

BAILEY COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR YEAR ENDED
SEPTEMBER 30, 2021

BAILEY COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2021

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PART I

INTRODUCTORY SECTION

BAILEY COUNTY, TEXAS
PRINCIPAL COUNTY OFFICIALS
SEPTEMBER 30, 2021

Sherrri Harrison	County Judge
Gary Don Gratin	Commissioner, Precinct #1
Mike Slayden	Commissioner, Precinct #2
Cody Black	Commissioner, Precinct #3
Jim Daniel	Commissioner, Precinct #4
Gordon H. Green	Judge, 287 th Judicial District
Kathryn Gurley	District Attorney
Becky Espinoza	District Clerk
Jackie R. Claborn II	County Attorney
Irene Espinoza	County Clerk
Maria Gonzalez	County Tax Assessor/Collector
Shonda L. Black	County Treasurer
Richard Wills	County Sheriff
Rodney Baker	Justice of the Peace
Kent Wiley	County Constable

PART II
FINANCIAL SECTION



To The Honorable County Judge and
Commissioners Comprising the
Commissioners' Court of
Bailey County, Texas
Muleshoe, Texas

INDEPENDENT AUDITORS' REPORT

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 Bailey County, Texas as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bailey County, Texas, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, the schedule of changes in pension liability and related ratios, and the schedule of employer contributions on pages 33 – 38 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.

The County has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The MD&A, 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. The independent auditors' opinion is not affected by the omission of the MD&A.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bailey County, Texas's basic financial statements. The combining non-major and agency fund financial statements listed under other supplementary information in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major and agency fund financial statements listed under other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

DOSHIER, PICKENS & FRANCIS, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC
Amarillo, Texas
March 11, 2022

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BASIC FINANCIAL STATEMENTS

BAILEY COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,465,976
Accounts receivable, net	325,678
Delinquent taxes receivable, net	74,962
Due from other governmental entities	149,339
Prepaid items	62,317
Net pension asset	88,323
Capital assets, net of accumulated depreciation	<u>3,335,357</u>
Total assets	<u>6,501,952</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension contributions	106,392
Pension economic/demographic losses	21,510
Pension assumption changes	<u>344,968</u>
Total deferred outflows of resources	<u>472,870</u>
LIABILITIES	
Accounts payable	139,385
Due to other governmental entities	21,799
Accrued interest	36,096
Other accrued	172,113
Noncurrent liabilities:	
Due within one year	533,165
Due in more than one year	<u>1,494,041</u>
Total liabilities	<u>2,396,599</u>
DEFERRED INFLOWS OF RESOURCES	
Pension economic/demographic gains	158,316
Pension excess earnings	<u>315,377</u>
Total deferred inflows of resources	<u>473,693</u>
NET POSITION	
Net investment in capital assets	1,569,157
Restricted:	
By enabling legislation	466,606
Debt service	49,832
Special purposes	786,047
Unrestricted	<u>1,232,888</u>
Total net position	<u><u>\$ 4,104,530</u></u>

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

BAILEY COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Primary</u>
					<u>Government</u>
					<u>Governmental</u>
					<u>Activities</u>
Primary government					
Governmental Activities:					
Administrative	\$ 1,003,189	\$ 1,371,548	\$ 938,823	\$ 393,503	\$ 1,700,685
Judicial	836,882	90,061	384,956	-	(361,865)
Public facilities	86,853	1,000	-	-	(85,853)
Public safety	2,600,969	22,243	131,573	-	(2,447,153)
Road and bridge	1,328,385	403,450	48,491	-	(876,444)
Public service	1,211,966	462,641	26,771	-	(722,554)
Interest on long-term debt	48,630	-	-	-	(48,630)
Total	<u>\$ 7,116,874</u>	<u>\$ 2,350,943</u>	<u>\$ 1,530,614</u>	<u>\$ 393,503</u>	<u>(2,841,814)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	2,089,616
Property taxes, levied for road and bridge	1,002,891
Property taxes, levied for debt service	304,701
Payments in lieu of taxes	234,600
Mixed beverage taxes	2,709
Sales tax	328,365
Investment earnings	3,313
Miscellaneous	163,343
Gain on disposal of asset	55,000

Total general revenues 4,184,538

Change in net position 1,342,724

Net position - beginning 2,761,806

Net position - ending \$ 4,104,530

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

**BAILEY COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>EMS Fund</u>	<u>COVID-19 Grants</u>
ASSETS			
Cash and cash equivalents	\$ 822,144	\$ 12,442	\$ 785,933
Accounts receivable, net	119,986	204,665	-
Delinquent taxes receivable, net	64,898	-	-
Due from other governments	120,890	-	-
Prepaid items	47,784	3,179	-
	<u>1,175,702</u>	<u>220,286</u>	<u>785,933</u>
Total assets	<u>\$ 1,175,702</u>	<u>\$ 220,286</u>	<u>\$ 785,933</u>
LIABILITIES			
Accounts payable	\$ 80,138	\$ 39,112	\$ -
Due to other governmental entities	21,236	372	-
Other accrued expenses	124,580	24,189	-
	<u>225,954</u>	<u>63,673</u>	<u>-</u>
Total liabilities	<u>225,954</u>	<u>63,673</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - delinquent property taxes	54,292	-	-
Unavailable revenue - accounts receivable	130,731	139,562	-
	<u>185,023</u>	<u>139,562</u>	<u>-</u>
Total deferred inflows of resources	<u>185,023</u>	<u>139,562</u>	<u>-</u>
FUND BALANCES			
Non-spendable:			
Prepaid items	47,784	3,179	-
Restricted:			
By enabling legislation for special projects	-	-	-
Debt service	-	-	-
Special projects	-	-	785,933
Committed for:			
Special projects	4,808	13,872	-
Unassigned	712,133	-	-
	<u>764,725</u>	<u>17,051</u>	<u>785,933</u>
Total fund balances	<u>764,725</u>	<u>17,051</u>	<u>785,933</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,175,702</u>	<u>\$ 220,286</u>	<u>\$ 785,933</u>

Non-Major Governmental	Total Governmental
\$ 845,457	\$ 2,465,976
1,027	325,678
10,064	74,962
28,449	149,339
11,354	62,317
<u>896,351</u>	<u>3,078,272</u>
\$ 20,135	\$ 139,385
191	21,799
23,344	172,113
<u>43,670</u>	<u>333,297</u>
8,508	62,800
-	270,293
<u>8,508</u>	<u>333,093</u>
11,354	62,317
466,606	466,606
49,832	49,832
114	786,047
316,267	334,947
-	712,133
<u>844,173</u>	<u>2,411,882</u>
<u>\$ 896,351</u>	<u>\$ 3,078,272</u>

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

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BAILEY COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

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

Total fund balance - governmental funds	\$	2,411,882
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		3,335,357
Certain accounts receivable are not available to pay for current-period expenditures and, therefore, are shown as unavailable revenues in the fund financial statements		333,093
The net pension asset is not a current financial resource and therefore, is not reported in the fund financial statement, but is reported in the governmental activities of the Statement of Net Position.		88,323
Pension contributions paid after the measurement date, December 31, 2020, and before September 30, 2021 are expensed in the governmental funds and shown as deferred outflows of resources in the government-wide financial statements.		106,392
Pension losses, deficient earnings, and assumption changes are shown as deferred outflows of resources in the government-wide financial statements.		
Pension economic/demographic losses		21,510
Pension assumption changes		344,968
Pension gains, and excess earnings are shown as deferred inflows of resources in the government-wide financial statements.		
Pension economic/demographic gains		(158,316)
Pension excess earnings		(315,377)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements:		
Accrued interest payable		(36,096)
Bonds, notes and capital leases payable		(1,766,202)
Unamortized bond premiums		(42,584)
Accrued compensated absences		(218,420)
		(2,369,600)
Net position - governmental activities	\$	4,104,530

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

BAILEY COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General Fund</u>	<u>EMS Fund</u>	<u>COVID-19 Grants</u>
REVENUES			
Property taxes	\$ 2,087,254	\$ -	\$ -
Payments in lieu of taxes	234,600	-	-
Sales and miscellaneous taxes	331,074	-	-
Licenses and fees	1,310,353	339,351	-
Fines and forfeitures	179,590	-	-
Intergovernmental	903,444	10,791	918,367
Investment earnings	1,360	-	1,290
Miscellaneous	65,443	-	-
	<u>5,113,118</u>	<u>350,142</u>	<u>919,657</u>
EXPENDITURES			
Current:			
Administrative	964,586	-	24,215
Judicial	843,275	-	-
Public facilities	87,474	-	-
Public safety	2,365,075	-	-
Road and bridge	-	-	-
Public service	195,690	953,544	-
Debt service:			
Principal	33,126	-	-
Interest	2,126	-	-
Capital outlay	527,243	10,000	91,314
	<u>5,018,595</u>	<u>963,544</u>	<u>115,529</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>94,523</u>	<u>(613,402)</u>	<u>804,128</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	22,602	-	-
Proceeds from sale of assets	-	-	-
Transfers in	119,019	610,331	-
Transfers out	(611,626)	-	(43,819)
	<u>(470,005)</u>	<u>610,331</u>	<u>(43,819)</u>
NET CHANGE IN FUND BALANCES			
	(375,482)	(3,071)	760,309
FUND BALANCES - BEGINNING			
	<u>1,140,207</u>	<u>20,122</u>	<u>25,624</u>
FUND BALANCES - ENDING			
	<u>\$ 764,725</u>	<u>\$ 17,051</u>	<u>\$ 785,933</u>

