158,363</u>	<u>\$ 42,280,464</u>

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MEDINA COUNTY, TEXAS

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

SEPTEMBER 30, 2020

Total fund balances - governmental funds balance sheet		\$	37,772,021
Amounts reported for governmental activities in the Statement of Net			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			36,189,923
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized in the statement of net position.			
	Accrued interest	\$(	81,950)
	Certificates of obligation	(	22,715,000)
	Premium on issuance	(	1,557,093)
	Tax Notes	(	6,660,000)
	Capital leases payable	(	191,816)
	Time Warrants	(	332,252)
	Compensated absences	(	247,065)
	Deferred outflow related to pensions		742,032
	Deferred inflow related to pensions	(	857,172)
	Deferred outflow related to OPEB		352,418
	Deferred inflow related to OPEB	(	488,969)
	Net pension liability	(	223,235)
	Net OPEB obligation	(	<u>2,971,257</u>)
	Total long-term liabilities		(35,231,359)
The assets and liabilities of the Internal Service Fund are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.			195,922
Long-term assets are not available to pay for current period			
	Fines and court costs		3,503,098
	Grants		1,344,288
	Property taxes		<u>1,288,438</u>
	Total long-term assets		<u>6,135,824</u>
Net position of governmental activities		\$	<u>45,062,331</u>

MEDINA COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>General</u>	<u>Debt Service</u>
REVENUES		
Property taxes	\$ 14,162,704	\$ 1,684,564
Sales tax	3,119,649	-
Other taxes	25,467	-
Licenses and permits	-	-
Intergovernmental	496,870	-
Charges for services	1,612,060	-
Fines and forfeitures	610,139	-
Interest	139,001	5,197
Miscellaneous	383,952	-
Total revenues	<u>20,549,842</u>	<u>1,689,761</u>
EXPENDITURES		
Current:		
General administration	6,210,633	-
Legal	3,268,425	-
Public safety	7,247,495	-
Public transportation	-	-
Health and welfare	413,357	-
Capital outlay	1,794,590	-
Debt service:		
Principal	356,335	845,000
Interest and other charges	10,927	825,943
Total expenditures	<u>19,301,762</u>	<u>1,670,943</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,248,080</u>	<u>18,818</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from debt issuance	-	-
Sale of capital assets	-	-
Transfers in	58,806	81,779
Transfers out	(1,232,643)	(81,086)
Total other financing sources and uses	<u>(1,173,837)</u>	<u>693</u>
NET CHANGE IN FUND BALANCES	74,243	19,511
FUND BALANCES, BEGINNING	<u>11,189,157</u>	<u>20,079</u>
FUND BALANCES, ENDING	<u>\$ 11,263,400</u>	<u>\$ 39,590</u>

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

Certificates of Obligation 2019	Other Governmental	Total Governmental Funds
\$ -	\$ 4,132,541	\$ 19,979,809
-	44,415	3,164,064
-	911,878	937,345
-	1,602,555	1,602,555
-	-	496,870
-	930,207	2,542,267
-	76,323	686,462
301,176	31,818	477,192
-	278,640	662,592
<u>301,176</u>	<u>8,008,377</u>	<u>30,549,156</u>
-	723,321	6,933,954
-	409,118	3,677,543
-	563,032	7,810,527
-	5,080,678	5,080,678
-	866,298	1,279,655
3,982,353	1,710,098	7,487,041
-	183,170	1,384,505
-	80,618	917,488
<u>3,982,353</u>	<u>9,616,333</u>	<u>34,571,391</u>
(3,681,177)	(1,607,956)	(4,022,235)
-	4,000,000	4,000,000
-	208,434	208,434
-	477,642	618,227
-	(59,498)	(1,373,227)
-	4,626,578	3,453,434
(3,681,177)	3,018,622	(568,801)
<u>24,064,015</u>	<u>3,067,571</u>	<u>38,340,822</u>
\$ <u>20,382,838</u>	\$ <u>6,086,193</u>	\$ <u>37,772,021</u>

MEDINA COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

Net change in fund balances - total governmental funds \$ (568,801)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 7,209,545	
Retirement of capital assets	(22,500)	
Depreciation expense	<u>(1,798,234)</u>	
Net adjustment		5,388,811

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

Repayments:		
General and certificates of obligations	100,000	
Premium on bonds issuance	81,952	
Tax Notes	745,000	
Time Warrants	125,394	
Capital leases	<u>414,111</u>	
Net adjustment		1,466,457

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

Accounts receivable:		
Fines and court costs	(485,988)	
Grants	1,213,828	
Property taxes	<u>135,133</u>	
Net adjustment		862,973

An Internal Service Fund is used by management to charge the costs of certain activities, such as health insurance premiums, to individual funds. The net revenue (expense) of certain Internal Service Funds is reported with governmental activities. (7,148)

The issuance of long-term debt (e.g., capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. (4,000,000)

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

Interest on long-term debt	2,796	
Compensated absences	(22,453)	
OPEB cost	(80,262)	
Pension cost	<u>(71,266)</u>	
Net adjustment		<u>(171,185)</u>

Change in net position of governmental activities \$ 2,971,107

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

MEDINA COUNTY, TEXAS

STATEMENT OF NET POSITION

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

SEPTEMBER 30, 2020

ASSETS

Cash and investments	\$	197,283
Other receivables		<u>9,442</u>
Total assets	\$	<u>206,725</u>

LIABILITIES

Accounts payable	\$	2,770
Unearned revenue		<u>8,033</u>
Total liabilities	\$	<u>10,803</u>

NET POSITION

Unrestricted	\$	<u>195,922</u>
Total net position	\$	<u>195,922</u>

MEDINA COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

OPERATING REVENUES	
Charges for services	\$ <u>2,788,678</u>
Total operating revenues	<u>2,788,678</u>
OPERATING EXPENSES	
Claims	78,127
Premiums and administrative	<u>3,474,112</u>
Total operating expenses	<u>3,552,239</u>
OPERATING INCOME (LOSS)	(<u>763,561</u>)
NONOPERATING REVENUES	
Interest and investment earnings	<u>1,413</u>
Income before transfers	(<u>762,148</u>)
TRANSFERS	
Transfer In	<u>755,000</u>
CHANGE IN NET POSITION	(7,148)
TOTAL NET POSITION, BEGINNING	<u>203,070</u>
TOTAL NET POSITION, ENDING	\$ <u>195,922</u>

MEDINA COUNTY, TEXAS

STATEMENT OF CASH FLOWS

GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from users	\$ 2,788,678
Cash paid to suppliers for services	(3,552,809)
Net cash used by operating activities	(764,131)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers in from other funds	<u>755,000</u>
Net cash provided by operating activities	<u>755,000</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and investment earnings	<u>1,413</u>
Net cash provided by investing activities	<u>1,413</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

(7,718)

CASH AND CASH EQUIVALENTS, BEGINNING

205,001

CASH AND CASH EQUIVALENTS, ENDING

\$ 197,283

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating loss	\$(763,561)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
(Increase) decrease in accounts receivable	(874)
Increase (decrease) in accounts payable	<u>304</u>
Net cash used by operating activities	\$ (<u>764,131</u>)

MEDINA COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

SEPTEMBER 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ <u>4,246,270</u>
Total assets	\$ <u>4,246,270</u>
LIABILITIES	
Due to others	\$ <u>4,246,270</u>
Total liabilities	\$ <u>4,246,270</u>

MEDINA COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Medina County, Texas, was organized in 1848. The County operates under a County Judge-Commissioners' Court type of government and provides the following services throughout the County: public safety (law enforcement), public transportation (highways and roads), health and welfare, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. A summary of the significant accounting policies consistently applied in the preparation of financial statements follows:

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

The **Debt Service Fund** is used to account for the accumulation of resources for and the payment of long-term debt principal and interest. The primary source of revenue for Debt Service Funds is ad valorem taxes. The use of Debt Service Funds to service debt is not required unless legally mandated or if resources are accumulated for payments maturing in future years.

The **Certificates of Obligation 2019 Fund** is used to account for the proceeds from the 2019 Certificates of Obligation issue. These proceeds will be used for (i) designing, constructing, renovating, expanding, improving, and equipping the Medina County Jail, Sheriff's Office, and Courthouse, (ii) designing, constructing, renovating, improving, expanding, and equipping a new County Courthouse Annex to be located in Hondo, Texas, (iii) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes related to the aforementioned capital projects, and (iv) payment of professional services relating to the aforementioned projects.

Additionally, the County reports the following fund types:

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

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

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

Agency Funds account for assets held by the County in a trustee capacity or as an agent for others.

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

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

D. Assets, Liabilities and Net Position or Equity

Cash and Investments

The government's cash and cash equivalents are considered to be cash on hand and demand deposits.

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

Receivables and Payables

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

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review, and judicial review. Property taxes are levied by October 1 of the year in which assessed or as soon thereafter as practicable. The Medina County Tax Assessor-Collector bills and collects the ad valorem property taxes (including penalty and interest and delinquent tax attorney fees, if any) for the County. Property taxes are due and payable from October 1 of the year in which levied until January 31 of the following year without interest or penalty.

Collections of the current year's levy are reported as current collections if received by June 30 (within nine months of the October 1 due date). Collections received thereafter are reported as delinquent collections.

The County's taxes on Medina property are a lien against such property until paid. The County may foreclose on Medina property upon which it has a lien for unpaid taxes. The exception is homestead property belonging to persons 65 years of age or older. Although the County does collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected, are generally paid when there is a sale or a transfer of the title to the property.

Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes become delinquent. Unlike Medina property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

The County distributes all tax collections to the General Fund, Road and Bridge, and Debt Service Funds.

The 2019 Tax Rate for the fiscal year ended September 30, 2020, was \$0.5517 per \$100 valuation.

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a County-wide appraisal district and an appraisal review board in each County in the State. The Medina County Tax Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of property for all taxing units in the County.

The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, Medina County property must be reappraised at least every four years. Under certain circumstances, taxpayers and taxing units, including the County, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action. Under the Code, the Commissioners' Court will continue to set County tax rates on property.

