

AUSTIN COUNTY, TEXAS

Annual Financial Report

For the fiscal year ended

September 30, 2020

Austin County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2020

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FINANCIAL SECTION

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
Phone: (830) 569-8781 ~ Fax: (830) 569-6776
E-mail: general@beyerandco.net

111 North Odem
Sinton, Texas 78387

Please reply to Pleasanton address

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 Austin County, Texas, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund, the road and bridge fund and the F/M and lateral fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the employees' retirement system information on pages 3–12 and 75-78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of Austin County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Austin County, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Austin County, Texas's internal control over financial reporting and compliance.



BEYER & COMPANY
Certified Public Accountants
December 21, 2021

Management's Discussion and Analysis

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

Financial Highlights

- . The assets of Austin County, Texas, exceeded its liabilities at the close of the most recent fiscal year by \$33,070,705 (Net Position). Of this amount, \$14,412,298 or 44% (unrestricted Net Position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total Net Position increased by \$1,857,216. This increase is mainly attributable to the following: ad valorem taxes increased by \$1,465,147 and careful budget management.
- . Austin County, Texas' total restricted Net Position on September 30, 2020, is \$9,495,968 or 29% of Net Position.
- . Austin County, Texas' total debt increased by \$12,532,259 (65.51 percent) during the current fiscal year. The key factor is the Series 2020 bond issuance of \$15,810,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Austin County, Texas' basic financial statements. Austin County, Texas' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Austin County, Texas' finances, in a manner like a private-sector business.

The statement of Net Position presents information on all of Austin County, Texas' assets, and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of Austin County, Texas is improving or deteriorating.

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

The government-wide financial statements distinguish functions of Austin County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Austin County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Austin County, Texas include the Internal Service Fund.

The government-wide financial statements include only Austin County, Texas itself (known as the primary government).

The government-wide financial statements can be found on pages 13-14 of this report.

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

Governmental funds:

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

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

Austin County, Texas maintains forty-one (41) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the F/M and lateral fund, the road and bridge fund, and the Infrastructure Projects fund each of which are considered to be major funds. Data from the other thirty-seven (37) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Austin County, Texas adopts an annual appropriated budget for its general fund, the F/M and lateral fund, and the road and bridge fund. A budgetary comparison statement has been provided for the general fund, the road and bridge fund, and the F/M and lateral fund. The basic governmental fund financial statements can be found on pages 15-22 of this report.

Proprietary funds: Austin County maintains one type of proprietary fund. The Internal Service Fund for Austin County, Texas, consists solely of the Employee Insurance Fund. This fund was created to provide coverage for employee health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 23-26 of this report.

Austin County, Texas also has seven agency funds which are fiduciary fund types. The fiduciary fund types can be found on page 27 of this report.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-74 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Austin County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 75-78 of this report.

The combining statements referred to earlier in connection with the non-major governmental funds and the fiduciary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 79-86 and on page 87 of this report. The single audit section can be found on pages 88-99.

Government-wide Financial Analysis

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of Austin County, Texas, assets exceeded liabilities by \$33,070,705 at the close of the most recent fiscal year.

A portion of Austin County, Texas' net position (28 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Austin County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Austin County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

AUSTIN COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2020	2019	2020	2019
Current and Other Assets	\$42,501,002	\$31,618,816	\$42,501,002	\$31,618,816
Capital Assets:	25,151,053	16,479,928	25,151,053	16,479,928
Total Assets	67,652,055	48,098,744	67,652,055	48,098,744
Total Deferred Outflows of Resources	1,574,648	3,450,389	1,574,648	3,450,389
Long-Term Liabilities	31,661,405	19,129,146	31,661,405	19,129,146
Other Liabilities	3,342,728	1,024,680	3,342,728	1,024,680
Total Liabilities	35,004,133	20,153,826	35,004,133	20,153,826
Total Deferred Inflows of Resources	1,151,865	181,818	1,151,865	181,818
Invested in Capital Assets, Net of Related Debt	9,162,439	8,328,725	9,162,439	8,328,725
Restricted	9,495,968	8,747,556	9,495,968	8,747,556
Unrestricted	14,412,298	14,137,208	14,412,298	14,137,208
Total Net Position	\$33,070,705	\$31,213,489	\$33,070,705	\$31,213,489

A portion of Austin County, Texas' Net Position (29 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted Net Position* \$14,412,298 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Austin County, Texas is able to report positive balances in all three categories of Net Position, both for the government as a whole, as well as for its separate governmental activities.