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 1,301,761	\$ 3,389,015
-	234,600
-	331,074
435,602	2,085,306
-	179,590
86,409	1,919,011
663	3,313
103,006	168,449
<u>1,927,441</u>	<u>8,310,358</u>
6,170	994,971
10,396	853,671
-	87,474
46,495	2,411,570
976,826	976,826
-	1,149,234
469,855	502,981
58,704	60,830
309,665	938,222
<u>1,878,111</u>	<u>7,975,779</u>
<u>49,330</u>	<u>334,579</u>
215,285	237,887
55,000	55,000
1,295	730,645
(75,200)	(730,645)
<u>196,380</u>	<u>292,887</u>
245,710	627,466
598,463	1,784,416
<u>\$ 844,173</u>	<u>\$ 2,411,882</u>

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

**BAILEY 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, 2021**

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

Net change in fund balances - total governmental funds:	\$	627,466
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
This is the amount by which capital outlays, \$938,222, exceeded depreciation, \$677,033, in the current period.		261,189
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. This amount represents the change in unavailable revenues.</p>		
		94,240
<p>In the Statement of Net Position, incurring debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayments of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.</p>		
Debt issued or incurred:		
Notes payable		(22,602)
Capital lease		(215,285)
Principal repayments:		
Capital lease		28,775
Notes payable		204,206
Bonds payable		270,000
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Accrued interest on debt, net change		(1,995)
Bond premium amortization		14,193
Compensated absences, net change		5,337
<p>Changes in pension related liabilities, outflows, and inflows reported in the government-wide Statement of Activities are not reported in the governmental funds as revenues or expenditures.</p>		
		77,200
Change in net position - governmental activities	\$	1,342,724

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

BAILEY COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2021

ASSETS		
Cash and cash equivalents		\$ 818,619
		<hr/>
Total assets		\$ 818,619
		<hr/> <hr/>
LIABILITIES		
Accounts payable		\$ 510,946
Due to other governments		58,246
Deposits		249,427
		<hr/>
Total liabilities		\$ 818,619
		<hr/> <hr/>

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

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Bailey County, Texas (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles)(GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. Financial Reporting Entity

The County, incorporated in 1918, is a public corporation and political subdivision of the State of Texas. The County is governed by the Commissioners Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County provides a variety of services to advance the welfare, morale, comfort, safety and convenience of the County and its citizens.

The definition of the reporting entity is based primarily on the notion of financial accountability. The elected officials governing the 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, but 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.

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

Government-Wide Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenue.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Fines and forfeitures are recognized when they have been assessed and adjudicated and earned. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Activities demonstrates the degree to which the direct expenses of the County's programs are offset by those programs' 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. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the program and 2) grants and contributions that are restricted to meeting the operational and/or capital requirements of a particular program. Taxes and other items not included among program revenues are reported instead as *general revenues*. In miscellaneous general revenues are non-program specific contributions including capital assets contributions.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

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

Government-Wide Statements – Continuation

Fiduciary funds are excluded in the government-wide presentation of the financial statements.

Fund-Level Statements

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes and other revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Grant and entitlement revenues are also susceptible to accrual. These funds are accounted for on a spending “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Any fiduciary funds, including agency funds, are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using an economic resources measurement focus.

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

The County reports the following major governmental funds:

General Fund – The *General Fund* is the general operating fund of the County. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for administrative, judicial, public facilities, public safety, public service, and capital acquisition.

EMS Fund - The *EMS Fund* is a special revenue fund used to account for the operations of the County’s emergency management services. The authority for the creation of this fund is the County Commissioners’ Court.

COVID-19 Grant – The *COVID-19 Grant Fund* accounts for grants received through various federal agencies passed through the State of Texas. The pass-thru grants were used to reimburse the County for incurred costs as well as purchase of qualified equipment related to the COVID-19 pandemic.

Additionally, the County reports the following fund types:

Special Revenue Funds – The *Special Revenue Funds* account for the proceeds of specific revenue sources (other than fiduciary funds) that are legally restricted to expenditures for specified purposes.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

B. Financial Statement Presentation, Measurement Focus and Basis of Accounting – Continuation

Debt Service Fund – The *Debt Service Fund* accounts for the accumulation and disbursement of resources associated with the County’s debt obligations. Property taxes and interest income provide the resources necessary to pay the annual principal and interest payments.

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Use of Estimates

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

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity

1. Deposits and Investments

The County’s cash and cash equivalents are considered to be cash on hand, demand deposits, deposits within public fund investment pools and short-term investments with original maturities of three months or less from the date of acquisition. Statutes authorize the County to keep funds in demand deposits, time deposits, or securities of the United States. The County’s custodial banks are required to pledge for the purpose of securing County funds, securities of the following kind, in an amount equal to the amount of such County funds: bonds and notes of the United States, securities of indebtedness of the United States, bonds of the State of Texas, or of any county, city, or independent school district, and various other bonds as described in Texas Statutes.

The County is required by Government Code Chapter 2256, The Public Funds Investment Act (“Act”), to adopt, implement, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management, and include a list of the types of authorized investments in which the investing entity’s funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment policies. Audit procedures in this area, conducted as a part of the audit of the basic financial statements, disclosed that in the area of investment practices management has established and reports appropriate policies. The County adheres to the requirements of the Act. Additionally, investment practices of the County are in accordance with local policies.

2. Receivables and Payables

Activities 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 inter-fund loans) or “advances to/from other funds” (i.e., the noncurrent portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

2. Receivables and Payables – Continuation

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

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unavailable revenues in the fund statements. Receivables are shown net of an allowance for uncollectible accounts of \$1,647,551.

Payables consist of vendor obligations for goods and services as well as funds payable to others when the criteria for their release have been met.

3. Property Tax Calendar and Revenues

Property taxes are based on taxable value at January 1 and become due October 1 and past due after January 31 of the following year unless the half payment option is elected in which one-half the tax is due November 30, and the balance the following June 30. Tax collections after February 1 are treated as late payments and are subject to penalty and interest. Uncollected taxes from the current tax roll become delinquent on July 1 and are subject to additional penalties and interest. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior years' levies are shown net of an allowance for uncollectible accounts of \$155,976.

4. Restricted Assets/Funds

The following accounts reflect restricted status by third-party or statutory obligations for specific purposes:

- Other Non-Major Governmental fund balances (amounts restricted for other specific purposes such as management, and archiving of public records, personnel and security for the courthouse, maintenance of the County's law library, maintenance of the commissary in the Sheriff's Department, enhancement of local law enforcement operations with seized property, administration of pre-trial diversion programs, administration of juvenile probation programs, administration of drug and alcohol awareness programs, defraying the County's voter registration expenses, defraying the costs of collecting the vehicle inventory tax within the County, providing legal and health assistance to indigent persons, and enhancement of the county attorney operations with fees from processing dishonored and forged checks. All restrictions are enacted according to Texas statutes.)
- In addition to the statutory restrictions, the County has also received various donations from persons outside of the County that are restricted to the donors stated purpose.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The County uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed. In the fund financial statements, they are offset by a designation of non-spendable fund balance which indicates they do not represent “available spendable resources”.

6. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. The County has opted to retroactively report infrastructure assets (assets acquired prior to October 1, 2003). According to the County’s capitalization policy, capital assets, such as equipment, are defined as individual assets (or systems of assets) having a cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated lives:

Buildings and improvements	10-22 years
Machinery and equipment	5-12 years
Vehicles	3-7 years

7. Compensated Absences

A liability for unused vacation and comp time for all full-time employees is calculated and reported in the government-wide financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered
- leave or compensation is not contingent on a specific event (such as illness).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

Qualified employees are entitled to accumulate annual leave of ten working days per year. No more than fifteen (15) working days, or one hundred twenty (120) hours, of annual leave may be carried forward at any one time during the year. All excess annual leave shall be forfeited if not used, unless extenuating circumstances warrant approval of an extension by the Commissioners’ Court.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

7. Compensated Absences – Continuation

Qualified employees are entitled to accumulate official holidays if the employees working shifts require them to work on an official holiday. Depending on the employee's department, no more than thirty (30) to one hundred (100) holiday hours may be carried forward at any one time during the year. Accrued vacation leave and comp time are accrued in the government-wide financial statements.

8. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. On the bond issues, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year they are incurred.

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

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow or resources (expense/expenditure) until then. The government has multiple items that qualify for reporting in this category. They are the contributions and other items related to the County's pension plan reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. One item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are related to the County's pension plan and are reported in the government-wide statement of net position.

10. Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's Texas County and District Retirement System Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

11. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Non-spendable Fund Balance – includes amounts that are (a) not in spendable forms, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority, the Commissioners’ Court. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution or ordinance).