Inventories

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

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements	5-50
Equipment	5-20

Compensatory Time (Comp Time)

Medina County employees may be required by their department heads to work hours in excess of forty (40) hours per week. Due to our restricted revenues, only law enforcement departments are budgeted for overtime pay. Therefore, all non-exempt employees that work in excess of 40 hours per week for an unbudgeted department, Medina County uses compensatory time off (Comp Time) to compensate for overtime hours worked. Comp time accrues only when an employee actually works over 40 hours per week. An employee may accrue a maximum of 40 hours of Comp time, any additional overtime hours worked will be paid at the one-and-one-half (1 ½) times the employee's regular hourly pay rate. Overtime for law enforcement employees shall be handled in accordance with the policy for overtime compensation established by the Sheriff's Department and approved by the Commissioner's Court. Employees are not entitled to payment for unused Comp Time upon termination.

Personnel Time Off (PTO) & Vacation Leave

All full-time regular employees of Medina County are eligible for Personnel Time Off (PTO) and vacation benefits. Accrual of PTO and vacation benefits shall begin on the employee's first day of work in a full-time position. However, an employee must work for a minimum of ninety (90) days in said position before he/she is eligible to use PTO or vacation time. Employees shall not be allowed to borrow PTO or vacation time against future accruals, nor should employees be allowed to receive pay in lieu of taking time off. PTO and vacation time accrue at a rate of 3.08 hour per pay-period. An employee may carry over a maximum of 240 hours to PTO and a maximum of 160 hours vacation leave. Once an employee reaches the maximum accrual balance, he/she will stop accruing time until the balance is below the maximum allowed. An employee may carry over a maximum of 240 hours of PTO and a maximum of 40 hours of vacation leave from one calendar year to the next. Any accrued time over the carry-over maximum allowed will be removed from payroll records at the end of the calendar year and the employee will lose that time with no payment received. If a holiday falls during PTO or vacation leave, the holiday shall be charged in accordance with the policy on holidays and shall not be charged against the employee's PTO nor vacation balance. Unused PTO leave is cancelled upon leaving Medina County employment without compensation to the employee. Employees cannot use PTO in lieu of giving their two-week's notice. Unlike PTO, at the time of an employee's termination from Medina County employment, accrued vacation leave will be paid out at the employee's current rate of pay, not to exceed 160 hours.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses on refunding of bond issues are reported as deferred charges and amortized over the term of the related debt.

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

Pensions

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

Other Post-Employment Benefits

Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the County for benefits due and payable that are not reimbursed by plan assets. Information regarding the County's total OPEB liability is obtained from a reported prepared by a consulting actuary.

Fund Balance Classification

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the Commissioners' Court, the County's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court or County Judge.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net Position

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

Deferred Outflows/Inflows of Resources

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

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

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

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension and OPEB experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets - This difference is deferred and amortized over a closed five-year period.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

The following funds had a deficit fund balance:

- Health Unit \$(36,655)
- Juvenile Probation Department \$(32,386)
- Sheriff Short-term Grants \$(962)
- Project Safe Neighborhoods \$(3,156)
- Capital Project \$(105,399)

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

3. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

Deposits and Investments

As of September 30, 2020, the County had the following investments:

<u>Investment Type</u>	<u>Net Asset Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	14,628,580	38

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

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2020, the County's deposit balance was collateralized with securities held by the pledging financial institution and FDIC insurance.

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

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

Public Funds Investment Pools

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

Receivables

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

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
Receivables:					
Property taxes	\$ 1,071,529	\$ 86,169	\$ 235,386	\$ -	\$ 1,393,084
Sales tax	439,015	-	-	-	439,015
Intergovernmental	1,372,774	-	240,980	-	1,613,754
Other	164,203	-	190,767	9,442	364,412
Total receivables	<u>\$ 3,047,521</u>	<u>\$ 86,169</u>	<u>\$ 667,133</u>	<u>\$ 9,442</u>	<u>\$ 3,810,265</u>

Capital Assets

Primary Government

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,518,703	\$ 1,467,086	\$(22,500)	\$ 2,963,289
Construction in progress	<u>1,484,315</u>	<u>3,910,694</u>	<u>-</u>	<u>5,395,009</u>
Total capital assets not being depreciated	<u>3,003,018</u>	<u>5,377,780</u>	<u>(22,500)</u>	<u>8,358,298</u>
Capital assets, being depreciated:				
Buildings and improvements	18,565,343	214,350	(115,831)	18,663,862
Equipment	12,852,902	1,380,774	(36,047)	14,197,629
Infrastructure	<u>21,968,529</u>	<u>236,641</u>	<u>-</u>	<u>22,205,170</u>
Total capital assets being depreciated	<u>53,386,774</u>	<u>1,831,765</u>	<u>(151,878)</u>	<u>55,066,661</u>
Less accumulated depreciation:				
Buildings and improvements	6,929,026	720,259	(115,831)	7,533,454
Equipment	8,621,337	789,805	(36,047)	9,375,095
Infrastructure	<u>10,038,317</u>	<u>288,170</u>	<u>-</u>	<u>10,326,487</u>
Total accumulated depreciation	<u>25,588,680</u>	<u>1,798,234</u>	<u>(151,878)</u>	<u>27,235,036</u>
Total capital assets, being depreciated, net	<u>27,798,094</u>	<u>33,531</u>	<u>-</u>	<u>27,831,625</u>
Governmental activities capital assets, net	<u>\$ 30,801,112</u>	<u>\$ 5,411,311</u>	<u>\$(22,500)</u>	<u>\$ 36,189,923</u>

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

Governmental activities:	
General government	\$ 720,275
Public safety	316,351
Public transportation	717,643
Health and welfare	<u>43,965</u>
Total depreciation expense - governmental activities	<u>\$ 1,798,234</u>

Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2020, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental	\$ 460,099
Total		<u>\$ 460,099</u>

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

Interfund Transfers:

	Transfers In				<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental</u>	<u>Internal Service Fund</u>	
Transfers Out:					
General	\$ -	\$ 81,779	\$ 395,864	\$ 755,000	\$ 1,232,643
Debt Service	-	-	81,086	-	81,086
Nonmajor Governmental	<u>58,806</u>	<u>-</u>	<u>692</u>	<u>-</u>	<u>59,498</u>
Total Transfers Out	<u>\$ 58,806</u>	<u>\$ 81,779</u>	<u>\$ 477,642</u>	<u>\$ 755,000</u>	<u>\$ 1,373,227</u>

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

Long-term Debt

Certificates of Obligation

In prior years, the County has issued Certificates of Obligation to fund various capital projects and capital acquisitions. The certificates are expected to be repaid by pledged property tax revenues and the good faith and credit of the County. Annual debt service requirements to maturity for the certificates are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 235,000	\$ 761,125
2022	300,000	753,100
2023	750,000	737,350
2024	800,000	714,100
2025	1,050,000	681,100
2026-2030	5,935,000	2,725,800
2031-2035	7,120,000	1,532,625
2036-2039	<u>6,525,000</u>	<u>398,775</u>
Total	<u>\$ 22,715,000</u>	<u>\$ 8,303,975</u>

Tax Notes

During Fiscal Year 2020, the County received a tax note in the amount of \$4,000,000 with an interest rate of 1.12%. The proceeds from the sale of the notes will be used for (i) constructing, acquiring, purchasing, renovating, equipping, enlarging, and improving County facilities, (ii) purchasing voting equipment, and (iii) payment of professional services relating to the aforementioned projects. Currently, the County has four outstanding tax notes.

<u>Interest Rates</u>	<u>Amount</u>
.35% - 2.60%	\$ 6,660,000

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

Year Ending September 30	Governmental Activities	
	Principal	Interest
2021	\$ 1,225,000	\$ 92,476
2022	1,265,000	69,566
2023	965,000	52,099
2024	1,040,000	36,461
2025	900,000	21,280
2026-2027	<u>1,265,000</u>	<u>14,196</u>
Total	\$ <u>6,660,000</u>	\$ <u>286,078</u>

Time Warrants

The County has 5-time warrants for the purchase of various machinery and equipment. The interest rates on the warrants are 3.00% to 5.00%. Annual debt service requirements to maturity for time warrants are as follows:

Year Ending September 30	Governmental Activities	
	Principal	Interest
2021	\$ 108,428	\$ 10,134
2022	83,397	6,827
2023	83,397	4,283
2024	<u>57,030</u>	<u>1,744</u>
Total	\$ <u>332,252</u>	\$ <u>22,988</u>

Capital Leases

The County has acquired certain capital assets for governmental activities through the use of lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. These capital leases are direct borrowings and the equipment purchased with the lease proceeds are collateral.

The assets acquired through capital leases are as follows:

	<u>Asset</u>
Governmental activities Assets:	
Caterpillar Equipment	\$ 378,065
Accumulated depreciation	<u>(264,749)</u>
Total	<u>\$ 113,316</u>

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

Year Ending September 30	Governmental Activities
2021	<u>196,339</u>
Total minimum lease payments	196,339
Less: amount representing interest	<u>(4,523)</u>
Present value of minimum lease payments	<u>\$ 191,816</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Government activities					
Certificate of obligation	\$ 22,815,000	\$ -	\$ 100,000	\$ 22,715,000	\$ 235,000
Premium on certificate of obligation	1,639,045	-	81,952	1,557,093	81,952
Tax notes	3,405,000	4,000,000	745,000	6,660,000	1,225,000
Time warrants	457,646	-	125,394	332,252	108,428
Capital leases	605,927	-	414,111	191,816	191,816
Compensated absences	<u>224,612</u>	<u>425,329</u>	<u>402,876</u>	<u>247,065</u>	<u>49,413</u>
Governmental activity long-term liabilities	<u>\$ 29,147,230</u>	<u>\$ 4,425,329</u>	<u>\$ 1,869,333</u>	<u>\$ 31,703,226</u>	<u>\$ 1,891,609</u>

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

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

Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County has not had any significant reductions in insurance coverage in the prior year.

The County is a member of the Texas Association of Counties Risk Pool for health insurance. The pool is a public entity risk pool and was created based on the general objectives of formulating, developing and administering a program of self-insurance for the membership and obtaining lower costs for coverages. The pool coverage is offered through interlocal agreements between the Pool and counties. The Pool has the power to establish fees, contributions and methods for establishing rates. Under contract with the Pool, the Association provides for such services as claims administration and management, underwriting, loss control services and training, and financial reporting for its members. The Association submits sealed bids to counties during the bid process. The Pool is governed by a Board of Directors made up of employees or officials of counties which are members of the Pool. Member counties make contributions to the Pool, and the Pool provides insurance coverage and applicable reinsurance or stop loss coverage. The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the Pool are detailed in a separate document which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin, TX 78701.

The County began using the Texas Association of Counties Risk Pool for health insurance on January 1, 2018. Before January 1, 2018, the County was self-insured for healthcare. There have been no significant reductions in coverage from the coverage in the past fiscal year, and there have been no settlements exceeding insurance coverage.