The government's total Net Position increased by \$1,857,216. This increase is mainly attributable to the following: ad valorem taxes increased by \$1,465,147 and careful budget management.

Governmental activities: There were no business-type activities so any analysis regarding governmental activities will be the same as the analysis of the Government-wide Financial Analysis.

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

	Governmental Activities		Total	
	2020	2019	2020	2019
Revenues:				
Program Revenues:				
Charges for Services	\$3,692,035	\$3,908,791	\$3,692,035	\$3,908,791
Operating Grants and Contributions	961,700	521,477	961,700	521,477
Capital Grants and Contributions	167,975	203,769	167,975	203,769
General Revenues:				
Maintenance and Operations				
Taxes	19,582,927	18,117,780	19,582,927	18,117,780
Sales Taxes	1,930,974	2,100,163	1,930,974	2,100,163
Other Taxes	35,939	42,572	35,939	42,572
Unrestricted Investment Earnings	586,198	832,661	586,198	832,661
Miscellaneous	1,343,119	461,219	1,343,119	461,219
Total Revenue	<u>28,300,867</u>	<u>26,188,432</u>	<u>28,300,867</u>	<u>26,188,432</u>
Expenses:				
General Administration	5,239,322	5,331,733	5,239,322	5,331,733
Legal	522,910	480,577	522,910	480,577
Judicial	1,360,493	1,295,302	1,360,493	1,295,302
Financial Administration	810,778	801,600	810,778	801,600
Public Facilities	1,131,034	1,098,796	1,131,034	1,098,796
Public Safety	9,482,694	9,018,440	9,482,694	9,018,440
Public Transportation	6,293,209	6,869,375	6,293,209	6,869,375
Culture and Recreation	141,232	138,946	141,232	138,946
Health and Welfare	94,037	196,881	94,037	196,881
Conservation - Agriculture	178,461	183,168	178,461	183,168
Interest and Fiscal Charges	1,189,481	423,316	1,189,481	423,316
Total Expenses	<u>26,443,651</u>	<u>25,838,134</u>	<u>26,443,651</u>	<u>25,838,134</u>
Increase in Net Position Before Transfers and Special Items	1,857,216	350,298	1,857,216	350,298
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase in Net Position	1,857,216	350,298	1,857,216	350,298
Net Position at 9/30/2019 - Restated	<u>31,213,489</u>	<u>30,863,191</u>	<u>31,213,489</u>	<u>30,863,191</u>
Net Position at 9/30/2020	<u>\$33,070,705</u>	<u>\$31,213,489</u>	<u>\$33,070,705</u>	<u>\$31,213,489</u>

For the most part, the increases and decreases in expenses closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Austin County, Texas' governmental funds reported combined ending fund balances of \$37,206,001, an increase of \$8,767,707 in comparison with the prior year. Approximately 35% of this total amount \$12,909,642 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved or committed*.

The general fund is the chief operating fund of Austin County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$13,205,935, while total fund balance reached a balance of \$12,266,165. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total unassigned fund balance represents 87 percent of total general fund expenditures, while total fund balance represents 87 percent of that same amount.

The fund balance of the general fund increased by \$1,264,988 during the current fiscal year. This is a result of ad valorem taxes increased by \$646,557 and careful budget management.

At the end of the current fiscal year, restricted fund balance of the road and bridge fund was \$4,564,696, while total fund balance reached a balance of \$4,584,133. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 125 percent of total road and bridge fund expenditures, while total fund balance represents 126 percent of that same amount.

The fund balance of the road and bridge fund increased by \$108,971 during the current fiscal year. Key factors in this increase are as follows:

- . ad valorem taxes increased by \$117,205 and careful budget management.