Assigned Fund Balance – includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (a) Commissioners’ Court or (b) a body (budget, finance committee, or County Official) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as non-spendable, restricted or committed.

Unassigned Fund Balance – this classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

12. Net Position

In the government-wide financial statements, equity is classified as net assets and displayed in three categories.

Net Investment in Capital Assets – This amount 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.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, or constitutional provisions.

Unrestricted Net Position – This amount includes all net position amounts that do not meet the definition of “net investment in capital assets” or “restricted net position.”

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

E. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation

13. Fund Balance Policies

When the County incurs an expenditure for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first, then unrestricted funds. When expenditures are 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.

Committed fund balance amounts may be used for other purposes with appropriate action by the Commissioners' Court to either modify or rescind a fund balance commitment. Commitments are typically done through adoption and amendment of the budget.

The County's highest level of decision-making authority is the Commissioners' Court. The Court has not yet delegated the authority to assign fund balance amounts to a specific individual nor does it have a policy to authorize the assignment of fund balances outside the Court.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the proposed budget is submitted to the Commissioners' Court.
2. The Commissioners' Court provides for a public hearing on the County budget subsequent to August 15, and prior to the levy of taxes by the Commissioners' Court.
3. Prior to October 1, the budget is legally adopted by order of the Commissioners' Court for the General Fund and the EMS Special Revenue Fund.
4. The budget is prepared by fund and department with the legal level of control at the department level. Administrative control is maintained through the establishment of more detailed account or object class budgets within the departments. Emergency expenditures to meet unusual and unforeseen conditions which could not, by reasonable diligent thought and attention, have been included in the original budget, whereby total expenditures of a department have been increased must be authorized by the Court as emergency amendments to the original budget. Management may not amend the budget at any level without approval of the Commissioners' Court. The Court has the authority to make such changes in the budget, in its judgment of facts, the law warrant, and the interest of the taxpayers demand, provided the amounts budgeted for the current expenditures from the various funds for the County do not exceed appropriations, including fund balances from the prior fiscal periods. Amounts shown in the financial statements represent the original budget amounts and all supplemental appropriations. Supplemental appropriations to the original adopted budget are in the Final Budget Amounts column of the Budgetary Comparison Schedule for both the General Fund and the EMS Special Revenue Fund.
5. Budgets for the General and EMS Special Revenue Funds are adopted on a basis consistent with GAAP on the modified accrual basis of accounting on an annual basis.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continuation

A. Budgetary Information – Continuation

6. Formal budgetary integration on an annual basis is employed as a management control device during the year for the General Fund and the EMS Special Revenue Fund.
7. All appropriations, except those in grant funds, lapse at the end of the County's fiscal year and may be re-budgeted the next year.

B. Excess of Expenditures Over Appropriations

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
Expenditures exceeded the budget in various functional areas in the General Fund and EMS Fund	A combination of underspending in other functional categories, and excess revenues over budget, as well as the County planning to use fund balance carryovers have covered such overspendings.

NOTE 3 – DEPOSITS AND INVESTMENTS

Following is a reconciliation of the County's cash and deposit balances as of September 30, 2021:

Cash and deposit balances consist of:

Petty cash funds	\$ 1,050
Bank deposits	3,244,140
Temporary investments - TexPool	39,405
	3,284,595
Total	\$ 3,284,595

Cash and deposit balances are reported in the basic financial statements as follows:

Government-wide Statement of Net Position:	
Unrestricted	\$ 2,465,976
Fiduciary Funds Statement of Net Position	818,619
	3,284,595
Total	\$ 3,284,595

Custodial credit risk: As of September 30, 2021, the carrying amount of the County's deposits with financial institutions was \$3,244,140 and the bank's balance was \$3,382,798. Of the bank balance, \$884,222 was insured through the Federal Depository Insurance Corporation (FDIC) and \$2,498,576 was collateralized with securities held by the pledging institution's agent in the County's name.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS – Continuation

As of September 30, 2021, the County had \$39,405 invested with the Texas Treasury Safekeeping Trust Company (TexPool). The Inter-local Cooperation Act, chapter 791 of the Texas Government Code, and the Public Funds Investment Act, chapter 2256 of the Texas Government Code, provide for the creation of public funds investment pools, such as TexPool through which political subdivisions and other entities may invest public funds. The State Comptroller of Public Accounts exercises oversight responsibility over the fund. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally the State Comptroller has established an advisory board composed of both participants of the pool and other persons who do not have a business relationship with either pool. The advisory board members review the investment policy and management fee structure.

The investment pool uses amortized cost to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. TexPool does not place any limitations or restrictions such as notice periods or maximum transaction amounts, on withdrawals. TexPool has a credit rating of AAAM from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principle. TexPool invests in a quality portfolio of debt securities investments that are legally permissible for local governments in the state.

Interest rate risk is the risk that adverse changes in interest rates will result in an adverse effect on the fair value of an investment. The County manages its exposure to interest rate risk by maintaining its cash in interest-bearing demand accounts, readily available TexPool and Texas CLASS shares, or in certificates of deposit with weighted average maturities of one year or less.

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law and County policy limit investments in local government pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single insurer. As of September 30, 2021, 1.2% of the County's carrying value of cash and investments was invested in pooled investment accounts. All other cash and investments were deposited with the County's depository bank and were adequately secured as described above.

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4 – CAPITAL ASSETS

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB Statement No. 34, depreciation policies were adopted to include useful lives and classification by function. As stated earlier, the County has opted to report its infrastructure retroactively.

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and land improvements	\$ 253,100	\$ -	\$ -	\$ -	\$ 253,100
Total capital assets, not being depreciated	253,100	-	-	-	253,100
Capital assets, being depreciated:					
Buildings and improvements	4,397,808	43,319	-	-	4,441,127
Machinery and equipment	3,449,459	476,098	(178,880)	-	3,746,677
Vehicles	1,398,838	418,805	-	-	1,817,643
Total capital assets, being depreciated	9,246,105	938,222	(178,880)	-	10,005,447
Less accumulated depreciation for:					
Buildings and improvements	(3,195,303)	(161,131)	-	-	(3,356,434)
Machinery and equipment	(2,039,606)	(376,138)	178,880	-	(2,236,864)
Vehicles	(1,190,128)	(139,764)	-	-	(1,329,892)
Total accumulated depreciation	(6,425,037)	(677,033)	178,880	-	(6,923,190)
Total capital assets, being depreciated, net	2,821,068	261,189	-	-	3,082,257
Governmental activities capital assets, net	\$ 3,074,168	\$ 261,189	\$ -	\$ -	\$ 3,335,357

Depreciation expense for the year ended September 30, 2021 was charged to the functions/programs of the primary government as follows:

Governmental activities	
Administrative	\$ 15,005
Public safety	223,795
Road and bridge	361,940
Public services	76,293
Total Depreciation Expense	\$ 677,033

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5 – PROPERTY TAX

The State of Texas Constitutional tax rate limit for both operations and debt service is \$.80 on each \$100 of assessed valuation. The tax rate on the 2020 tax roll was \$.6937 per \$100 for operations and \$.0808 per \$100 for debt service, which means that the County has a total tax margin of \$.0255 per \$100 and could raise up to \$97,006 additional revenue from the 2020 assessed valuation of \$380,416,647 before the limit is reached.

The State of Texas Constitutional tax rate limit for the maintenance of farm-to-market roads is \$.30 on each \$100 of assessed valuation. The tax rate on the 2020 tax roll was \$.1285 per \$100, which means that the County has a tax margin of \$.1715 per \$100 and could raise up to \$646,021 additional revenue from the 2020 assessed valuation of \$376,688,606 before the limit is reached.

Real and personal property values are assessed for the period January 1 to December 31, as of January 1 at which date property taxes attach as an enforceable lien on property. Taxes are levied by October 1 of the current year and are collected from October 1 to June 30 of the following year. Payments received after February 1 are considered late and are subject to penalty and interest. Taxes become delinquent on July 1 of the following year.

NOTE 6 – SALES TAX

The County is entitled by provision of the State of Texas to a one-cent sales tax on all sales that occur within the County. The tax is assessed as a property tax reduction, for the County to use as general revenues. This sales tax is remitted monthly by the Comptroller of the State of Texas.

NOTE 7 – CONCENTRATION OF TAXPAYERS

As of September 30, 2021, the following taxpayer accounted for a significant portion of the County’s total tax levy.

Taxpayer	Industry	Tax Amount	Percent of Total Levy
Taxpayer A	Railroad	\$ 227,341	6.63 %

NOTE 8 – RETIREMENT PLAN

Plan Description: Bailey County provides retirement and death benefits for all of its employees, except temporary employees through 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 several nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 and is available at www.tcdrs.org.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 – RETIREMENT PLAN – Continuation

Benefits Provided: The plan provisions are adopted by the governing body of the County (employer), within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 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 8 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 the County.

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 County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees Covered by Benefit Terms: At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	69
Active employees	104

Contributions: The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually.