Defined Benefit Pension Plan

Plan Description. The County participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tcdrs.org.

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

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

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

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. By law, employee accounts earn 7% interest. At retirement, death or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	121
Inactive employees entitled to but not yet receiving benefits	181
Active employees	<u>254</u>
	<u><u>556</u></u>

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

Employees for the County were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the County were 8.0% in calendar years 2019 and 2020. The County’s contributions to TCDRS for the year ended September 30, 2020, were \$869,481, and were equal to the required contributions.

Net Pension Liability. The County’s Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Overall payroll growth	3.25% per year
Investment rate of return	8.00%, net of pension plan investment and administrative expense, including inflation

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

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

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

The actuarial assumptions that determined the total pension liability as of December 31, 2019, were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on April 2010 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

Asset Class	Benchmark	Target Allocation⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation)⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities - Developed	MSCI World Ex USA (net) Index	7.00%	5.20%
International Equities - Emerging	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%

(1) Target asset allocation adopted at the June 2020 TCDRS Board meeting.

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.80%, per Cliffwater's 2020 capital market assumptions.

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

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

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

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, 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 period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	\$ 28,725,736	\$ 26,269,080	\$ 2,456,656
Changes for the year:			
Service cost	1,133,013	-	1,133,013
Interest on total pension liability ⁽¹⁾	2,363,979	-	2,363,979
Effect of economic/demographic gains or losses	10,747	-	10,747
Refund of contributions	(198,666)	(198,666)	-
Benefit payments	(1,175,741)	(1,175,741)	-
Administrative expenses	-	(23,346)	23,346
Member contributions	-	618,782	(618,782)
Net investment income	-	4,313,836	(4,313,836)
Employer contributions	-	825,040	(825,040)
Other ⁽²⁾	-	6,848	(6,848)
Balance at 12/31/2019	<u>\$ 30,859,068</u>	<u>\$ 30,635,833</u>	<u>\$ 223,235</u>

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

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

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, 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%) or 1-percentage-higher (9.1%) than the current rate:

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$ 35,043,190	\$ 30,859,068	\$ 27,367,409
Fiduciary net position	<u>30,635,835</u>	<u>30,635,833</u>	<u>30,635,835</u>
Net pension liability/(asset)	<u>\$ 4,407,355</u>	<u>\$ 223,235</u>	<u>\$ (3,268,426)</u>

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2020, the County recognized pension expense of \$940,746. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 8,060	\$ 139,271
Changes in actuarial assumptions	62,104	-
Difference between projected and actual investment earnings	-	717,901
Contributions subsequent to the measurement date	<u>671,868</u>	<u>-</u>
Total	<u>\$ 742,032</u>	<u>\$ 857,172</u>

\$671,868 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>For The Year Ended September 30</u>	
2021	\$(207,553)
2022	(240,686)
2023	98,020
2024	(436,789)

Other Post-retirement Health Care Benefits

Plan Description

The County provides certain health care and dental benefits, under county policy, for employees upon retirement that meet one of the following requirements: age 60 with 8 or more years of service, at least 30 years of service at any age, or a combined age plus service of at least 75. Employees hired on October 1, 2012 or after will no longer be eligible for such retiree coverage.

BENEFITS AND CONTRIBUTIONS

Except for employees hired on or after October 1, 2012, a Medina County employee who retires and chooses a monthly pension through Texas County and District Retirement System is covered on Medina County’s health and dental insurance plan through the month he or she turns 65. Retirees who take a lump sum payment of retirement savings are only eligible to remain on Medina County’s health and dental insurance plan as provided for by COBRA guidelines. The qualified retiree may continue any dependent coverage up to the retiree’s age of 65 at the same rate afforded to current employees. When the retiree turns 65 and becomes Medicare eligible, he or she is removed from coverage on Medina County’s health and dental insurance plan. The retiree may continue dependent coverage according to COBRA guidelines.

Expenses for post-retirement health care benefits are recognized on a pay-as-you-go basis. During the year, post-retirement health care benefits paid by the County were \$92,328.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees receiving benefits	7
Active employees	<u>87</u>
	<u>94</u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial cost method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary.
Inflation rate	2.50%
Salary increases	3.50%
Termination rates	The termination rates were developed from the withdrawal assumption used in the 2017 actuarial report for TCDRS. The rates are a 15-year select and ultimate table and are sex specific.
Retirement rates	The retirement rates were developed from the assumption used in the 2017 actuarial report for the TCDRS retirement plans. These rates are unisex.
Mortality	RPH-2014 Total Table for males and females, both projected with the MP-2019.
Health care cost trend rates	Level 4.50% for medical and 1.5% for dental.
Participation rates	It was assumed that 100% of retirees who are eligible for the County subsidy and 100% of active employees would choose to receive health care benefits through the County.
Discount rate	2.25% as of September 30, 2020.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

A Single Discount Rate of 2.25% was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of September 30, 2020.

Changes in the Total OPEB Liability

The County's total OPEB liability of \$2,971,257 was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2020.

	<u>Total OPEB Liability</u>
Balance at 10/01/2019	\$ 3,387,507
Changes for the year:	
Service cost	103,763
Interest on the total liability	91,640
Difference between expected and actual experience	(110,995)
Changes in assumptions	(408,330)
Benefit payments	(92,328)
Net changes	(416,250)
Balance at 09/30/2020	<u>\$ 2,971,257</u>

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.25%) in measuring the total OPEB liability.

	<u>1% Decrease in Discount Rate (1.25%)</u>	<u>Discount Rate (2.25%)</u>	<u>1% Increase in Discount Rate (3.25%)</u>
County's total OPEB liability	\$ 2,606,867	\$ 2,971,257	\$ 3,401,532

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
County's total OPEB liability	\$ 3,233,898	\$ 2,971,257	\$ 2,724,299

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

For the year ended September 30, 2020, the County recognized OPEB expense of \$172,590. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 151,776
Changes in actuarial assumptions	<u>352,418</u>	<u>337,193</u>
Total	<u>\$ 352,418</u>	<u>\$ 488,969</u>

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

<u>Year Ended September 30,</u>	
2021	\$(22,813)
2022	(22,813)
2023	(22,813)
2024	(22,813)
2025	<u>(45,299)</u>
	<u>\$(136,551)</u>

Commitments and Contingencies

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

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

New Accounting Principles

Significant new accounting standard not yet implemented by the County includes the following.

Statement No. 84, *Fiduciary Activities* – This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement will become effective for the County in fiscal year 2021.

Statement No. 87, *Leases* – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective for the County in fiscal year 2022.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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MEDINA COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Ad valorem	\$ 14,161,995	\$ 14,161,995	\$ 14,162,704	\$ 709
Sales	2,750,000	2,750,000	3,119,649	369,649
Beer and wine	20,000	20,000	25,467	5,467
Total taxes	<u>16,931,995</u>	<u>16,931,995</u>	<u>17,307,820</u>	<u>375,825</u>
Intergovernmental				
State allocation - HB66	84,000	84,000	84,000	-
State allocation - grants	55,400	55,400	76,798	21,398
Federal grant	-	-	336,072	336,072
Total intergovernmental	<u>139,400</u>	<u>139,400</u>	<u>496,870</u>	<u>357,470</u>
Charges for services				
County clerk	300,000	300,000	402,371	102,371
District clerk	70,000	70,000	77,086	7,086
Tax assessor-collector	165,000	165,000	250,365	85,365
Sheriff	162,000	162,000	291,401	129,401
County attorney	60,000	60,000	76,092	16,092
County treasurer	180,000	180,000	191,413	11,413
Constable fees	35,000	35,000	31,943	(3,057)
County Judge	1,500	1,500	2,534	1,034
Other taxing entities	130,000	130,000	96,824	(33,176)
Other fees	152,500	152,500	192,031	39,531
Total charges for services	<u>1,256,000</u>	<u>1,256,000</u>	<u>1,612,060</u>	<u>356,060</u>
Fines and forfeitures				
Justice of the peace	764,000	764,000	610,139	(153,861)
Total fines and forfeitures	<u>764,000</u>	<u>764,000</u>	<u>610,139</u>	<u>(153,861)</u>
Interest	150,000	150,000	139,001	(10,999)