At the end of the current fiscal year, restricted fund balance of the F/M and Lateral fund was \$3,438,230, while total fund balance reached a balance of \$3,438,230. As a measure of the F/M and Lateral fund's liquidity, it may be useful to compare both restricted fund balance and total fund balance to total fund expenditures. Restricted balance represents 123 percent of total F/M and Lateral fund expenditures, while total fund balance represents 123 percent of that same amount.

The fund balance of the F/M and Lateral Fund increased by \$177,914 during the current fiscal year. Key factors in this increase are as follows:

- . ad valorem taxes increased by \$146,486 and careful budget management.

The Infrastructure Projects fund is a construction fund, and any analysis would be illusory.

Budgetary Highlights:

Differences between the original budget and the final amended budget in the general fund were an increase of \$1,485,987 in appropriations. This increase is a result of an increase in EMS Building/Sealy which increased by \$765,847 in the Capital Repairs.

Differences between the original budget and the final amended budget in the road and bridge fund were an increase of \$3,827,821 in appropriations. This increase is a result of a budget increase in transportation project and contingency expenditures.

Differences between the original budget and the final amended budget in the F/M and Lateral fund were an increase of \$2,862,162 in appropriations. This increase is a result of a budget increase in transportation highway construction, equipment purchases, and contingency expenditures.

Capital Asset and Debt Administration

Capital assets:

Austin County, Texas' investment in capital assets for its governmental activities as of September 30, 2020, amounts to \$25,151,053 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure. The total increase in Austin County, Texas' investment in capital assets for the current fiscal year was 52.62 percent.

The County had the following construction: Austin County Jail and Sheriff's Office, the Austin County Justice Center, an EMS Building, and Wendt Street New Phone and Cameras. etc.

AUSTIN COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Total	
	2020	2019	2020	2019
Land	\$597,660	\$597,660	\$597,660	\$597,660
Construction in Progress	11,654,224	2,108,754	11,654,224	2,108,754
Building and Improvements	5,102,839	5,362,749	5,102,839	5,362,749
Machinery and Equipment	2,452,828	2,829,171	2,452,828	2,829,171
Infrastructure	5,334,678	5,570,249	5,334,678	5,570,249
Intangible	8,824	11,345	8,824	11,345
Total	<u>\$25,151,053</u>	<u>\$16,479,928</u>	<u>\$25,151,053</u>	<u>\$16,479,928</u>

Additional information on Austin County, Texas' capital assets can be found in note IV C on page 42 of this report.

Long-term debt:

At the end of the current fiscal year, Austin County, Texas had the following bonded debt.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>						
General Obligation Bonds	\$12,590,000	\$15,810,000	\$565,000	\$27,835,000	\$1,090,000	\$26,745,000
	<u>12,590,000</u>	<u>15,810,000</u>	<u>565,000</u>	<u>27,835,000</u>	<u>1,090,000</u>	<u>26,745,000</u>
Grand Total	<u>\$12,590,000</u>	<u>\$15,810,000</u>	<u>\$565,000</u>	<u>\$27,835,000</u>	<u>\$1,090,000</u>	<u>\$26,745,000</u>

Austin County, Texas' total bonded debt increased by \$15,245,000 (121.09 percent) during the current fiscal year. The key factor in this increase was the Series 2020 bond issuance of \$15,810,000.

Additional information on Austin County, Texas' long-term debt can be found in note IV F on pages 45-49 of this report.