The County contributed using the actuarially determined rate of 4.66% for the months of the accounting year in 2020 and 4.52% for the months of the accounting year in 2021. The contribution rate payable by the employee members is 7.0% for fiscal year 2021 as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

Net Pension Liability: The County's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

The actuarial assumptions that determined the total pension liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 68. The economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 – RETIREMENT PLAN – Continuation

TCDRS system-wide economic assumptions:

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The assumed long-term investment return of 7.5% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.5% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	3.00%

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumptions at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 – RETIREMENT PLAN – Continuation

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	4.25%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Funds of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

(1) Target asset allocation adopted at the March 2021 TCDRS Board Meeting.

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2021 capital market assumptions.

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

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

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

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 – RETIREMENT PLAN – Continuation

Discount Rate: The discount rate used to measure the total pension liability was 7.60%. The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

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

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

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

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

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

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

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 – RETIREMENT PLAN – Continuation

Changes in the Net Pension Liability / (Asset):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances as of December 31, 2019	\$ 8,439,280	\$ 8,516,122	\$ (76,842)
Changes for the year:			
Service cost	277,537	-	277,537
Interest on total pension liability (1)	683,685	-	683,685
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	(198,262)	-	(198,262)
Effect of assumptions changes or inputs	459,958	-	459,958
Refund of contributions	(139,733)	(139,733)	-
Benefit payments	(423,769)	(423,769)	-
Administrative expenses	-	(6,722)	6,722
Member contributions	-	220,163	(220,163)
Net investment income	-	879,370	(879,370)
Employer contributions	-	146,566	(146,566)
Other (3)	-	(4,978)	4,978
	<u> </u>	<u> </u>	<u> </u>
Balances as of December 31, 2020	<u>\$ 9,098,696</u>	<u>\$ 9,187,019</u>	<u>\$ (88,323)</u>

- (1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
(2) No plan changes valued.
(3) Relates to allocation of system-wide items.

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
	<u> </u>	<u> </u>	<u> </u>
Total pension liability	\$ 10,153,995	\$ 9,098,696	\$ 8,208,160
Fiduciary net position	<u>9,187,019</u>	<u>9,187,019</u>	<u>9,187,019</u>
Net pension liability / (asset)	<u>\$ 966,976</u>	<u>\$ (88,323)</u>	<u>\$ (978,859)</u>

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 – RETIREMENT PLAN – Continuation

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

Pension Expense / (Income):

	January 1, 2020 to December 31, 2020
Service cost	\$ 277,537
Interest on total pension liability (1)	683,685
Effect of plan changes	-
Administrative expenses	6,722
Member contributions	(220,163)
Expected investment return net of investment expenses	(681,527)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(39,776)
Recognition of assumption changes or inputs	134,478
Recognition of investment gains or losses	(91,893)
Other (2)	4,978
Pension expense / (income)	\$ 74,041

(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.

Deferred Inflows / Outflows of Resources: As of September 30, 2021, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 158,316	\$ 21,510
Changes of assumptions	-	344,968
Net difference between projected and actual earnings	315,377	-
Contributions made subsequent to measurement date	N/A	106,392

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 – RETIREMENT PLAN – Continuation

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

Year ended December 31:	
2021	\$ (33,359)
2022	64,983
2023	(99,272)
2024	(39,567)
2025	-
Thereafter	-

NOTE 9 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual Fund Inter-fund Transfers

Fund	Inter-fund Transfers In	Inter-fund Transfers Out
General Fund	\$ 119,019	\$ 611,626
Special Revenue Funds:		
EMS	610,331	-
COVID-19 Grants	-	43,819
Law Library	1,295	-
Indigent Defense	-	75,200
	<u>\$ 730,645</u>	<u>\$ 730,645</u>

The primary purpose of inter-fund transfers is to supplement the resources of the special revenue funds.

NOTE 10 – LONG-TERM LIABILITIES

In March 2012, The County issued \$3,300,000 of Limited Tax Refunding Bonds, Series 2012 with interest rates ranging from 2.0% to 3.0%. The proceeds were used to advance refund \$3,160,000 of outstanding Combination Tax and Revenue Certificates of Obligation, Series 2003 which had interest rates ranging from 4.4% to 5.2%. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the Certificates of Obligation, Series 2003 are considered defeased and the liability for those bonds has been removed from the statement of net position. Principal payments on the Limited Tax Refunding Bonds, Series 2012 are made annually each July 1 with interest payments being made semi-annually each January 1 and July 1 until maturity on July 1, 2024. The County will levy ad valorem tax for the payments of the principal and interest.

The reacquisition price exceeded the net carrying amount of the old debt by \$184,529. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 10 – LONG-TERM LIABILITIES – Continuation

In November 2015, the County signed a note payable in the amount of \$155,800 for a 12M3 Motor Grader. The note is due in annual installments from November 2016 through November 2020. The interest rate is 2.5% and the debt is collateralized by the equipment. The note has been paid in full as of September 30, 2021.

In July 2019, the County signed a note payable in the amount of \$52,000 for a John Deere 624K Loader. The note is due in annual installments from November 2019 through November 2022. The interest rate is 2.99% and the debt is collateralized by the equipment. The balance of the note as of September 30, 2021 is \$26,489.

In September 2019, the County signed a note payable in the amount of \$34,453 for a Chevrolet Tahoe. The note is due in annual installments from October 2020 through October 2022. The interest rate is 2.99% and the debt is collateralized by the equipment. The balance of the note as of September 30, 2021 is \$23,324.

In March 2019, the County refinanced multiple capital leases into notes payable in the amount of \$527,086 for three John Deere Motor Graders. The notes are due in annual installments from November 2019 through November 2024. The interest rate is 2.99% and the debt is collateralized by the equipment. The balance of the notes as of September 30, 2021 are \$368,140.

In May 2019, the County signed a note payable in the amount of \$265,000 for a John Deere Motor Grader. The note is due in annual installments from November 2019 through November 2023. The interest rate is 2.99% and the debt is collateralized by the equipment. The balance of the note as of September 30, 2021 is \$70,025.

In August 2019, the County refinanced multiple capital leases into notes payable in the amount of \$223,560 for two John Deere Motor Graders. The notes are due in annual installments from November 2019 through November 2024. The interest rate is 2.99% and the debt is collateralized by the equipment. The balance of the notes as of September 30, 2021 are \$135,156.

In January 2020, the County signed a note payable in the amount of \$16,319 for a Chevrolet Impala. The note is due in one payment on February 2021. The interest rate is 2.99% and the debt is collateralized by the equipment. The note has been paid in full as of September 30, 2021.

In January 2021, the County signed a note payable in the amount of \$22,602 for a Chevrolet Express Van. The note is due in annual installments from January 2022 through January 2023. The interest rate is 2.99% and the debt is collateralized by the equipment. The balance of the note as of September 30, 2021 is \$22,602.

Continued

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 10 – LONG-TERM LIABILITIES – Continuation

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Limited Tax Refunding					
Bonds, Series 2012	\$ 1,140,000	\$ -	\$ (270,000)	\$ 870,000	\$ 280,000
Deferred issuance premiums	56,777	-	(14,193)	42,584	
Total bonds payable	1,196,777	-	(284,193)	912,584	280,000
Notes payable	827,340	22,602	(204,206)	645,736	171,061
Capital leases	63,956	215,285	(28,775)	250,466	60,104
Compensated absences	223,757	249,744	(255,081)	218,420	22,000
Governmental activity long-term liabilities	<u>\$ 2,311,830</u>	<u>\$ 487,631</u>	<u>\$ (772,255)</u>	<u>\$ 2,027,206</u>	<u>\$ 533,165</u>

The annual debt service requirement on long-term liabilities outstanding as of September 30, 2021 is as follows:

Fiscal Year	Total	Limited Tax Refunding Bonds, Series 2012		Notes Payable		Capital Leases	
		Interest	Principal	Interest	Principal	Interest	Principal
2022	\$ 578,641	\$ 36,750	\$ 280,000	\$ 19,425	\$ 171,061	\$ 11,301	\$ 60,104
2023	732,852	28,350	290,000	14,286	353,537	6,449	40,230
2024	485,304	19,650	300,000	3,661	121,138	5,125	35,730
2025	40,855	-	-	-	-	3,932	36,923
2026	40,855	-	-	-	-	2,699	38,156
2027 - 2031	40,855	-	-	-	-	1,532	39,323
	<u>\$ 1,919,362</u>	<u>\$ 84,750</u>	<u>\$ 870,000</u>	<u>\$ 37,372</u>	<u>\$ 645,736</u>	<u>\$ 31,038</u>	<u>\$ 250,466</u>

The County paid interest expenses in the amount of \$60,829 during the fiscal year ended September 30, 2021.

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 11 – LEASES

Capital Leases

The County has entered into various capital leases for equipment. The future minimum lease payments under capital lease and the net present value of the future minimum lease payments are as follow:

For Year Ended:		
2022	\$	71,405
2023		46,679
2024		40,855
2025		40,855
2025		40,855
2027 - 2031		40,855
Total Future Lease Payments		281,504
Less amount representing interest		31,038
Present value of future minimum lease payments	\$	250,466
Interest rates		2.69 - 3.35%

The following summarizes the assets acquired under capital leases:

Equipment	\$	421,162
Less accumulated amortization		(123,969)
Net value	\$	297,193

Amortization of leased equipment under capital assets is included with depreciation expense.