MEDINA COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous				
Other	\$ 329,695	\$ 329,695	\$ 383,952	\$ 54,257
Total miscellaneous	<u>329,695</u>	<u>329,695</u>	<u>383,952</u>	<u>54,257</u>
 Total revenues	 <u>19,571,090</u>	 <u>19,571,090</u>	 <u>20,549,842</u>	 <u>978,752</u>
EXPENDITURES				
General administration				
Commissioners' court				
Personnel services	201,851	201,851	210,872	(9,021)
Supplies	1,500	1,500	910	590
Other services and charges	25,100	25,100	16,413	8,687
Total commissioners' court	<u>228,451</u>	<u>228,451</u>	<u>228,195</u>	<u>256</u>
 Loss control				
Personnel services	11,943	11,943	10,389	1,554
Supplies	200	200	-	200
Other services and charges	300	300	3	297
Total loss control	<u>12,443</u>	<u>12,443</u>	<u>10,392</u>	<u>2,051</u>
 County clerk				
Personnel services	455,603	455,603	449,040	6,563
Supplies	12,000	12,000	13,113	(1,113)
Other services and charges	59,600	59,600	35,588	24,012
Total County clerk	<u>527,203</u>	<u>527,203</u>	<u>497,741</u>	<u>29,462</u>
 Veteran service officer				
Personnel services	127,176	127,176	121,240	5,936
Supplies	2,300	2,716	2,547	169
Other services and charges	11,800	8,984	8,477	507
Total veteran service officer	<u>141,276</u>	<u>138,876</u>	<u>132,264</u>	<u>6,612</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
General administration				
Elections				
Personnel services	\$ 259,671	\$ 259,671	\$ 261,176	\$(1,505)
Supplies	15,000	15,000	9,257	5,743
Other services and charges	75,300	75,300	55,176	20,124
Total elections	<u>349,971</u>	<u>349,971</u>	<u>325,609</u>	<u>24,362</u>
County auditor				
Personnel services	409,260	409,810	348,572	61,238
Supplies	3,000	3,000	2,302	698
Other services and charges	20,900	20,750	9,604	11,146
Total County auditor	<u>433,160</u>	<u>433,560</u>	<u>360,478</u>	<u>73,082</u>
County treasurer				
Personnel services	280,271	280,271	267,562	12,709
Supplies	4,500	4,500	2,335	2,165
Other services and charges	24,360	24,360	13,492	10,868
Total County treasurer	<u>309,131</u>	<u>309,131</u>	<u>283,389</u>	<u>25,742</u>
Human resources/grants				
Personnel services	176,256	176,256	214,187	(37,931)
Supplies	6,000	6,000	4,019	1,981
Other services and charges	20,200	20,200	10,535	9,665
Total human resources/grants	<u>202,456</u>	<u>202,456</u>	<u>228,741</u>	<u>(26,285)</u>
Tax assessor-collector				
Personnel services	882,632	882,632	808,456	74,176
Supplies	20,000	20,000	11,635	8,365
Other services and charges	83,400	83,400	73,106	10,294
Total tax assessor-collector	<u>986,032</u>	<u>986,032</u>	<u>893,197</u>	<u>92,835</u>
Nondepartmental				
Personnel services	218,960	218,960	204,729	14,231
Other services and charges	1,601,500	1,305,000	2,259,506	(954,506)
Total nondepartmental	<u>1,820,460</u>	<u>1,523,960</u>	<u>2,464,235</u>	<u>(940,275)</u>
County agent				
Personnel services	130,476	130,476	104,170	26,306
Supplies	3,250	3,250	1,638	1,612
Other services and charges	33,650	33,650	19,131	14,519
Total County agent	<u>167,376</u>	<u>167,376</u>	<u>124,939</u>	<u>42,437</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
General administration				
Courthouse and buildings				
Personnel services	\$ 225,476	\$ 225,476	\$ 225,266	\$ 210
Supplies	57,000	62,000	67,104	(5,104)
Other services and charges	<u>400,570</u>	<u>400,570</u>	<u>360,779</u>	<u>39,791</u>
Total courthouse and buildings	<u>683,046</u>	<u>688,046</u>	<u>653,149</u>	<u>34,897</u>
Subdivision administration department				
Personnel services	8,107	8,107	6,709	1,398
Supplies	200	200	51	149
Other services and charges	<u>25,100</u>	<u>25,100</u>	<u>1,544</u>	<u>23,556</u>
Total subdivision administration department	<u>33,407</u>	<u>33,407</u>	<u>8,304</u>	<u>25,103</u>
Total general administration	<u>5,894,412</u>	<u>5,600,912</u>	<u>6,210,633</u>	<u>(609,721)</u>
Legal				
District and County court				
Personnel services	503,411	503,411	499,660	3,751
Supplies	7,000	6,925	3,253	3,672
Other services and charges	<u>609,470</u>	<u>609,545</u>	<u>559,555</u>	<u>49,990</u>
Total district and County court	<u>1,119,881</u>	<u>1,119,881</u>	<u>1,062,468</u>	<u>57,413</u>
District clerk				
Personnel services	417,767	417,767	411,307	6,460
Supplies	7,500	7,500	4,375	3,125
Other services and charges	<u>38,900</u>	<u>38,900</u>	<u>29,947</u>	<u>8,953</u>
Total district clerk	<u>464,167</u>	<u>464,167</u>	<u>445,629</u>	<u>18,538</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Legal				
Justices of the peace				
Personnel services	\$ 728,492	\$ 729,342	\$ 727,392	\$ 1,950
Supplies	10,350	10,350	9,396	954
Other services and charges	<u>52,960</u>	<u>48,075</u>	<u>39,842</u>	<u>8,233</u>
Total justices of the peace	<u>791,802</u>	<u>787,767</u>	<u>776,630</u>	<u>11,137</u>
County attorney				
Personnel services	334,793	334,793	318,296	16,497
Supplies	7,000	7,000	516	6,484
Other services and charges	<u>33,950</u>	<u>33,950</u>	<u>15,370</u>	<u>18,580</u>
Total County attorney	<u>375,743</u>	<u>375,743</u>	<u>334,182</u>	<u>41,561</u>
District attorney				
Personnel services	7,200	7,200	61,595	(54,395)
Other services and charges	<u>587,794</u>	<u>587,794</u>	<u>587,921</u>	<u>(127)</u>
Total district attorney	<u>594,994</u>	<u>594,994</u>	<u>649,516</u>	<u>(54,522)</u>
Total legal	<u>3,346,587</u>	<u>3,342,552</u>	<u>3,268,425</u>	<u>74,127</u>
Public safety				
County jail				
Personnel services	1,518,265	1,518,265	1,512,956	5,309
Supplies	168,000	168,000	158,415	9,585
Other services and charges	<u>990,950</u>	<u>990,950</u>	<u>865,766</u>	<u>125,184</u>
Total County jail	<u>2,677,215</u>	<u>2,677,215</u>	<u>2,537,137</u>	<u>140,078</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Public safety				
Constables				
Personnel services	\$ 194,052	\$ 194,052	\$ 192,759	\$ 1,293
Supplies	6,100	6,100	1,664	4,436
Other services and charges	85,731	85,731	79,564	6,167
Total constables	<u>285,883</u>	<u>285,883</u>	<u>273,987</u>	<u>11,896</u>
Sheriff				
Personnel services	3,620,590	3,615,590	3,608,281	7,309
Supplies	215,187	200,187	165,681	34,506
Other services and charges	309,862	294,862	264,757	30,105
Total sheriff	<u>4,145,639</u>	<u>4,110,639</u>	<u>4,038,719</u>	<u>71,920</u>
Juvenile board				
Personnel services	14,750	14,750	16,257	(1,507)
Total juvenile board	<u>14,750</u>	<u>14,750</u>	<u>16,257</u>	<u>(1,507)</u>
DPS/license and weight				
Personnel services	79,845	79,845	81,796	(1,951)
Supplies	3,000	3,000	3,162	(162)
Other services and charges	11,300	11,300	8,471	2,829
Total DPS/license and weight	<u>94,145</u>	<u>94,145</u>	<u>93,429</u>	<u>716</u>
Highway patrol				
Personnel services	79,871	79,871	79,544	327
Supplies	2,500	2,500	2,149	351
Other services and charges	5,620	5,620	6,572	(952)
Total highway patrol	<u>87,991</u>	<u>87,991</u>	<u>88,265</u>	<u>(274)</u>
Emergency management				
Personnel services	70,335	70,335	80,278	(9,943)
Supplies	12,250	12,250	51,469	(39,219)
Other services and charges	23,150	23,150	67,954	(44,804)
Total emergency management	<u>105,735</u>	<u>105,735</u>	<u>199,701</u>	<u>(93,966)</u>
Total public safety	<u>7,411,358</u>	<u>7,376,358</u>	<u>7,247,495</u>	<u>128,863</u>

MEDINA COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Health and welfare				
Sanitation inspection				
Personnel services	\$ 165,992	\$ 165,992	\$ 161,580	\$ 4,412
Supplies	9,300	9,300	5,715	3,585
Other services and charges	<u>23,695</u>	<u>23,695</u>	<u>13,780</u>	<u>9,915</u>
Total sanitation inspection	<u>198,987</u>	<u>198,987</u>	<u>181,075</u>	<u>17,912</u>
Social services and indigent services				
Personnel services	214,282	214,532	202,943	11,589
Other services and charges	<u>36,700</u>	<u>36,700</u>	<u>29,339</u>	<u>7,361</u>
Total social services and indigent services	<u>250,982</u>	<u>251,232</u>	<u>232,282</u>	<u>18,950</u>
Total health and welfare	<u>449,969</u>	<u>450,219</u>	<u>413,357</u>	<u>36,862</u>
Capital outlay	<u>829,164</u>	<u>1,711,449</u>	<u>1,794,590</u>	<u>(83,141)</u>
Debt Service				
Principal	342,864	342,864	356,335	(13,471)
Interest	<u>13,472</u>	<u>13,472</u>	<u>10,927</u>	<u>2,545</u>
Total Debt Service	<u>356,336</u>	<u>356,336</u>	<u>367,262</u>	<u>(10,926)</u>
Total expenditures	<u>18,287,826</u>	<u>18,837,826</u>	<u>19,301,762</u>	<u>(463,936)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,283,264</u>	<u>733,264</u>	<u>1,248,080</u>	<u>514,816</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	58,806	58,806
Transfers out	<u>(1,853,500)</u>	<u>(1,303,500)</u>	<u>(1,232,643)</u>	<u>70,857</u>
Total other financing sources (uses)	<u>(1,853,500)</u>	<u>(1,303,500)</u>	<u>(1,173,837)</u>	<u>129,663</u>
NET CHANGE IN FUND BALANCE	<u>(570,236)</u>	<u>(570,236)</u>	<u>74,243</u>	<u>644,479</u>
FUND BALANCE, BEGINNING	<u>11,189,157</u>	<u>11,189,157</u>	<u>11,189,157</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 10,618,921</u>	<u>\$ 10,618,921</u>	<u>\$ 11,263,400</u>	<u>\$ 644,479</u>

MEDINA COUNTY, TEXAS

DEBT SERVICE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,670,543	\$ 1,670,543	\$ 1,684,564	\$ 14,021
Interest	-	-	5,197	5,197
Miscellaneous	-	-	-	-
Total revenues	<u>1,670,543</u>	<u>1,670,543</u>	<u>1,689,761</u>	<u>19,218</u>
EXPENDITURES				
Debt Service				
Principal	845,000	845,000	845,000	-
Interest	<u>825,543</u>	<u>825,543</u>	<u>825,943</u>	(400)
Total expenditures	<u>1,670,543</u>	<u>1,670,543</u>	<u>1,670,943</u>	(400)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>18,818</u>	<u>19,618</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	81,779	81,779
Transfers out	<u>-</u>	<u>-</u>	<u>(81,086)</u>	<u>(81,086)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>693</u>	<u>693</u>
NET CHANGE IN FUND BALANCE	-	-	19,511	19,511
FUND BALANCE, BEGINNING	<u>20,079</u>	<u>20,079</u>	<u>20,079</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 20,079</u>	<u>\$ 20,079</u>	<u>\$ 39,590</u>	<u>\$ 19,511</u>

MEDINA COUNTY, TEXAS

NOTES TO BUDGETARY SCHEDULE

SEPTEMBER 30, 2020

A. Budgetary Information

The Commissioners' Court may levy taxes only in accordance with the budget. After final approval of the budget, the Commissioners' Court may spend County funds only in strict compliance with the budget, except in an emergency. The Commissioners' Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. If the Court amends the original budget to meet an emergency, the Court must file a copy of its order amending the budget with the County Clerk and the Clerk shall attach the copy to the original budget. Only the Commissioners' Court may amend the budget and shift funds from one budget account to another.