Outlook

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

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

Requests for Information

This financial report is designed to provide our citizen's taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If questions are encountered regarding this report, contact the Austin County Judge's Office, Austin County Courthouse, One East Main Street, Bellville, Texas 77418-1521, or (979) 865-5911.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Governmental	
	Activities	Total
<i>ASSETS</i>		
Cash and Cash Equivalents	\$40,107,330	\$40,107,330
Receivables (net of allowance for uncollectibles)	2,314,005	2,314,005
Prepaid Items	79,667	79,667
Capital assets not being depreciated:		
Land	597,660	597,660
Construction in Progress	11,654,224	11,654,224
Total Capital assets being depreciated, net		
Building and Improvements	5,102,839	5,102,839
Machinery and Equipment	2,452,828	2,452,828
Infrastructure	5,334,678	5,334,678
Intangible	8,824	8,824
Total Assets	<u>\$67,652,055</u>	<u>\$67,652,055</u>
<i>DEFERRED OUTFLOWS OF RESOURCES</i>		
GASB 68		
Contributions (after 12/31/19)	1,224,285	1,224,285
Differences between expected and actual experience	300,123	300,123
Changes of Assumptions	50,240	50,240
Total Deferred Outflows of Resources	<u>1,574,648</u>	<u>1,574,648</u>
<i>LIABILITIES:</i>		
Accounts Payable	\$2,682,388	\$2,682,388
Accrued Wages	364,385	364,385
Accrued Interest Payable	295,955	295,955
Noncurrent Liabilities:		
Due within one year	2,033,517	2,033,517
Due in more than one year	29,627,888	29,627,888
Total Liabilities	<u>35,004,133</u>	<u>35,004,133</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>		
Gain on Bond Refunding	163,636	163,636
Net difference between projected and actual earnings	988,229	988,229
Total Deferred Inflows of Resources	<u>1,151,865</u>	<u>1,151,865</u>
<i>NET POSITION</i>		
Invested in Capital Assets, Net of Related Debt	9,162,439	9,162,439
Restricted		
Administrative	394,409	394,409
Archives	117,405	117,405
Health	170,440	170,440
Judicial	187,249	187,249
Public Safety	623,539	623,539
Public Transportation	8,002,926	8,002,926
Unrestricted	14,412,298	14,412,298
Total Net Position	<u>\$33,070,705</u>	<u>\$33,070,705</u>

The accompanying notes are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and	Revenue and
					Changes in	Changes in
				Net Position	Net Position	
Primary Government						
Government Activities:						
General Administration	\$5,239,322	\$766,238	\$432,415	\$0	(\$4,040,669)	(\$4,040,669)
Legal	522,910	39,820			(483,090)	(483,090)
Judicial	1,360,493	281,186	158,074		(921,233)	(921,233)
Financial Administration	810,778	487,613			(323,165)	(323,165)
Public Facilities	1,131,034				(1,131,034)	(1,131,034)
Public Safety	9,482,694	1,194,077	195,960		(8,092,657)	(8,092,657)
Public Transportation	6,293,209	923,101	84,188	167,975	(5,117,945)	(5,117,945)
Culture and Recreation	141,232				(141,232)	(141,232)
Health and Welfare	94,037	0	91,063		(2,974)	(2,974)
Conservation - Agriculture	178,461				(178,461)	(178,461)
Interest and Fiscal Charges	1,189,481				(1,189,481)	(1,189,481)
Total Government Activities	<u>26,443,651</u>	<u>3,692,035</u>	<u>961,700</u>	<u>167,975</u>	<u>(21,621,941)</u>	<u>(21,621,941)</u>
 Total Primary Government	 <u>\$26,443,651</u>	 <u>\$3,692,035</u>	 <u>\$961,700</u>	 <u>\$167,975</u>	 <u>(21,621,941)</u>	 <u>(21,621,941)</u>
 General Revenues						
Property Taxes, Levies for General Purposes					19,582,927	19,582,927
Sales Taxes					1,930,974	1,930,974
Other Taxes					35,939	35,939
Unrestricted Investment Earnings					586,198	586,198
Miscellaneous					1,343,119	1,343,119
Total General Revenues and Transfers					<u>23,479,157</u>	<u>23,479,157</u>
Change in Net Position					1,857,216	1,857,216
Net Position - Beginning - Restated					<u>31,213,489</u>	<u>31,213,489</u>
Net Position - Ending					<u>\$33,070,705</u>	<u>\$33,070,705</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