Operating Leases

The County leases various equipment under non-cancelable operating leases. Total costs for such leases were \$7,548 for the year ended September 30, 2021. The future minimum lease payments for these are as follows:

For Year Ended:		
2022	\$	7,548
2023		7,548
2024		6,919
Total Future Lease Payments	\$	22,015

BAILEY COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 12 – RISK MANAGEMENT

The County's major areas of risk management are: public officials', law enforcement, and automobile liability, general comprehensive liability and property damage, workers' compensation, and employee health insurance. The County has obtained insurance with an insurance company and a public entity risk pool in which all risk is transferred to those entities for all the above areas. The County pays a deductible per incident except on the employee health insurance in which the deductible is the responsibility of the employee. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage for the current year or the previous three years.

NOTE 13 – TAX ABATEMENTS

During the year ended September 30, 2020, Bailey County entered into a 10 year property tax abatement agreement with a business under the Texas Property Redevelopment and Tax Abatement Act. Under the Act, localities may grant tax abatement of up to 100 percent of a business' property tax bill for the purpose of attracting or retaining business within the jurisdictions. The abatement may be granted to any business located within or promising to relocate to Bailey County. To be eligible the Company agreed to construct improvements consisting of a wind power facility with an anticipated capacity of 85 megawatts of overall Turbine Nameplate Capacity. The Chief Appraiser will determine the certified appraised value annually pursuant to the terms of the abatement under this agreement. The amount of the abatement will automatically be deducted from the property owner's tax bill. In the event of default the County shall use the certified appraised values which were abated to determine the taxes due, less any payments made at any time to the County. In addition to the commitments for eligibility the Company has agreed to make payments in lieu of taxes annually in the amount of \$2,000 per megawatt of turbine nameplate capacity during the abatement period. This resulted in payments in lieu of taxes for the current year of \$234,600.

For the fiscal year ended September 30, 2021, Bailey County abated property taxes totaling \$1,084,688 under this program, including the following tax abatement agreements:

- A 100 percent tax abatement to Blue Cloud Renewable Energy Project, LLC for eligible property in the reinvestment zone. The abatement amounted to \$1,084,688.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

**BAILEY COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,054,602	\$ 2,054,602	\$ 2,087,254	\$ 32,652
Payments in lieu of taxes	238,000	238,000	234,600	(3,400)
Sales and miscellaneous taxes	237,500	237,500	331,074	93,574
Licenses and fees	1,159,765	1,159,765	1,310,353	150,588
Fines and forfeitures	126,900	126,900	179,590	52,690
Intergovernmental	406,435	406,435	903,444	497,009
Interest earnings	10,600	10,600	1,360	(9,240)
Miscellaneous	66,000	66,000	65,443	(557)
Total revenues	<u>4,299,802</u>	<u>4,299,802</u>	<u>5,113,118</u>	<u>813,316</u>
EXPENDITURES				
Current:				
Administrative:				
County Judge	159,013	159,013	143,674	15,339
County Clerk	184,782	184,782	173,468	11,314
Non-departmental	537,364	537,364	363,457	173,907
County Treasurer	174,276	174,276	170,421	3,855
County Tax Assessor/Collector	120,355	120,355	113,565	6,790
Total administrative	<u>1,175,790</u>	<u>1,175,790</u>	<u>964,585</u>	<u>211,205</u>
Judicial:				
County court	7,450	10,450	3,330	7,120
District court	149,931	222,131	176,693	45,438
District Clerk	124,339	124,339	118,442	5,897
Justice of the Peace & Constable	134,604	134,604	128,278	6,326
County Attorney	166,833	166,833	160,535	6,298
District Attorney	280,585	280,585	255,997	24,588
Total judicial	<u>863,742</u>	<u>938,942</u>	<u>843,275</u>	<u>95,667</u>
Public facilities:				
Coliseum	96,605	96,605	87,474	9,131
Total public facilities	<u>96,605</u>	<u>96,605</u>	<u>87,474</u>	<u>9,131</u>

Continued

BAILEY COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Continuation	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Public safety:				
Law enforcement	\$ 2,251,346	\$ 2,251,346	\$ 2,306,864	\$ (55,518)
Probation departments	45,086	45,086	39,533	5,553
EMS grant and education funds	63,300	63,300	18,678	44,622
Total public safety	<u>2,359,732</u>	<u>2,359,732</u>	<u>2,365,075</u>	<u>(5,343)</u>
Public service:				
Health services & aging	91,957	91,957	77,420	14,537
Extension service	128,786	128,786	118,270	10,516
Healthy county incentive	2,900	2,900	-	2,900
Total public service	<u>223,643</u>	<u>223,643</u>	<u>195,690</u>	<u>27,953</u>
Debt Service:				
Principal	18,394	18,394	33,126	(14,732)
Interest and other charges	-	-	2,126	(2,126)
Total debt service	<u>18,394</u>	<u>18,394</u>	<u>35,252</u>	<u>(16,858)</u>
Capital outlay	<u>126,857</u>	<u>126,857</u>	<u>527,243</u>	<u>(400,386)</u>
Total expenditures	<u>4,864,763</u>	<u>4,939,963</u>	<u>5,018,594</u>	<u>(78,631)</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>(564,961)</u>	<u>(640,161)</u>	<u>94,524</u>	<u>734,685</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	22,602	22,602
Proceeds from sale of assets	10,000	10,000	-	(10,000)
Transfers in	-	-	119,019	119,019
Transfers out	(580,508)	(580,508)	(611,626)	(31,118)
Total other financing sources (uses)	<u>(570,508)</u>	<u>(570,508)</u>	<u>(470,005)</u>	<u>100,503</u>
NET CHANGE IN FUND BALANCE	(1,135,469)	(1,210,669)	(375,481)	835,188
FUND BALANCES - BEGINNING	<u>1,140,207</u>	<u>1,140,207</u>	<u>1,140,207</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 4,738</u>	<u>\$ (70,462)</u>	<u>\$ 764,726</u>	<u>\$ 835,188</u>

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BAILEY COUNTY, TEXAS
EMS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses and fees	\$ 325,000	\$ 325,000	\$ 339,351	\$ 14,351
Intergovernmental	-	-	10,791	10,791
Total revenues	<u>325,000</u>	<u>325,000</u>	<u>350,142</u>	<u>25,142</u>
EXPENDITURES:				
Current:				
Public safety:				
EMS fund	<u>899,508</u>	<u>899,508</u>	<u>953,544</u>	<u>(54,036)</u>
Total public safety	<u>899,508</u>	<u>899,508</u>	<u>953,544</u>	<u>(54,036)</u>
Capital outlay	<u>4,000</u>	<u>4,000</u>	<u>10,000</u>	<u>(6,000)</u>
Total expenditures	<u>903,508</u>	<u>903,508</u>	<u>963,544</u>	<u>(60,036)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(578,508)</u>	<u>(578,508)</u>	<u>(613,402)</u>	<u>(34,894)</u>
OTHER FINANCING SOURCES :				
Transfers in	<u>578,508</u>	<u>578,508</u>	<u>610,331</u>	<u>31,823</u>
Total other financing sources	<u>578,508</u>	<u>578,508</u>	<u>610,331</u>	<u>31,823</u>
NET CHANGE IN FUND BALANCE	-	-	(3,071)	(3,071)
FUND BALANCE - BEGINNING	<u>20,122</u>	<u>20,122</u>	<u>20,122</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 20,122</u></u>	<u><u>\$ 20,122</u></u>	<u><u>\$ 17,051</u></u>	<u><u>\$ (3,071)</u></u>

BAILEY COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Years (will ultimately be displayed)

	Year Ended December 31,			
	2020	2019	2018	2017
Total Pension Liability:				
Service cost	\$ 277,537	\$ 255,429	\$ 252,256	\$ 253,501
Interest on total pension liability	683,685	647,261	617,633	574,735
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	459,958	-	-	77,955
Effect of economic/demographic (gains) or losses	(198,262)	43,022	(38,480)	34,613
Benefit payments/refunds of contributions	(563,501)	(474,512)	(463,330)	(358,618)
Net change in total pension liability	659,417	471,200	368,079	582,186
Total pension liability, beginning	8,439,280	7,968,080	7,600,001	7,017,815
Total pension liability, ending (a)	<u>\$ 9,098,697</u>	<u>\$ 8,439,280</u>	<u>\$ 7,968,080</u>	<u>\$ 7,600,001</u>
Fiduciary Net Position:				
Employer contributions	\$ 146,566	\$ 131,903	\$ 120,898	\$ 126,149
Member contributions	220,163	202,041	191,902	187,086
Investment income net of investment expenses	879,370	1,222,626	(146,071)	993,085
Benefit payments/refunds of contributions	(563,501)	(474,512)	(463,330)	(358,618)
Administrative expenses	(6,722)	(6,490)	(5,979)	(5,154)
Other	(4,978)	(3,625)	(3,708)	(658)
Net change in fiduciary net position	670,898	1,071,943	(306,288)	941,890
Fiduciary net position, beginning	8,516,122	7,444,179	7,750,467	6,808,577
Fiduciary net position, ending (b)	<u>\$ 9,187,020</u>	<u>\$ 8,516,122</u>	<u>\$ 7,444,179</u>	<u>\$ 7,750,467</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ (88,323)</u>	<u>\$ (76,842)</u>	<u>\$ 523,901</u>	<u>\$ (150,466)</u>
Fiduciary net position as a % of total pension liability	100.97%	100.91%	93.43%	101.98%
Pensionable covered payroll	\$ 2,886,298	\$ 2,886,298	\$ 2,741,459	\$ 2,672,663
Net pension liability as a % of covered payroll	-3.06%	-2.66%	19.11%	-5.63%