The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year and approved by the Commissioners' Court. The budget should not be exceeded in any expenditures category under state law. The budget was amended to reflect as closely as possible revenue and expenditures for the 12-month period. Certain categories exceeded the budget estimates. These variances were due to the fluctuations in revenue and expenditures as opposed to the prorated budget estimates.

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

The Commissioners' Court invites various department heads to appear for a hearing concerning the department's budget request. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenue and available resources. Also, amendments can be made within the above guidelines.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. Appropriations lapse at year-end.

The level of control is the department. By state law, expenditures can exceed appropriations as long as the amounts do not exceed the available revenue and cash balances. The County prepares its budget on a GAAP basis. Since revenue and expenditures are carefully monitored, it is felt that with the GAAP basis, the County will be in compliance with state law.

MEDINA COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Plan Year Ended December 31	<u>2019</u>	<u>2018</u>
Total Pension Liability		
Service Cost	\$ 1,133,013	\$ 1,072,407
Interest on total pension liability	2,363,979	2,215,666
Effect of plan changes	-	-
Effect of economic/demographic (gains) or losses	10,747	(182,717)
Effect of assumption changes or inputs	-	-
Benefit payments/refunds of contributions	<u>(1,374,407)</u>	<u>(1,296,981)</u>
Net change in total pension liability	2,133,332	1,808,375
Total pension liability - beginning	<u>28,725,736</u>	<u>26,917,361</u>
Total pension liability - ending (a)	\$ <u>30,859,068</u>	\$ <u>28,725,736</u>
Plan Fiduciary Net Position		
Employer contributions	\$ 825,040	\$ 796,819
Member contributions	618,782	597,615
Investment income net of investment expenses	4,313,836	(496,014)
Benefit payments refunds of contributions	<u>(1,374,407)</u>	<u>(1,296,981)</u>
Administrative expenses	<u>(23,346)</u>	<u>(21,099)</u>
Other	<u>6,848</u>	<u>5,584</u>
Net change in plan fiduciary net position	4,366,753	(414,076)
Plan fiduciary net position - beginning	<u>26,269,080</u>	<u>26,683,156</u>
Plan fiduciary net position - ending (b)	\$ <u>30,635,833</u>	\$ <u>26,269,080</u>
Net pension liability - ending (a) - (b)	\$ <u>223,235</u>	\$ <u>2,456,656</u>
Fiduciary net position as a percentage of total pension liability	99.28%	91.45%
Pensionable covered payroll	\$ 10,313,033	\$ 9,960,254
Net pension liability as a percentage of covered payroll	2.16%	24.66%

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

	2017	2016	2015	2014
\$	1,096,294	\$ 1,047,627	\$ 965,430	\$ 904,251
	2,058,841	1,860,738	1,739,114	1,599,983
	-	-	(215,866)	-
(	119,781)	46,951	(283,157)	98,008
	155,259	-	275,381	
(	<u>1,166,783</u>)	(<u>1,020,613</u>)	(<u>961,512</u>)	(<u>926,667</u>)
	2,023,830	1,934,703	1,519,390	1,675,575
	<u>24,893,531</u>	<u>22,958,828</u>	<u>21,439,438</u>	<u>19,763,863</u>
\$	<u>26,917,361</u>	\$ <u>24,893,531</u>	\$ <u>22,958,828</u>	\$ <u>21,439,438</u>
\$	762,738	\$ 711,667	\$ 670,857	\$ 639,941
	571,174	533,753	503,059	479,959
	3,381,770	1,570,996	(125,071)	1,335,589
(	1,166,783)	(1,020,613)	(961,512)	(926,667)
(	17,747)	(17,127)	(15,282)	(15,735)
	<u>2,073</u>	<u>64,365</u>	<u>40,468</u>	(<u>9,303</u>)
	3,533,225	1,843,041	112,519	1,503,784
	<u>23,149,931</u>	<u>21,306,889</u>	<u>21,194,370</u>	<u>19,690,586</u>
\$	<u>26,683,156</u>	\$ <u>23,149,930</u>	\$ <u>21,306,889</u>	\$ <u>21,194,370</u>
\$	<u>234,205</u>	\$ <u>1,743,601</u>	\$ <u>1,651,939</u>	\$ <u>245,068</u>
	99.13%	93.00%	92.80%	98.86%
\$	9,519,560	\$ 8,895,879	\$ 8,384,324	\$ 7,999,314
	2.46%	19.60%	19.70%	3.06%

MEDINA COUNTY, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 615,394	\$ 615,394	\$ -	\$ 7,817,468	7.9%
2015	666,600	666,600	-	8,332,498	8.0%
2016	725,661	725,661	-	9,070,767	8.0%
2017	754,355	754,355	-	9,429,443	8.0%
2018	781,451	781,451	-	9,768,135	8.0%
2019	824,742	824,742	-	10,335,915	8.0%
2020	869,481	869,481	-	10,884,475	8.0%

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

MEDINA COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

Methods and assumptions used to determine contributions rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	10.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflect. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule.

MEDINA COUNTY, TEXAS

RETIREE HEALTH INSURANCE PLAN

SCHEDULE OF CHANGES IN OPEB LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Plan Year Ended September 30	2018	2019	2020
Total OPEB Liability:			
Service cost	\$ 99,715	\$ 103,763	\$ 103,763
Interest	113,043	117,513	91,640
Difference between expected and actual experience	-	(87,951)	(110,995)
Changes in assumptions	-	515,574	(408,330)
Benefit payments	(109,342)	(104,078)	(92,328)
Net change in total pension liability	103,416	544,821	(416,250)
Total OPEB liability - beginning	<u>2,739,270</u>	<u>2,842,686</u>	<u>3,387,507</u>
Total OPEB liability - ending (a)	\$ <u>2,842,686</u>	\$ <u>3,387,507</u>	\$ <u>2,971,257</u>
Covered - employee payroll	\$ 4,306,477	\$ 4,359,713	\$ 3,960,587
Total OPEB liability as a percentage of covered - employee payroll	66.01%	77.70%	75.02%

Note: This schedule is required to have 10 years of information, but the information prior to 2018 is not available.

MEDINA COUNTY, TEXAS

NOTES TO OTHER POST EMPLOYMENT BENEFITS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Valuation date	September 30, 2020
Measurement date	September 30, 2020
Methods and assumptions:	
Actuarial Method	Individual Entry Age Normal Cost Method - Level Percentage of Projected Salary.
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	2.25% (-0.25% real rate of return plus 2.50% inflation)
Health Care Cost Trend	Level 4.50% for medical and 1.50% for dental
Mortality	RPH-2014 Total Table with Projection MP-2019
Turnover	Rates varying based on gender, age and select and ultimate at 15 year. Rates based on the TCDRS actuarial assumptions form the 2017 retirement plan valuation report.
Disability	None assumed
Retiree Contributions	None for individual coverage. Retiree pays a contribution for family coverage. Effective January 1, 2012, eligible retirees retiring on or after that date are required to contribute \$50 per month for individual medical coverage.
Salary Scale	3.50%
Data Assumptions:	
Coverage	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 100% of all actives who currently have healthcare coverage will continue with employee only coverage upon retirement.

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**COMBINING
FUND STATEMENTS**

MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	Special Revenue			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
ASSETS				
Cash and investments	\$ 69,705	\$ 384,889	\$ 259,283	\$ 326,197
Receivables:				
Ad valorem taxes	80,951	58,721	45,994	43,528
Intergovernmental	-	-	-	-
Other	<u>34,731</u>	<u>26,529</u>	<u>25,779</u>	<u>25,729</u>
Total assets	<u>185,387</u>	<u>470,139</u>	<u>331,056</u>	<u>395,454</u>
LIABILITIES				
Accounts payable	20,258	57,128	9,994	29,879
Payroll liabilities	15,840	16,379	12,231	10,303
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	<u>26,694</u>	<u>2,613</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>62,792</u>	<u>76,120</u>	<u>22,225</u>	<u>40,182</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>75,717</u>	<u>60,258</u>	<u>36,093</u>	<u>35,718</u>
Total deferred inflows of resources	<u>75,717</u>	<u>60,258</u>	<u>36,093</u>	<u>35,718</u>
FUND BALANCES				
Restricted	46,878	333,761	272,738	319,554
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>46,878</u>	<u>333,761</u>	<u>272,738</u>	<u>319,554</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 185,387</u>	<u>\$ 470,139</u>	<u>\$ 331,056</u>	<u>\$ 395,454</u>

Special Revenue

Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Community Justice Assistance	WIC
\$ -	\$ -	\$ -	\$ -	\$ 104,589	\$ 9,094
-	-	-	-	-	13
-	-	-	-	18,953	74,291
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,542</u>	<u>83,398</u>
-	-	-	-	35	24,896
-	-	-	-	7,101	7,175
-	-	-	-	-	-
-	-	-	-	52,022	33,208
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,317</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,475</u>	<u>65,279</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>
-	-	-	-	49,067	18,119
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,067</u>	<u>18,119</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,542</u>	<u>\$ 83,398</u>

MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	<u>Special Revenue</u>			
	<u>Health Unit</u>	<u>Juvenile Probation Department</u>	<u>Nutrition</u>	<u>Sheriff Short-term Grants</u>
ASSETS				
Cash and investments	\$ -	\$ -	\$ 83	\$ -
Receivables:				
Ad valorem taxes	-	-	-	-
Intergovernmental	114,023	90	-	11,855
Other	<u>265</u>	<u>71,837</u>	<u>-</u>	<u>-</u>
Total assets	<u>114,288</u>	<u>71,927</u>	<u>83</u>	<u>11,855</u>
LIABILITIES				
Accounts payable	11,759	7,519	-	4,656
Payroll liabilities	6,950	1,004	-	-
Other liabilities	-	-	-	-
Due to other funds	131,234	95,790	-	8,161
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>149,943</u>	<u>104,313</u>	<u>-</u>	<u>12,817</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	-	-	83	-
Unassigned	<u>(35,655)</u>	<u>(32,386)</u>	<u>-</u>	<u>(962)</u>
Total fund balances	<u>(35,655)</u>	<u>(32,386)</u>	<u>83</u>	<u>(962)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 114,288</u>	<u>\$ 71,927</u>	<u>\$ 83</u>	<u>\$ 11,855</u>