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

	General Fund	Road and Bridge	F/M and Lateral Fund	Infrastructure Projects	Other Governmental Funds	Total Governmental Funds
<i>ASSETS</i>						
Cash and Cash Equivalents	\$12,838,626	\$4,548,964	\$3,499,611	\$17,393,142	\$1,581,069	\$39,861,412
Receivables (net of allowance for uncollectibles)	805,116	142,040	89,594		8,761	1,045,511
Prepaid Items	60,230	19,437				79,667
Due from Other Funds	940,995	147,809		241,900		1,330,704
Total Assets	\$14,644,967	\$4,858,250	\$3,589,205	\$17,635,042	\$1,589,830	\$42,317,294
<i>LIABILITIES AND FUND BALANCES:</i>						
<i>Liabilities</i>						
Accounts Payable	\$532,865	\$113,648	\$61,981	\$1,962,508	\$11,386	\$2,682,388
Accrued Wages	306,325	52,755			5,305	364,385
Due to Other Funds	2,504			1,029,367	298,833	1,330,704
Total Liabilities	841,694	166,403	61,981	2,991,875	315,524	4,377,477
<i>DEFERRED INFLOWS OF RESOURCES</i>						
Deferred Property Taxes	537,108	107,714	88,994			733,816
Total Deferred Inflows of Resources	537,108	107,714	88,994	0	0	733,816
<i>Fund Balances:</i>						
<i>Non-Spendable</i>						
Prepaid Items	60,230	19,437				79,667
<i>Restricted</i>						
Administrative					394,409	394,409
Archives					117,405	117,405
Construction				14,643,167		14,643,167
Health					170,440	170,440
Judicial					187,249	187,249
Public Safety					623,539	623,539
Public Transportation		4,564,696	3,438,230			8,002,926
<i>Committed</i>						
Culture and Recreation					77,557	77,557
Unassigned	13,205,935				(296,293)	12,909,642
Total Fund Balance	13,266,165	4,584,133	3,438,230	14,643,167	1,274,306	37,206,001
Total Liabilities and Fund Balances	\$14,644,967	\$4,858,250	\$3,589,205	\$17,635,042	\$1,589,830	\$42,317,294

The accompanying notes are an integral part of this statement.

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

Total Fund Balances - governmental funds balance sheet	\$37,206,001
Amounts reported for governmental activities in the statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	25,151,053
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,853,977
Internal Service funds are used by management to account for funds for Self-Insurance. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	246,854
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	733,816
Gain on Bond Refunding	(163,636)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(31,957,360)
Net Position of governmental activities - statement of Net Position	<u>\$33,070,705</u>

The accompanying notes are an integral part of this statement.

AUSTIN COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Road and Bridge	F/M and Lateral Fund	Infrastructure Projects	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>						
Taxes						
Property	\$13,329,462	\$2,326,344	\$2,812,616		\$1,040,130	\$19,508,552
Sales	1,930,974					1,930,974
Other	35,939					35,939
Intergovernmental	656,055	167,975	84,188		221,457	1,129,675
Licenses and Permits	65,335	771,155				836,490
Charges for Services	1,121,220				195,879	1,317,099
Fines and Forfeitures	1,158,747	86,611				1,245,358
Interest	261,946	77,072	60,957	160,381	17,621	577,977
Miscellaneous	556,767	643,883	5,290	28,699	108,480	1,343,119
Total Revenues	<u>19,116,445</u>	<u>4,073,040</u>	<u>2,963,051</u>	<u>189,080</u>	<u>1,583,567</u>	<u>27,925,183</u>
<i>EXPENDITURES</i>						
Current:						
General Administration	2,522,920			10,096	136,559	2,669,575
Legal	468,626				48,230	516,856
Judicial	1,261,562				74,297	1,335,859
Financial Administration	745,739				18,788	764,527
Public Facilities	1,129,812					1,129,812
Public Safety	8,435,733				254,744	8,690,477
Public Transportation		3,593,408	2,610,986			6,204,394
Culture and Recreation	126,432				8,990	135,422
Health and Welfare	41,443				53,344	94,787
Conservation - Agriculture	175,232					175,232
Capital Projects -						
Capital Outlay and Other				9,520,476		9,520,476
Debt Service						
Principal Retirement	242,907	49,811	160,311		565,000	1,018,029
Bond Issuance Costs				182,843		182,843
Interest Retirement	48,473	6,848	13,840		718,867	788,028
Total Expenditures	<u>15,198,879</u>	<u>3,650,067</u>	<u>2,785,137</u>	<u>9,713,415</u>	<u>1,878,819</u>	<u>33,226,317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,917,566</u>	<u>422,973</u>	<u>177,914</u>	<u>(9,524,335)</u>	<u>(295,252)</u>	<u>(5,301,134)</u>
<i>OTHER FINANCING SOURCES (USES):</i>						
Other Financing Sources - Bond Proceeds				15,810,000		15,810,000
Other Financing Sources - Bond Issuance Premium				372,843		372,843
Other Financing Sources - Capital Lease		85,998				85,998
Operating Transfers In	19,030				907,458	926,488
Operating Transfers Out	(2,671,608)	(400,000)			(54,880)	(3,126,488)
Total Other Financing Sources (Uses)	<u>(2,652,578)</u>	<u>(314,002)</u>	<u>0</u>	<u>16,182,843</u>	<u>852,578</u>	<u>14,068,841</u>
Net Changes in Fund Balances	1,264,988	108,971	177,914	6,658,508	557,326	8,767,707
Fund Balances - Beginning - Restated	12,001,177	4,475,162	3,260,316	7,984,659	716,980	28,438,294
Fund Balances - Ending	<u>13,266,165</u>	<u>4,584,133</u>	<u>3,438,230</u>	<u>14,643,167</u>	<u>1,274,306</u>	<u>37,206,001</u>