Year Ended December 31,

2016	2015	2014	2013	2012	2011
\$ 255,155	\$ 229,327	\$ 213,458	\$ N/A	\$ N/A	\$ N/A
544,539	511,108	473,394	N/A	N/A	N/A
-	(37,851)	-	N/A	N/A	N/A
-	86,768	-	N/A	N/A	N/A
(186,008)	7,520	84,387	N/A	N/A	N/A
(379,572)	(366,326)	(309,573)	N/A	N/A	N/A
234,114	430,546	461,666	N/A	N/A	N/A
6,783,701	6,353,155	5,891,489	N/A	N/A	N/A
<u>\$ 7,017,815</u>	<u>\$ 6,783,701</u>	<u>\$ 6,353,155</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
\$ 145,689	\$ 143,277	\$ 147,293	\$ N/A	\$ N/A	\$ N/A
175,201	172,609	159,853	N/A	N/A	N/A
477,950	63,547	425,627	N/A	N/A	N/A
(379,572)	(366,326)	(309,573)	N/A	N/A	N/A
(5,190)	(4,632)	(4,776)	N/A	N/A	N/A
(64,806)	25,075	21,259	N/A	N/A	N/A
349,272	33,550	439,683	N/A	N/A	N/A
6,459,305	6,425,755	5,986,072	N/A	N/A	N/A
<u>\$ 6,808,577</u>	<u>\$ 6,459,305</u>	<u>\$ 6,425,755</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>\$ 209,238</u>	<u>\$ 324,396</u>	<u>\$ (72,600)</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
97.02%	95.22%	101.14%	N/A	N/A	N/A
\$ 2,502,872	\$ 2,465,849	\$ 2,283,611	\$ N/A	\$ N/A	\$ N/A
8.36%	13.16%	-3.18%	N/A	N/A	N/A

BAILEY COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Fiscal Years (will ultimately be displayed)

Year Ending September 30:	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 136,521	\$ 136,521	\$ -	\$ 2,349,759	5.8%
2016	137,208	137,208	-	2,358,644	5.8%
2017	129,330	129,330	-	2,574,459	5.0%
2018	119,345	119,345	-	2,655,160	4.5%
2019	122,835	122,835	-	2,713,353	4.5%
2020	138,930	138,930	-	2,997,050	4.6%
2021	146,982	146,982	-	3,224,840	4.6%

BAILEY COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Fiscal Years (will ultimately be displayed)

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.6% average over career including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected 2019: New inflation, mortality and other assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule 2016: No changes in plan provisions were reflected in the Schedule 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017 2018: No changes in plan provisions were reflected in the Schedule 2019: No changes in plan provisions were reflected in the Schedule 2020: No changes in plan provisions were reflected in the Schedule

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OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific sources that are legally restricted to expenditures for specified purposes.

County Clerk Records Archive – The County Clerk Records Archive Fund accounts for revenue from fees collected by the County Clerk on the filing of documents of official public record. The revenue is to be used for specific archiving projects of the office.

District Clerk Records Archive – The District Clerk Records Archive Fund accounts for statutory fees collected by the District Clerk to be used for preservation, restoration and maintaining a District Court archive system.

7th Court of Appeals – The 7th Court of Appeals Fund accounts for statutory fees collected by the County and District Clerks on each civil case filed. The revenue is to be remitted to the 7th Court of Appeals to defray the county's costs of the appellate judicial system.

Road and Bridge Precincts – The Road and Bridge Precinct Funds accounts for the revenues derived from property taxes and license fees levied for purposes of road and bridge expenditures.

Attorney Check Fee – The Attorney Check Fee Fund accounts for fees collected by the County Attorney for every hot check processed through that office. The fees are dedicated by law to be used at the sole discretion of the County Attorney to defray the salaries and expenses of the prosecutor's office.

Juvenile Probation Fee – The Juvenile Probation Fee Fund accounts for local funds received from juvenile offenders within the county. The funds are dedicated by law to assist in the provision of juvenile probation services.

Court Reporter – The Court Reporter Fund accounts for statutory fees collected by the County and District Clerks on each civil case filed. The fees are dedicated by law to maintain a court reporter that is available for assignment in the court.

Pre-trial Diversion Attorney Fees – The Pre-trial Diversion Attorney Fees Fund accounts for fees charged to any defendant willing to participate in a pre-trial intervention program. The fees are dedicated by law to be used to administer and maintain the pre-trial diversion program.

DWI Video – The DWI Video Fund accounts for fees charged to any defendant appearing on a drug or alcohol related offense. The fees are dedicated by law to be used administer and maintain a drug and alcohol driving awareness program.

Justice Court Security – The Justice Court Security Fund accounts for fees collected by the County and District Clerks from all defendants convicted of an offense. The fees are dedicated by law to be used to fund and support security systems and personnel within the Justice Courts.

Justice Court Technology – The Justice Court Technology Fund accounts for fees collected by the County Clerk from all defendants convicted of a misdemeanor offense in a Justice Court. The fees are dedicated by law to be expended only for the costs of continuing education for justice court judges and clerks regarding technological enhancements for justice courts and the costs of those enhancements.

Judiciary Support – The Judiciary Support Fund accounts for additional funds received from the State of Texas to supplement the salary of the County Judge. The funds are restricted by law to be used to supplement the County Judge's office.

Law Library – The Law Library fund accounts for statutory fees collected in civil cases filed in County and District Courts. These fees are dedicated by law to provide and maintain a County law Library.

Tobacco Settlement – The Tobacco Settlement Fund accounts for the annual distribution from the State out of the Tobacco Settlement Permanent Trust Account. The funds are dedicated by law to offset the costs of providing indigent health care.

Child Welfare – The Child Welfare Fund accounts for funds received as donations from individuals serving as jurors. The donations are restricted for the benefit of the Bailey County Child Welfare Board.

District Clerk Records Management – The District Clerk Records Management Fund accounts for fees collected by the District Clerk from all defendants convicted of an offense. The fees are dedicated by law to be used for specific records management and preservation purposes of the office.

Drug Seizure – The Drug Seizure Fund accounts for the assets, and proceeds from the disposition of assets, used in the commission of criminal activity and subsequently seized by law enforcement officers. The funds are dedicated by law to be used solely for law enforcement purposes.

Probate Judicial Education – The Probate Judicial Education Fund accounts for fees collected by the County Clerk on Civil and Probate Court actions. The fees are dedicated by law to be used for the continuing education of the judge and staff of the Probate Court.

Records Management – The Records Management Fund accounts for fees collected by the District and County Clerks from all defendants convicted of an offense. The fees are dedicated by law to be used for specific records management and preservation purposes of the County.

Courthouse Security – The Courthouse Security Fund accounts for fees collected by the County and District Clerks from all defendants convicted of an offense. The fees are dedicated by law to be used to fund and support security systems and personnel within the District and County Courts.

County Clerk Records Management – The County Clerk Records Management Fund accounts for fees collected by the County Clerk from all defendants convicted of an offense. The fees are dedicated by law to be used for specific records management and preservation purposes of the office.

LEOSE – The LEOSE Funds accounts for funds received from the State of Texas on behalf of the Sheriff and the Constable. The funds are dedicated by law for use of continuing education of law enforcement personnel.

Economic Development – The Economic Development Fund accounts for funds received in prior years that have been committed by the Commissioners' Court to fund economic development programs within the County.

Indigent Defense – The Indigent Defense Fund accounts for fees collected by the County Clerk on all cases heard by a Justice of the Peace. The fees are dedicated by law to aid in the defense of an indigent person.

SCAAP – The SCAAP Fund accounts for grant funds from the State of Texas. The funds are to be used to pay the correctional officer salary costs for incarcerating undocumented criminal aliens.

Sheriff Commissary – The Sheriff Commissary Fund accounts for the proceeds received by the Sheriff's office from incarcerated persons on the sale of commissary items. The funds are restricted by law to be used to maintain the commissary and for the benefit of the Sheriff's Department.

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation and disbursement of resources associated with the County's debt obligations. Property taxes and interest income provide the resources necessary to pay the annual principal and interest payments.