Special Revenue

Purchase of Youth Services	County Attorney Special	County Law Library	Court Reporter	Sheriff's Forfeiture - General	Forfeiture - Constable No. 1
\$ 9,146	\$ 10,884	\$ 51,420	\$ 22,387	\$ 58,758	\$ 139
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,420	600	-	-
<u>9,146</u>	<u>10,884</u>	<u>52,840</u>	<u>22,987</u>	<u>58,758</u>	<u>139</u>
-	3	8,657	3,713	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>3</u>	<u>8,657</u>	<u>3,713</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9,146	10,881	44,183	19,274	58,758	139
-	-	-	-	-	-
<u>9,146</u>	<u>10,881</u>	<u>44,183</u>	<u>19,274</u>	<u>58,758</u>	<u>139</u>
<u>\$ 9,146</u>	<u>\$ 10,884</u>	<u>\$ 52,840</u>	<u>\$ 22,987</u>	<u>\$ 58,758</u>	<u>\$ 139</u>

MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	Special Revenue			
	Forfeiture - Constable No. 3	Forfeiture - Constable No. 4	County Clerk Records Management	Records Management
ASSETS				
Cash and investments	\$ 105	\$ 399	\$ 293,925	\$ 11,349
Receivables:				
Ad valorem taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other	-	-	-	437
Total assets	<u>105</u>	<u>399</u>	<u>293,925</u>	<u>11,786</u>
LIABILITIES				
Accounts payable	-	-	580	-
Payroll liabilities	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>580</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	105	399	293,345	11,786
Unassigned	-	-	-	-
Total fund balances	<u>105</u>	<u>399</u>	<u>293,345</u>	<u>11,786</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 105</u>	<u>\$ 399</u>	<u>\$ 293,925</u>	<u>\$ 11,786</u>

Special Revenue

Courthouse Security	LEOSE Chapter 415	Justice Court Technology	D. A. Federal Forfeiture	Records Management Archival County Clerk	Records Management Archival District Clerk
\$ 52,815	\$ 36,159	\$ 18,483	\$ 22,827	\$ 306,698	\$ 12,693
-	-	-	-	-	-
-	-	-	-	-	-
<u>341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>711</u>
<u>53,156</u>	<u>36,159</u>	<u>18,483</u>	<u>22,827</u>	<u>306,698</u>	<u>13,404</u>
59	-	-	-	-	-
3,251	-	-	-	-	-
-	-	-	22,233	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,310</u>	<u>-</u>	<u>-</u>	<u>22,233</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
49,846	36,159	18,483	594	306,698	13,404
-	-	-	-	-	-
<u>49,846</u>	<u>36,159</u>	<u>18,483</u>	<u>594</u>	<u>306,698</u>	<u>13,404</u>
<u>\$ 53,156</u>	<u>\$ 36,159</u>	<u>\$ 18,483</u>	<u>\$ 22,827</u>	<u>\$ 306,698</u>	<u>\$ 13,404</u>

MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	<u>Special Revenue</u>			
	<u>Project Safe Neighborhoods</u>	<u>Homeland Security Grants</u>	<u>JAG - District Attorney</u>	<u>Justice Court Security</u>
ASSETS				
Cash and investments	\$ -	\$ 8,876	\$ -	\$ 76,078
Receivables:				
Ad valorem taxes	-	-	-	-
Intergovernmental	21,517	-	-	-
Other	-	-	-	-
Total assets	<u>21,517</u>	<u>8,876</u>	<u>-</u>	<u>76,078</u>
LIABILITIES				
Accounts payable	717	-	-	-
Payroll liabilities	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	23,956	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>24,673</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	-	8,876	-	76,078
Unassigned	(3,156)	-	-	-
Total fund balances	<u>(3,156)</u>	<u>8,876</u>	<u>-</u>	<u>76,078</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 21,517</u>	<u>\$ 8,876</u>	<u>\$ -</u>	<u>\$ 76,078</u>

Special Revenue

HAVA (Help America Vote Act)	Environmental Health Food Permit	County Public Health	Texas Feeding Texans	DA VAWA Grant	Hazard Mitigation Grant
\$ 50,167	\$ 19,788	\$ 1,015	\$ 5	\$ 16,302	\$ -
-	-	-	-	-	-
-	-	-	-	251	-
<u>347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640</u>	<u>-</u>
<u>50,514</u>	<u>19,788</u>	<u>1,015</u>	<u>5</u>	<u>17,193</u>	<u>-</u>
11,861	-	-	-	5	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	10,329	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>11,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,334</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>	<u>-</u>
38,653	19,788	1,015	5	6,859	-
-	-	-	-	-	-
<u>38,653</u>	<u>19,788</u>	<u>1,015</u>	<u>5</u>	<u>6,859</u>	<u>-</u>
<u>\$ 50,514</u>	<u>\$ 19,788</u>	<u>\$ 1,015</u>	<u>\$ 5</u>	<u>\$ 17,193</u>	<u>\$ -</u>

MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	Special Revenue			
	COPS Technology Grant	Benton City Water Grant	Household Hazardous Waste Grant	District Clerk Technology
ASSETS				
Cash and investments	\$ 3	\$ -	\$ 637	\$ 11,869
Receivables:				
Ad valorem taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other	-	-	-	627
Total assets	<u>3</u>	<u>-</u>	<u>637</u>	<u>12,496</u>
LIABILITIES				
Accounts payable	-	-	-	-
Payroll liabilities	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	3	-	637	12,496
Unassigned	-	-	-	-
Total fund balances	<u>3</u>	<u>-</u>	<u>637</u>	<u>12,496</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 637</u>	<u>\$ 12,496</u>

Special Revenue		Debt Service	Capital Projects	
Tax Increment Zone	Medina County WCID #2	Debt Sinking-Sheriff Auto	Tax Anticipation Note Capital Improvements	Capital Project
\$ 101,951	\$ -	\$ -	\$ 5,951	\$ -
708	-	5,471	-	-
-	-	-	-	-
774	-	-	-	-
<u>103,433</u>	<u>-</u>	<u>5,471</u>	<u>5,951</u>	<u>-</u>
12,364	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	105,399
-	-	-	-	-
<u>12,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,399</u>
-	-	-	-	-
-	-	-	-	-
91,069	-	5,471	5,951	-
-	-	-	-	(105,399)
<u>91,069</u>	<u>-</u>	<u>5,471</u>	<u>5,951</u>	<u>(105,399)</u>
\$ <u>103,433</u>	\$ <u>-</u>	\$ <u>5,471</u>	\$ <u>5,951</u>	\$ <u>-</u>

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MEDINA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Capital Projects		
	TAN Series 2018	TAN Series 2020	Total Nonmajor Governmental
ASSETS			
Cash and investments	\$ 210,696	\$ 3,925,865	\$ 6,491,230
Receivables:			
Ad valorem taxes	-	-	235,386
Intergovernmental	-	-	240,980
Other	-	-	190,767
Total assets	210,696	3,925,865	7,158,363
LIABILITIES			
Accounts payable	31,796	21,315	257,194
Payroll liabilities	-	-	80,234
Other liabilities	-	-	22,233
Due to other funds	-	-	460,099
Unearned revenue	-	-	44,624
Total liabilities	31,796	21,315	864,384
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	207,786
Total deferred inflows of resources	-	-	207,786
FUND BALANCES			
Restricted	178,900	3,904,550	6,263,751
Unassigned	-	-	(177,558)
Total fund balances	178,900	3,904,550	6,086,193
Total liabilities, deferred inflows and fund balances	\$ 210,696	\$ 3,925,865	\$ 7,158,363

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
REVENUES				
Property taxes	\$ 1,115,781	\$ 1,401,470	\$ 515,502	\$ 526,094
Other taxes	-	-	-	-
Licenses and permits	227,287	227,287	227,287	227,287
Intergovernmental	-	-	-	-
Fines and forfeitures	139,514	139,514	139,514	139,514
Charges for services	-	-	-	-
Interest	2,345	7,175	3,173	5,942
Miscellaneous	57,874	27,445	56,845	26,945
Total revenues	<u>1,542,801</u>	<u>1,802,891</u>	<u>942,321</u>	<u>925,782</u>
EXPENDITURES				
Current:				
General administration	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Public transportation	1,443,870	1,744,047	941,919	906,427
Health and welfare	-	-	-	-
Capital outlay	134,759	212,116	625	619,159
Debt service:				
Principal retirement	80,588	102,582	-	-
Interest and fiscal charges	9,209	11,909	-	-
Total expenditures	<u>1,668,426</u>	<u>2,070,654</u>	<u>942,544</u>	<u>1,525,586</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(125,625)</u>	<u>(267,763)</u>	<u>(223)</u>	<u>(599,804)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	-	-	-
Proceeds from sale of assets	-	-	-	208,434
Transfers in	532	762	50	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>532</u>	<u>762</u>	<u>50</u>	<u>208,434</u>
NET CHANGE IN FUND BALANCES	<u>(125,093)</u>	<u>(267,001)</u>	<u>(173)</u>	<u>(391,370)</u>
FUND BALANCES, BEGINNING	<u>171,971</u>	<u>600,762</u>	<u>272,911</u>	<u>710,924</u>
FUND BALANCES, ENDING	<u>\$ 46,878</u>	<u>\$ 333,761</u>	<u>\$ 272,738</u>	<u>\$ 319,554</u>

Special Revenue

Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Community Justice Assistance	WIC
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16,185	12,880	7,715	7,635	-	-
-	-	-	-	-	-
-	-	-	-	398,798	442,518
-	-	-	-	-	-
-	-	-	-	61	-
-	-	-	-	122	66
<u>16,185</u>	<u>12,880</u>	<u>7,715</u>	<u>7,635</u>	<u>398,981</u>	<u>442,584</u>
-	-	-	-	-	-
-	-	-	-	322,923	-
16,185	12,880	7,715	7,635	-	-
-	-	-	-	-	399,501
-	-	-	-	-	43,083
-	-	-	-	-	-
<u>16,185</u>	<u>12,880</u>	<u>7,715</u>	<u>7,635</u>	<u>322,923</u>	<u>442,584</u>
-	-	-	-	76,058	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	76,058	-
-	-	-	-	(26,991)	18,119
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,067</u>	<u>\$ 18,119</u>