The accompanying notes are an integral part of this statement.

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

Net Changes in Fund Balances - total governmental funds	\$8,767,707
Amounts reported for governmental activities in the statement of Net Position ("SNP") are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	8,671,125
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	(92,602)
(Increase) decrease in Compensated absences from beginning of period to end of period.	(17,614)
(Increase) decrease in Accrued Interest Payable from beginning of period to end of period.	(281,330)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	74,375
Increase in loan principal are receipts in the funds but not revenue in the SOA.	(15,895,998)
Increase in Bond Issuance Premium	(372,843)
GASB 68	
Deferred Outflow of Resources-Contribution. This is the change in these amounts this year.	166,543
Deferred Inflow-Changes of assumptions. This is the change in these amounts this year.	(25,120)
Deferred Inflow-Net difference between projected and actual earnings. This is the change in these amounts this year.	(3,147,402)
Deferred Outflow-Differences between expected and actual experience. This is the change in these amounts this year.	142,009
Net Pension Payable. This is the change in these amounts this year.	2,691,629
Internal Service funds are used by management to account for funds for Self-Insurance.	
The net revenue of certain activities of Internal service funds is reported with governmental activities.	95,988
Amortization of Gain in Bond Refunding is an income in the SOA but not income in the funds.	18,182
Amortization of Bond Issuance Premiums and Gain on Bond Refinancing is an income in the SOA but not income in the funds.	44,538
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	<u>1,018,029</u>
Change in Net Position of governmental activities - statement of activities	<u>\$1,857,216</u>

The accompanying notes are an integral part of this statement.

AUSTIN COUNTY, TEXAS
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
<i>REVENUES</i>				
Taxes				
Property	\$13,266,321	\$13,266,321	\$13,329,462	\$63,141
Sales	2,175,000	2,175,000	1,930,974	(244,026)
Other	50,000	50,000	35,939	(14,061)
Intergovernmental	166,300	479,437	656,055	176,618
License and Permits	60,000	60,000	65,335	5,335
Charges for Services	905,000	905,265	1,121,220	215,955
Fines and Forfeitures	1,256,800	1,201,800	1,158,747	(43,053)
Interest	150,000	150,000	261,946	111,946
Miscellaneous	247,850	516,599	556,767	40,168
Total Revenues	18,277,271	18,804,422	19,116,445	312,023

EXPENDITURES

Current:

General Administration				
County Clerk	392,354	392,354	378,665	13,689
County Judge	390,947	390,947	322,586	68,361
Human Resources	83,699	85,673	85,323	350
Other	1,439,157	1,634,797	1,427,929	206,868
System Tech.	297,577	313,356	293,383	19,973
Veteran's Service	15,634	15,634	15,034	600
Legal				
County/ District Attorney	430,911	464,662	468,626	(3,964)
Judicial				
County Court at Law	289,650	299,700	292,450	7,250
County, District, Justice, Juvenile Courts	344,934	356,534	313,717	42,817
District Clerk	166,713	166,713	151,595	15,118
District Judge	99,028	100,628	100,368	260
Justice of the Peace No. 1	102,741	102,741	102,485	256
Justice of the Peace No. 2	32,539	32,638	32,577	61
Justice of the Peace No. 3	146,472	146,572	144,463	2,109
Justice of the Peace No. 4	145,572	145,572	123,907	21,665
Financial Administration				
County Auditor	235,518	230,107	229,738	369
County Treasurer	138,097	138,097	119,881	18,216
Tax Assessor-Collector	402,823	409,545	396,120	13,425
Public Facilities				
Buildings and Yards	355,032	304,961	250,813	54,148
Capital Repairs	1,655,006	2,538,066	795,536	1,742,530
Wendt Street Building	45,100	83,463	83,463	0
Public Safety				
Constable No. 1	20,237	20,237	18,867	1,370
Constable No. 2	20,237	20,237	19,836	401
Constable No. 3	37,075	38,442	37,342	1,100
Constable No. 4	37,075	43,239	42,786	453
Emergency Management	46,528	46,527	42,505	4,022
EMS	2,642,400	2,777,101	2,788,640	(11,539)
Jail	1,948,769	1,957,836	1,728,225	229,611
Juvenile Probation	137,040	140,187	120,134	20,053
Sheriff	3,677,562	3,865,340	3,521,489	343,851

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Culture and Recreation				
Knox Library	\$67,145	\$67,067	\$54,830	\$12,237
West End Library	57,455	58,041	58,480	(439)
History and Visitor Information Center	24,300	24,300	13,122	11,178
Health and Welfare				
County Health Department	15,225	15,225	10,840	4,385
Other Health and Child Care	35,000	35,000	30,603	4,397
Conservation - Agriculture				
Agriculture Extension Service	210,846	210,846	175,232	35,614
Debt Service				
Principal Retirement	242,907	242,907	242,907	0
Interest Retirement	48,473	48,473	48,473	0
Total Expenditures	<u>16,477,778</u>	<u>17,963,765</u>	<u>15,082,970</u>	<u>2,880,795</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>1,799,493</u>	<u>840,657</u>	<u>4,033,475</u>	<u>3,192,818</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	<u>(1,700,000)</u>	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,700,000)</u>	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>0</u>
Net Changes in Fund Balances - Budgetary Basis	<u>\$99,493</u>	<u>(\$959,343)</u>	<u>2,233,475</u>	<u>\$3,192,818</u>
Reconciliation from cash basis to modified accrual basis:				
Operating Transfers In			19,030	
Homeland Security Grant - Expenditures			(115,909)	
Operating Transfers Out			(871,608)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>1,264,988</u>	
Fund Balances - Beginning - Restated			<u>12,001,177</u>	
Fund Balances - Ending			<u>\$13,266,165</u>	

The accompanying notes are an integral part of this statement.

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

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$2,311,973	\$2,311,973	\$2,326,344	\$14,371
Intergovernmental		167,975	167,975	0
Licenses and Permits	745,000	745,000	771,155	26,155
Fines and Forfeitures	130,000	130,000	86,611	(43,389)
Interest	45,000	45,000	77,072	32,072
Miscellaneous	55,250	691,670	643,883	(47,787)
Total Revenues	3,287,223	4,091,618	4,073,040	(18,578)
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	2,830,565	6,658,386	3,507,410	3,150,976
Debt Service				
Principal Retirement	49,811	49,811	49,811	0
Interest Retirement	6,848	6,848	6,848	0
Total Expenditures	2,887,224	6,715,045	3,564,069	3,150,976
Excess (Deficiency) of Revenues Over (Under) Expenditures	399,999	(2,623,427)	508,971	3,132,398
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out	(400,000)	(400,000)	(400,000)	0
Total Other Financing Sources (Uses)	(400,000)	(400,000)	(400,000)	0
Net Changes in Fund Balances - Budgetary Basis	(\$1)	(\$3,023,427)	108,971	\$3,132,398
Reconciliation from cash basis to modified accrual basis:				
Other Financing Sources - Capital Lease			85,998	
Purchase of Equipment			(85,998)	
Net Changes in Fund Balances - Modified Accrual Basis			108,971	
Fund Balances - Beginning - Restated			4,475,162	
Fund Balances - Ending			\$4,584,133	