**BAILEY COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue						
	County Clerk Records Archive	District Court Records Archive	7th Court of Appeals	Road & Bridge Precinct 1	Road & Bridge Precinct 2	Road & Bridge Precinct 3	Road & Bridge Precinct 4
ASSETS							
Cash and cash equivalents	\$ 76,608	\$ 8,293	\$ 155	\$ 100,677	\$ 112,674	\$ 17,511	\$ 96,228
Delinquent taxes receivable, net	-	-	-	2,516	2,516	2,516	2,516
Receivable from other governments	-	-	-	6,677	6,677	6,677	6,677
Accounts receivable, net	-	-	-	487	186	249	105
Prepaid items	-	-	-	2,955	3,085	1,986	3,328
Total assets	<u>\$ 76,608</u>	<u>\$ 8,293</u>	<u>\$ 155</u>	<u>\$ 113,312</u>	<u>\$ 125,138</u>	<u>\$ 28,939</u>	<u>\$ 108,854</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 2,471	\$ 4,878	\$ 5,042	\$ 7,351
Payable to other governments	-	-	155	36	-	-	-
Other accrued expenses	-	-	-	5,718	5,861	5,951	5,814
Total liabilities	<u>-</u>	<u>-</u>	<u>155</u>	<u>8,225</u>	<u>10,739</u>	<u>10,993</u>	<u>13,165</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - delinquent property taxes	-	-	-	2,127	2,127	2,127	2,127
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,127</u>	<u>2,127</u>	<u>2,127</u>	<u>2,127</u>
FUND BALANCES							
Non-spendable:							
Prepaid items	-	-	-	2,955	3,085	1,986	3,328
Restricted:							
By enabling legislation for special projects	76,608	8,293	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Special projects	-	-	-	-	-	-	-
Committed for:							
Special projects	-	-	-	100,005	109,187	13,833	90,234
Total fund balances	<u>76,608</u>	<u>8,293</u>	<u>-</u>	<u>102,960</u>	<u>112,272</u>	<u>15,819</u>	<u>93,562</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 76,608</u>	<u>\$ 8,293</u>	<u>\$ 155</u>	<u>\$ 113,312</u>	<u>\$ 125,138</u>	<u>\$ 28,939</u>	<u>\$ 108,854</u>

Continued

**BAILEY COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

Continuation

	Special Revenue						
	Attorney Check Fee	Juvenile Probation Fee	Court Reporter	Pre-trial Diversion Attorney Fees	DWI Video	Justice Court Security	Justice Court Technology
ASSETS							
Cash and cash equivalents	\$ 182	\$ -	\$ 16,446	\$ 1,871	\$ 1,649	\$ 2,119	\$ 957
Delinquent taxes receivable, net	-	-	-	-	-	-	-
Receivable from other governments	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 182</u>	<u>\$ -</u>	<u>\$ 16,446</u>	<u>\$ 1,871</u>	<u>\$ 1,649</u>	<u>\$ 2,119</u>	<u>\$ 957</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 8	\$ -	\$ -	\$ -
Payable to other governments	-	-	-	-	-	-	-
Other accrued expenses	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - delinquent property taxes	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Non-spendable:							
Prepaid items	-	-	-	-	-	-	-
Restricted:							
By enabling legislation for special projects	182	-	16,446	1,863	1,649	2,119	957
Debt service	-	-	-	-	-	-	-
Special projects	-	-	-	-	-	-	-
Committed for:							
Special projects	-	-	-	-	-	-	-
Total fund balances	<u>182</u>	<u>-</u>	<u>16,446</u>	<u>1,863</u>	<u>1,649</u>	<u>2,119</u>	<u>957</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 182</u>	<u>\$ -</u>	<u>\$ 16,446</u>	<u>\$ 1,871</u>	<u>\$ 1,649</u>	<u>\$ 2,119</u>	<u>\$ 957</u>

Continued

**BAILEY COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

Continuation

	Special Revenue						
	Judiciary Support	Law Library	Tobacco Settlement	Child Welfare	District Court Clerk Records Management	Drug Seizure	Probate Judicial Education
ASSETS							
Cash and cash equivalents	\$ 1,012	\$ 385	\$ 26,830	\$ 114	\$ 10,911	\$ 880	\$ 880
Delinquent taxes receivable, net	-	-	-	-	-	-	-
Receivable from other governments	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 1,012</u>	<u>\$ 385</u>	<u>\$ 26,830</u>	<u>\$ 114</u>	<u>\$ 10,911</u>	<u>\$ 880</u>	<u>\$ 880</u>
LIABILITIES							
Accounts payable	\$ -	\$ 385	\$ -	\$ -	\$ -	\$ -	\$ -
Payable to other governments	-	-	-	-	-	-	-
Other accrued expenses	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - delinquent property taxes	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Non-spendable:							
Prepaid items	-	-	-	-	-	-	-
Restricted:							
By enabling legislation for special projects	1,012	-	26,830	-	10,911	880	880
Debt service	-	-	-	-	-	-	-
Special projects	-	-	-	114	-	-	-
Committed for:							
Special projects	-	-	-	-	-	-	-
Total fund balances	<u>1,012</u>	<u>-</u>	<u>26,830</u>	<u>114</u>	<u>10,911</u>	<u>880</u>	<u>880</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,012</u>	<u>\$ 385</u>	<u>\$ 26,830</u>	<u>\$ 114</u>	<u>\$ 10,911</u>	<u>\$ 880</u>	<u>\$ 880</u>

Continued

**BAILEY COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

Continuation

	Special Revenue						
	Records Management	Courthouse Security	County Clerk Records Management	LEOSE Sheriff	LEOSE Constable	Economic Development	Indigent Defense
ASSETS							
Cash and cash equivalents	\$ 17,529	\$ 4,373	\$ 48,243	\$ 8,212	\$ 2,155	\$ 3,008	\$ 61,213
Delinquent taxes receivable, net	-	-	-	-	-	-	-
Receivable from other governments	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 17,529</u>	<u>\$ 4,373</u>	<u>\$ 48,243</u>	<u>\$ 8,212</u>	<u>\$ 2,155</u>	<u>\$ 3,008</u>	<u>\$ 61,213</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payable to other governments	-	-	-	-	-	-	-
Other accrued expenses	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - delinquent property taxes	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Non-spendable:							
Prepaid items	-	-	-	-	-	-	-
Restricted:							
By enabling legislation for special projects	17,529	4,373	48,243	8,212	2,155	-	61,213
Debt service	-	-	-	-	-	-	-
Special projects	-	-	-	-	-	-	-
Committed for:							
Special projects	-	-	-	-	-	3,008	-
Total fund balances	<u>17,529</u>	<u>4,373</u>	<u>48,243</u>	<u>8,212</u>	<u>2,155</u>	<u>3,008</u>	<u>61,213</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,529</u>	<u>\$ 4,373</u>	<u>\$ 48,243</u>	<u>\$ 8,212</u>	<u>\$ 2,155</u>	<u>\$ 3,008</u>	<u>\$ 61,213</u>

Continued

**BAILEY COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

Continuation

	<u>Special Revenue</u>				Total Non- Major Governmental Funds
	<u>SCAAP Grant</u>	<u>Sheriff Commissary</u>	<u>Total</u>	<u>Debt Service</u>	
ASSETS					
Cash and cash equivalents	\$ 5,897	\$ 170,354	\$ 797,366	\$ 48,091	\$ 845,457
Delinquent taxes receivable, net	-	-	10,064	-	10,064
Receivable from other governments	-	-	26,708	1,741	28,449
Accounts receivable, net	-	-	1,027	-	1,027
Prepaid items	-	-	11,354	-	11,354
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 5,897	\$ 170,354	\$ 846,519	\$ 49,832	\$ 896,351
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 20,135	\$ -	\$ 20,135
Payable to other governments	-	-	191	-	191
Other accrued expenses	-	-	23,344	-	23,344
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	43,670	-	43,670
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - delinquent property taxes	-	-	8,508	-	8,508
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	-	-	8,508	-	8,508
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES					
Non-spendable:					
Prepaid items	-	-	11,354	-	11,354
Restricted:					
By enabling legislation for special projects	5,897	170,354	466,606	-	466,606
Debt service	-	-	-	49,832	49,832
Special projects	-	-	114	-	114
Committed for:					
Special projects	-	-	316,267	-	316,267
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	5,897	170,354	794,341	49,832	844,173
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,897	\$ 170,354	\$ 846,519	\$ 49,832	\$ 896,351
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

BAILEY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue						
	County Clerk Records Archive	District Court Records Archive	7th Court of Appeals	Road & Bridge Precinct 1	Road & Bridge Precinct 2	Road & Bridge Precinct 3	Road & Bridge Precinct 4
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ 249,265	\$ 249,265	\$ 249,265	\$ 249,265
Licenses and fees	9,967	668	530	105,108	106,686	102,700	88,956
Intergovernmental	-	-	-	12,123	12,123	12,123	12,123
Investment earnings	56	6	-	72	97	45	89
Miscellaneous	-	-	-	4,413	4,719	4,504	8,992
Total revenues	10,023	674	530	370,981	372,890	368,637	359,425
EXPENDITURES							
Current:							
Administrative	-	-	530	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Road and bridge	-	-	-	214,872	271,834	270,587	219,533
Debt service:							
Principal	-	-	-	42,413	55,816	59,120	42,506
Interest	-	-	-	5,398	2,077	7,080	9,949
Capital outlay	-	-	-	-	270,285	15,030	24,350
Total expenditures	-	-	530	262,683	600,012	351,817	296,338
EXCESS OF REVENUES OVER / (UNDER) EXPENDITURES	10,023	674	-	108,298	(227,122)	16,820	63,087
OTHER FINANCING SOURCES (USES)							
Proceeds from long-term debt, net	-	-	-	-	215,285	-	-
Proceeds from sale of equipment	-	-	-	-	55,000	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	270,285	-	-
NET CHANGE IN FUND BALANCES	10,023	674	-	108,298	43,163	16,820	63,087
FUND BALANCES - BEGINNING (DEFICIT)	66,585	7,619	-	(5,338)	69,109	(1,001)	30,475
FUND BALANCES - ENDING	\$ 76,608	\$ 8,293	\$ -	\$ 102,960	\$ 112,272	\$ 15,819	\$ 93,562