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue			
	Health Unit	Juvenile Probation Department	Nutrition	Sheriff Short-term Grants
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	405,482	-	-	27,990
Fines and forfeitures	-	-	-	-
Charges for services	-	827	-	-
Interest	-	-	-	-
Miscellaneous	8,575	58,727	-	-
Total revenues	<u>414,057</u>	<u>59,554</u>	<u>-</u>	<u>27,990</u>
EXPENDITURES				
Current:				
General administration	-	-	-	-
Legal	-	-	-	-
Public safety	-	263,444	-	32,595
Public transportation	-	-	-	-
Health and welfare	318,187	-	-	-
Capital outlay	101,672	2,564	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>419,859</u>	<u>266,008</u>	<u>-</u>	<u>32,595</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,802)</u>	<u>(206,454)</u>	<u>-</u>	<u>(4,605)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	9,436	215,684	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>9,436</u>	<u>215,684</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	3,634	9,230	-	(4,605)
FUND BALANCES, BEGINNING	<u>(39,289)</u>	<u>(41,616)</u>	<u>83</u>	<u>3,643</u>
FUND BALANCES, ENDING	<u>\$ (35,655)</u>	<u>\$ (32,386)</u>	<u>\$ 83</u>	<u>\$ (962)</u>

Special Revenue

Purchase of Youth Services	County Attorney Special	County Law Library	Court Reporter	Sheriff's Forfeiture - General	Forfeiture - Constable No. 1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	22,367	-	61,206	-
-	-	-	6,240	-	-
-	-	-	-	477	-
<u>9,146</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>9,146</u>	<u>320</u>	<u>22,367</u>	<u>6,240</u>	<u>61,683</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	35,903	-	-
-	-	60,497	-	18,281	-
-	-	-	-	-	-
-	-	-	-	49,778	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>60,497</u>	<u>35,903</u>	<u>68,059</u>	<u>-</u>
<u>9,146</u>	<u>320</u>	<u>(38,130)</u>	<u>(29,663)</u>	<u>(6,376)</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	41,000	42,500	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>41,000</u>	<u>42,500</u>	<u>-</u>	<u>-</u>
<u>9,146</u>	<u>320</u>	<u>2,870</u>	<u>12,837</u>	<u>(6,376)</u>	<u>-</u>
<u>-</u>	<u>10,561</u>	<u>41,313</u>	<u>6,437</u>	<u>65,134</u>	<u>139</u>
<u>\$ 9,146</u>	<u>\$ 10,881</u>	<u>\$ 44,183</u>	<u>\$ 19,274</u>	<u>\$ 58,758</u>	<u>\$ 139</u>

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue			
	Forfeiture - Constable No. 3	Forfeiture - Constable No. 4	County Clerk Records Management	Records Management
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	115,775	5,161
Charges for services	-	-	-	-
Interest	-	3	1,792	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>3</u>	<u>117,567</u>	<u>5,161</u>
EXPENDITURES				
Current:				
General administration	-	-	39,334	1,695
Legal	-	-	-	-
Public safety	-	-	-	-
Public transportation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	2,549	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>41,883</u>	<u>1,695</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>3</u>	<u>75,684</u>	<u>3,466</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	3	75,684	3,466
FUND BALANCES, BEGINNING	<u>105</u>	<u>396</u>	<u>217,661</u>	<u>8,320</u>
FUND BALANCES, ENDING	<u>\$ 105</u>	<u>\$ 399</u>	<u>\$ 293,345</u>	<u>\$ 11,786</u>

Special Revenue

Courthouse Security	LEOSE Chapter 415	Justice Court Technology	D. A. Federal Forfeiture	Records Management Archival County Clerk	Records Management Archival District Clerk
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	8,266	-	-	-	-
15,696	-	23,781	-	115,496	6,497
22,458	-	-	-	-	-
-	-	-	127	2,169	-
-	-	-	-	-	-
<u>38,154</u>	<u>8,266</u>	<u>23,781</u>	<u>127</u>	<u>117,665</u>	<u>6,497</u>
-	-	-	-	-	-
-	-	50,292	-	-	-
133,793	1,742	-	-	-	-
-	-	-	-	-	-
4,427	-	-	-	103,730	4,200
-	-	-	-	-	-
<u>138,220</u>	<u>1,742</u>	<u>50,292</u>	<u>-</u>	<u>103,730</u>	<u>4,200</u>
(100,066)	6,524	(26,511)	127	13,935	2,297
-	-	-	-	-	-
-	-	-	-	-	-
120,000	-	40,000	-	-	-
-	-	-	-	-	-
<u>120,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
19,934	6,524	13,489	127	13,935	2,297
<u>29,912</u>	<u>29,635</u>	<u>4,994</u>	<u>467</u>	<u>292,763</u>	<u>11,107</u>
\$ <u>49,846</u>	\$ <u>36,159</u>	\$ <u>18,483</u>	\$ <u>594</u>	\$ <u>306,698</u>	\$ <u>13,404</u>

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue			
	Project Safe Neighborhoods	Homeland Security Grants	JAG - District Attorney	Justice Court Security
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	42,952	-	892	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	3,230
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>42,952</u>	<u>-</u>	<u>892</u>	<u>3,230</u>
EXPENDITURES				
Current:				
General administration	-	-	-	-
Legal	-	-	-	-
Public safety	52,680	-	-	-
Public transportation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>52,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,728)</u>	<u>-</u>	<u>892</u>	<u>3,230</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	7,678	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>7,678</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(2,050)</u>	<u>-</u>	<u>892</u>	<u>3,230</u>
FUND BALANCES, BEGINNING	<u>(1,106)</u>	<u>8,876</u>	<u>(892)</u>	<u>72,848</u>
FUND BALANCES, ENDING	<u>\$(3,156)</u>	<u>\$ 8,876</u>	<u>\$ -</u>	<u>\$ 76,078</u>

Special Revenue

HAVA (Help America Vote Act)	Environmental Health Food Permit	County Public Health	Texas Feeding Texans	DA VAWA Grant	Hazard Mitigation Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	2,730	-	-	-	-
52,293	-	-	-	74,754	-
-	-	-	-	-	-
23,568	-	-	-	-	-
68	-	-	-	-	-
-	-	-	-	32,575	-
<u>75,929</u>	<u>2,730</u>	<u>-</u>	<u>-</u>	<u>107,329</u>	<u>-</u>
20,316	-	-	-	103,260	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
57,612	-	-	-	-	-
-	-	-	-	-	-
<u>77,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,260</u>	<u>-</u>
(1,999)	2,730	-	-	4,069	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(58,806)
-	-	-	-	-	(58,806)
(1,999)	2,730	-	-	4,069	(58,806)
<u>40,652</u>	<u>17,058</u>	<u>1,015</u>	<u>5</u>	<u>2,790</u>	<u>58,806</u>
<u>\$ 38,653</u>	<u>\$ 19,788</u>	<u>\$ 1,015</u>	<u>\$ 5</u>	<u>\$ 6,859</u>	<u>\$ -</u>

MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue			
	COPS Technology Grant	Benton City Water Grant	Household Hazardous Waste Grant	District Clerk Technology
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	15,125	-	-
Fines and forfeitures	-	-	-	6,172
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>15,125</u>	<u>-</u>	<u>6,172</u>
EXPENDITURES				
Current:				
General administration	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Public transportation	-	-	-	-
Health and welfare	-	15,125	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>15,125</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,172</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	6,172
FUND BALANCES, BEGINNING	<u>3</u>	<u>-</u>	<u>637</u>	<u>6,324</u>
FUND BALANCES, ENDING	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 637</u>	<u>\$ 12,496</u>

Special Revenue		Debt Service		Capital Projects	
Tax Increment Zone	Medina County WCID #2	Debt Sinking-Sheriff Auto	Tax Anticipation Note Capital Improvements	Capital Project	
\$ 572,855	\$ -	\$ 839	\$ -	\$ -	
-	-	-	-	-	
-	133,485	-	-	-	
-	-	-	-	-	
20,000	-	-	-	-	
491	-	-	194	-	
-	-	-	-	-	
<u>593,346</u>	<u>133,485</u>	<u>839</u>	<u>194</u>	<u>-</u>	
558,716	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	133,485	-	-	-	
-	-	-	38,910	-	
-	-	-	-	-	
-	-	-	-	-	
<u>558,716</u>	<u>133,485</u>	<u>-</u>	<u>38,910</u>	<u>-</u>	
<u>34,630</u>	<u>-</u>	<u>839</u>	<u>(38,716)</u>	<u>-</u>	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	(692)	-	-	
-	-	(692)	-	-	
34,630	-	147	(38,716)	-	
<u>56,439</u>	<u>-</u>	<u>5,324</u>	<u>44,667</u>	<u>(105,399)</u>	
<u>\$ 91,069</u>	<u>\$ -</u>	<u>\$ 5,471</u>	<u>\$ 5,951</u>	<u>\$ (105,399)</u>	

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MEDINA COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Capital Projects		
	TAN Series 2018	TAN Series 2020	Total Nonmajor Governmental
REVENUES			
Property taxes	\$ -	\$ -	\$ 4,132,541
Other taxes	-	-	44,415
Licenses and permits	-	-	911,878
Intergovernmental	-	-	1,602,555
Fines and forfeitures	-	-	930,207
Charges for services	-	-	76,323
Interest	4,414	3,387	31,818
Miscellaneous	-	-	278,640
Total revenues	4,414	3,387	8,008,377
EXPENDITURES			
Current:			
General administration	-	-	723,321
Legal	-	-	409,118
Public safety	-	-	563,032
Public transportation	-	-	5,080,678
Health and welfare	-	-	866,298
Capital outlay	295,577	39,337	1,710,098
Debt service:			
Principal retirement	-	-	183,170
Interest and fiscal charges	-	59,500	80,618
Total expenditures	295,577	98,837	9,616,333
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(291,163)	(95,450)	(1,607,956)
OTHER FINANCING SOURCES (USES)			
Proceeds from debt issuance	-	4,000,000	4,000,000
Proceeds from sale of assets	-	-	208,434
Transfers in	-	-	477,642
Transfers out	-	-	(59,498)
Total other financing sources (uses)	-	4,000,000	4,626,578
NET CHANGE IN FUND BALANCES	(291,163)	3,904,550	3,018,622
FUND BALANCES, BEGINNING	470,063	-	3,067,571
FUND BALANCES, ENDING	\$ 178,900	\$ 3,904,550	\$ 6,086,193

MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 1

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,132,870	\$ 1,132,870	\$ 1,115,781	\$(17,089)
Licenses and permits	230,805	230,805	227,287	(3,518)
Fines and forfeitures	123,520	123,520	139,514	15,994
Interest	4,390	4,390	2,345	(2,045)
Miscellaneous	-	-	57,874	57,874
Total revenues	<u>1,491,585</u>	<u>1,491,585</u>	<u>1,542,801</u>	<u>51,216</u>
EXPENDITURES				
Public transportation	1,575,023	1,540,023	1,443,870	96,153
Capital outlay	100,000	135,000	134,759	241
Debt service				
Principal	54,221	54,221	80,588	(26,367)
Interest	<u>6,000</u>	<u>6,000</u>	<u>9,209</u>	<u>(3,209)</u>
Total expenditures	<u>1,735,244</u>	<u>1,735,244</u>	<u>1,668,426</u>	<u>66,818</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(243,659)</u>	<u>(243,659)</u>	<u>(125,625)</u>	<u>118,034</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	532	532
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>532</u>	<u>532</u>
NET CHANGE IN FUND BALANCE	<u>(243,659)</u>	<u>(243,659)</u>	<u>(125,093)</u>	<u>118,566</u>
FUND BALANCE, BEGINNING	<u>171,971</u>	<u>171,971</u>	<u>171,971</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$(71,688)</u>	<u>\$(71,688)</u>	<u>\$ 46,878</u>	<u>\$ 118,566</u>

MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 2

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,390,705	\$ 1,390,705	\$ 1,401,470	\$ 10,765
Licenses and permits	230,805	230,805	227,287	(3,518)
Fines and forfeitures	123,520	123,520	139,514	15,994
Interest	4,990	4,990	7,175	2,185
Miscellaneous	-	-	27,445	27,445
Total revenues	<u>1,750,020</u>	<u>1,750,020</u>	<u>1,802,891</u>	<u>52,871</u>
EXPENDITURES				
Public transportation	1,649,662	2,001,245	1,744,047	257,198
Capital outlay	75,000	213,000	212,116	884
Debt service				
Principal	44,810	44,810	102,582	(57,772)
Interest	<u>4,780</u>	<u>4,780</u>	<u>11,909</u>	<u>(7,129)</u>
Total expenditures	<u>1,774,252</u>	<u>2,263,835</u>	<u>2,070,654</u>	<u>193,181</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(24,232)</u>	<u>(513,815)</u>	<u>(267,763)</u>	<u>246,052</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	762	762
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>762</u>	<u>762</u>
NET CHANGE IN FUND BALANCE	<u>(24,232)</u>	<u>(513,815)</u>	<u>(267,001)</u>	<u>246,814</u>
FUND BALANCE, BEGINNING	<u>600,762</u>	<u>600,762</u>	<u>600,762</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 576,530</u>	<u>\$ 86,947</u>	<u>\$ 333,761</u>	<u>\$ 246,814</u>

MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 3

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 542,476	\$ 542,476	\$ 515,502	\$ (26,974)
Licenses and permits	230,805	230,805	227,287	(3,518)
Fines and forfeitures	123,520	123,520	139,514	15,994
Interest	4,750	4,750	3,173	(1,577)
Miscellaneous	-	-	56,845	56,845
Total revenues	<u>901,551</u>	<u>901,551</u>	<u>942,321</u>	<u>40,770</u>
EXPENDITURES				
Public transportation	1,044,747	1,044,747	941,919	102,828
Capital outlay	<u>70,000</u>	<u>70,000</u>	<u>625</u>	<u>69,375</u>
Total expenditures	<u>1,114,747</u>	<u>1,114,747</u>	<u>942,544</u>	<u>172,203</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(213,196)</u>	<u>(213,196)</u>	<u>(223)</u>	<u>212,973</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	50	50
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>
NET CHANGE IN FUND BALANCE	<u>(213,196)</u>	<u>(213,196)</u>	<u>(173)</u>	<u>213,023</u>
FUND BALANCE, BEGINNING	<u>272,911</u>	<u>272,911</u>	<u>272,911</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 59,715</u>	<u>\$ 59,715</u>	<u>\$ 272,738</u>	<u>\$ 213,023</u>

MEDINA COUNTY, TEXAS

ROAD AND BRIDGE NO. 4

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 533,979	\$ 533,979	\$ 526,094	\$ (7,885)
Licenses and permits	230,805	230,805	227,287	(3,518)
Fines and forfeitures	123,520	123,520	139,514	15,994
Interest	8,820	8,820	5,942	(2,878)
Miscellaneous	-	-	26,945	26,945
Total revenues	<u>897,124</u>	<u>897,124</u>	<u>925,782</u>	<u>28,658</u>
EXPENDITURES				
Public transportation	835,249	935,249	906,427	28,822
Capital outlay	70,000	768,538	619,159	149,379
Total expenditures	<u>905,249</u>	<u>1,703,787</u>	<u>1,525,586</u>	<u>178,201</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,125)</u>	<u>(806,663)</u>	<u>(599,804)</u>	<u>206,859</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	208,434	208,434
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>208,434</u>	<u>208,434</u>
NET CHANGE IN FUND BALANCE	<u>(8,125)</u>	<u>(806,663)</u>	<u>(391,370)</u>	<u>415,293</u>
FUND BALANCE, BEGINNING	<u>710,924</u>	<u>710,924</u>	<u>710,924</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 702,799</u>	<u>\$ (95,739)</u>	<u>\$ 319,554</u>	<u>\$ 415,293</u>

MEDINA COUNTY, TEXAS

COMBINING BALANCE SHEET

AGENCY FUNDS

SEPTEMBER 30, 2020

	Agency				
	<u>State Taxes</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Unclaimed Money</u>	<u>Tax Office</u>
ASSETS					
Cash and investments	\$ <u>189,796</u>	\$ <u>282,989</u>	\$ <u>337,268</u>	\$ <u>10,308</u>	\$ <u>3,114,209</u>
Total assets	\$ <u>189,796</u>	\$ <u>282,989</u>	\$ <u>337,268</u>	\$ <u>10,308</u>	\$ <u>3,114,209</u>
LIABILITIES					
Due to others	\$ <u>189,796</u>	\$ <u>282,989</u>	\$ <u>337,268</u>	\$ <u>10,308</u>	\$ <u>3,114,209</u>
Total liabilities	\$ <u>189,796</u>	\$ <u>282,989</u>	\$ <u>337,268</u>	\$ <u>10,308</u>	\$ <u>3,114,209</u>

Agency					
County Sheriff	Cafeteria Plan	Adult Probations	4th Court of Appeals	Medina County Elected Official Escrow	Totals
\$ 161,656	\$ 21,615	\$ 551	\$ 405	\$ 127,473	\$ 4,246,270
<u>\$ 161,656</u>	<u>\$ 21,615</u>	<u>\$ 551</u>	<u>\$ 405</u>	<u>\$ 127,473</u>	<u>\$ 4,246,270</u>
\$ 161,656	\$ 21,615	\$ 551	\$ 405	\$ 127,473	\$ 4,246,270
<u>\$ 161,656</u>	<u>\$ 21,615</u>	<u>\$ 551</u>	<u>\$ 405</u>	<u>\$ 127,473</u>	<u>\$ 4,246,270</u>

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SINGLE AUDIT SECTION

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

Honorable County Judge and
Commissioners' Court
Hondo, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Medina County, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Medina County, Texas' basic financial statements, and have issued our report thereon dated March 29, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

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

Waco, Texas
March 29, 2021

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

Honorable County Judge and
Commissioners Court
Hondo, Texas

Report on Compliance for Each Major Federal Program

We have audited Medina County, Texas' compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Medina County, Texas' major federal programs for the year ended September 30, 2020. Medina County, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Medina County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Medina County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Medina County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Waco, Texas
March 29, 2021

MEDINA COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Expenditures	Pass-through Expenditures
FEDERAL AWARDS				
<u>U. S. Department of Agriculture</u>				
Pass-through Texas Department of State Health Services: Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2017-049859-001A	\$ 442,518	\$ -
Total Passed through the Texas Department of State Health Services			442,518	-
Total U. S. Department of Agriculture			442,518	-
<u>U. S. Department of Housing and Urban Development</u>				
Pass-through the Texas Department of Agriculture: Community Development Block Grant	14.228	7217309	3,025	-
Community Development Block Grant	14.228	7219271	15,125	-
Total Passed through the Texas Department of Agriculture			18,150	-
Total U. S. Department of Housing and Urban Development			18,150	-
<u>U. S. Department of Justice</u>				
Pass-through the Office of the Governor Criminal Justice Division: Violence Against Women Formula Grants	16.588	2304410	74,754	-
State Criminal Alien Assistance Program (SCAAP)	16.606	2019-AP-BX-0994	6,597	-
State Criminal Alien Assistance Program (SCAAP)	16.606	2020-AP-BX-1041	2,774	-
Total Passed through the Office of the Governor Criminal Justice Division			84,125	-
Total U. S. Department of Justice			84,125	-
<u>U. S. Department of Treasury</u>				
Passed through Texas Department of Emergency Management: COVID-19 - Coronavirus Relief Fund	21.019	269	1,680,360	-
Total Passed through the Texas Department of Emergency Management			1,680,360	-
Total U.S. Department of Treasury			1,680,360	-
<u>U. S. Election Assistance Commission</u>				
Pass-through Texas Secretary of State: COVID-19 - Help America Vote Act (HAVA) CARES Act	90.404	TX20101CARES-163	49,454	-
Total Passed through Texas Secretary of State			49,454	-
Total U.S. Election of Treasury			49,454	-
<u>U. S. Department of Health and Human Services</u>				
Pass-through Texas Department of State Health Services: Public Health Emergency Preparedness (PHEP)	93.069	537-18-0177-00001	101,638	-
Immunization Cooperative Agreements	93.268	HHS000092500001	52,629	-
Public Health Emergency Response	93.354	HHS000769300001	126,921	-
Preventative Health and Health Services Block Grant	93.991	HHS000485600024	32,570	-
Total Passed through the Texas Department of State Health Services:			313,758	-
Total U. S. Department of Health and Human Services			313,758	-
Total Federal Awards			\$ 2,588,365	\$ -

MEDINA COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. INDIRECT COSTS

The County has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

MEDINA COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Summary of Auditor's Results

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None

Federal Awards:

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

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

CFDA Number(s) #21.019	Name of Federal Program or Cluster: COVID-19 - Coronavirus Relief Fund
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Dollar threshold used to distinguish between type A and type B programs	\$750,000
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Auditee qualified as low-risk auditee for federal single audit?	Yes
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**Findings Related to the Financial Statements Which Are
Required to be Reported in Accordance With Generally
Accepted Government Auditing Standards**

None

Findings and Questioned Costs for Federal Awards

None

MEDINA COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

None