Continued

BAILEY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue						
	Attorney Check Fee	Juvenile Probation Fee	Court Reporter	Pre-trial Diversion Attorney Fees	DWI Video	Justice Court Security	Justice Court Technology
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	95	990	2,050	120	169	211
Intergovernmental	-	-	-	-	-	-	-
Investment earnings	8	1	-	-	-	-	-
Miscellaneous	-	446	-	-	-	-	-
Total revenues	8	542	990	2,050	120	169	211
EXPENDITURES							
Current:							
Administrative	-	-	-	-	-	-	-
Judicial	-	-	-	5,310	-	111	-
Public safety	-	1,727	-	-	-	-	-
Road and bridge	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total expenditures	-	1,727	-	5,310	-	111	-
EXCESS OF REVENUES OVER / (UNDER) EXPENDITURES	8	(1,185)	990	(3,260)	120	58	211
OTHER FINANCING SOURCES (USES)							
Proceeds from long-term debt, net	-	-	-	-	-	-	-
Proceeds from sale of equipment	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	8	(1,185)	990	(3,260)	120	58	211
FUND BALANCES - BEGINNING (DEFICIT)	174	1,185	15,456	5,123	1,529	2,061	746
FUND BALANCES - ENDING	\$ 182	\$ -	\$ 16,446	\$ 1,863	\$ 1,649	\$ 2,119	\$ 957

Continued

BAILEY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue						
	Judiciary Support	Law Library	Tobacco Settlement	Child Welfare	District Court Clerk Records Management	Drug Seizure	Probate Judicial Education
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	3,535	-	-	858	-	195
Intergovernmental	-	-	15,980	-	-	-	-
Investment earnings	-	-	-	-	8	-	-
Miscellaneous	-	-	-	74	-	456	-
Total revenues	<u>-</u>	<u>3,535</u>	<u>15,980</u>	<u>74</u>	<u>866</u>	<u>456</u>	<u>195</u>
EXPENDITURES							
Current:							
Administrative	-	-	-	-	-	-	-
Judicial	-	4,620	-	-	-	-	355
Public safety	-	-	-	-	-	-	-
Road and bridge	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>4,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>355</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENDITURES	-	(1,085)	15,980	74	866	456	(160)
OTHER FINANCING SOURCES (USES)							
Proceeds from long-term debt, net	-	-	-	-	-	-	-
Proceeds from sale of equipment	-	-	-	-	-	-	-
Transfers in	-	1,295	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	210	15,980	74	866	456	(160)
FUND BALANCES - BEGINNING (DEFICIT)	<u>1,012</u>	<u>(210)</u>	<u>10,850</u>	<u>40</u>	<u>10,045</u>	<u>424</u>	<u>1,040</u>
FUND BALANCES - ENDING	<u>\$ 1,012</u>	<u>\$ -</u>	<u>\$ 26,830</u>	<u>\$ 114</u>	<u>\$ 10,911</u>	<u>\$ 880</u>	<u>\$ 880</u>

Continued

BAILEY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Continuation

	Special Revenue						
	Records Management	Courthouse Security	County Clerk Records Management	LEOSE Sheriff	LEOSE Constable	Economic Development	Indigent Defense
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	1,066	1,513	10,185	-	-	-	-
Intergovernmental	-	-	-	1,728	643	-	19,566
Investment earnings	13	-	36	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
	1,079	1,513	10,221	1,728	643	-	19,566
EXPENDITURES							
Current:							
Administrative	-	1,320	4,320	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Road and bridge	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
	-	1,320	4,320	-	-	-	-
Total expenditures	-	1,320	4,320	-	-	-	-
EXCESS OF REVENUES OVER / (UNDER) EXPENDITURES	1,079	193	5,901	1,728	643	-	19,566
OTHER FINANCING SOURCES (USES)							
Proceeds from long-term debt, net	-	-	-	-	-	-	-
Proceeds from sale of equipment	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(75,200)
	-	-	-	-	-	-	(75,200)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	(75,200)
NET CHANGE IN FUND BALANCES	1,079	193	5,901	1,728	643	-	(55,634)
FUND BALANCES - BEGINNING (DEFICIT)	16,450	4,180	42,342	6,484	1,512	3,008	116,847
FUND BALANCES - ENDING	\$ 17,529	\$ 4,373	\$ 48,243	\$ 8,212	\$ 2,155	\$ 3,008	\$ 61,213

Continued

BAILEY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Continuation

	<u>Special Revenue</u>				Total Non-Major Governmental Funds
	<u>SCAAP Grant</u>	<u>Sheriff Commissary</u>	<u>Total</u>		
REVENUES					
Property taxes	\$ -	\$ -	\$ 997,060	\$ 304,701	\$ 1,301,761
Licenses and fees	-	-	435,602	-	435,602
Intergovernmental	-	-	86,409	-	86,409
Investment earnings	-	92	523	140	663
Miscellaneous	-	73,628	97,232	5,774	103,006
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Total revenues	-	73,720	1,616,826	310,615	1,927,441
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EXPENDITURES					
Current:					
Administrative	-	-	6,170	-	6,170
Judicial	-	-	10,396	-	10,396
Public safety	6,262	38,506	46,495	-	46,495
Road and bridge	-	-	976,826	-	976,826
Debt Service:					
Principal	-	-	199,855	270,000	469,855
Interest and other charges	-	-	24,504	34,200	58,704
Capital Outlay	-	-	309,665	-	309,665
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	6,262	38,506	1,573,911	304,200	1,878,111
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER / (UNDER) EXPENDITURES	(6,262)	35,214	42,915	6,415	49,330
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt, net	-	-	215,285	-	215,285
Proceeds from sale of equipment	-	-	55,000	-	55,000
Transfers in	-	-	1,295	-	1,295
Transfers out	-	-	(75,200)	-	(75,200)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	-	196,380	-	196,380
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(6,262)	35,214	239,295	6,415	245,710
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES - BEGINNING (DEFICIT)	12,159	135,140	555,046	43,417	598,463
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES - ENDING	\$ 5,897	\$ 170,354	\$ 794,341	\$ 49,832	\$ 844,173
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FIDUCIARY FUNDS

AGENCY FUNDS

The Agency Funds account for assets received in the capacity of trustee or agent for the County, other governmental entity or individual.

Justice of the Peace – The Justices of the Peace Fund accounts for money held in escrow by each of the Justices of the Peace.

Meals on Wheels – The Meals on Wheels Fund accounts for donations received for the County to operate a Meals on Wheels program.

Tax Assessor Collector – The Tax Assessor Collector Fund accounts for money collected by the Tax Assessor Collector and remitted to various taxing jurisdictions.

County Clerk – The County Clerk’s Fund accounts for registry funds held by the County Clerk.

District Clerk – The District Clerk’s Fund accounts for registry funds held by the District Clerk.

County Attorney – The County Attorney Fund accounts for the partial payments of restitution and fees associated with the collection of hot checks within the County limits.

Inmate Trust – The Inmate Trust Fund accounts for inmate funds being held for the benefit of the inmates.

Coliseum Deposit – The Coliseum Deposit Fund accounts for funds held as deposit for the rental of the Bailey County Coliseum.

BAILEY COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2021

	Justice of the Peace	Meals on Wheels	Tax Assessor Collector
ASSETS			
Cash and cash equivalents	\$ 1,001	\$ 31,262	\$ 58,246
Total assets	\$ 1,001	\$ 31,262	\$ 58,246
LIABILITIES			
Accounts payable	\$ 1,001	\$ 31,262	\$ -
Due to other governments	-	-	58,246
Deposits	-	-	-
Total liabilities	\$ 1,001	\$ 31,262	\$ 58,246

<u>County Clerk</u>	<u>District Clerk</u>	<u>County Attorney</u>	<u>Inmate Trust</u>	<u>Coliseum Deposit</u>	<u>Total Agency Funds</u>
\$ 88,015	\$ 567,676	\$ 23,901	\$ 39,917	\$ 8,601	\$ 818,619
<u>\$ 88,015</u>	<u>\$ 567,676</u>	<u>\$ 23,901</u>	<u>\$ 39,917</u>	<u>\$ 8,601</u>	<u>\$ 818,619</u>
\$ 5,937	\$ 417,162	\$ 23,901	\$ 31,683	\$ -	\$ 510,946
-	-	-	-	-	58,246
82,078	150,514	-	8,234	8,601	249,427
<u>\$ 88,015</u>	<u>\$ 567,676</u>	<u>\$ 23,901</u>	<u>\$ 39,917</u>	<u>\$ 8,601</u>	<u>\$ 818,619</u>