The accompanying notes are an integral part of this statement.

AUSTIN COUNTY, TEXAS
 F/M AND LATERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$2,790,193	\$2,806,437	\$2,812,616	\$6,179
Intergovernmental	45,821	83,589	84,188	599
Interest	23,000	23,000	60,957	37,957
Miscellaneous	1,500	1,500	5,290	3,790
Total Revenues	2,860,514	2,914,526	2,963,051	48,525
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	2,686,363	5,248,525	2,610,986	2,637,539
Debt Service				
Principal Retirement	160,311	160,311	160,311	0
Interest Retirement	13,840	13,840	13,840	0
Total Expenditures	2,860,514	5,422,676	2,785,137	2,637,539
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	0	(2,508,150)	177,914	2,686,064
Net Changes in Fund Balances	0	(2,508,150)	177,914	2,686,064
Fund Balances - Beginning	3,260,316	3,260,316	3,260,316	
Fund Balances - Ending	\$3,260,316	\$752,166	\$3,438,230	\$2,686,064

The accompanying notes are an integral part of this statement.

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

	Internal Service Self Insurance	Internal Service Self Insurance	Total Proprietary Funds
	Current Year	Prior Year	Current Year
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$245,918	\$150,866	\$245,918
Receivables (net of allowance for uncollectibles)	936		936
Total Current Assets	<u>246,854</u>	<u>150,866</u>	<u>246,854</u>
TOTAL ASSETS	<u><u>\$246,854</u></u>	<u><u>\$150,866</u></u>	<u><u>\$246,854</u></u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS			
Liabilities			
Current Liabilities (Payable from Current Assets)		\$0	\$0
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>
NET POSITION			
Restricted - Expendable	<u>246,854</u>	<u>150,866</u>	<u>246,854</u>
TOTAL NET POSITION	<u><u>\$246,854</u></u>	<u><u>\$150,866</u></u>	<u><u>\$246,854</u></u>

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

AUSTIN COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Internal Service Self Insurance	Internal Service Self Insurance	Total Proprietary Funds
	Current Year	Prior Year	Current Year
OPERATING REVENUES:			
Charges for Services	\$276,679	\$284,691	\$276,679
Reinsurance	109,011	174,955	109,011
TOTAL OPERATING REVENUES	385,690	459,646	385,690
OPERATING EXPENSES			
Administrative Fees	605,645	549,754	605,645
Claims paid	3,027	806	3,027
Other			0
Prescriptions	1,889,251	2,382,355	1,889,251
Reinsurrer			0
TOTAL OPERATING EXPENSES	2,497,923	2,932,915	2,497,923
OPERATING INCOME (LOSS)	(2,112,233)	(2,473,269)	(2,112,233)
NON-OPERATING REVENUES (EXPENSES):			
Interest Income	8,221	10,060	8,221
TOTAL NON-OPERATING REVENUES (EXPENSES)	8,221	10,060	8,221
Income Before Transfers	(2,104,012)	(2,463,209)	(2,104,012)
Transfers In	2,200,000	2,450,000	2,200,000
Change in Net Position	95,988	(13,209)	95,988
Total Net Position - Beginning	150,866	164,075	150,866
Total Net Position - Ending	\$246,854	\$150,866	\$246,854

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

AUSTIN COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Internal Service Self Insurance	Internal Service Self Insurance	Total Proprietary Funds
	Current Year	Prior Year	Current Year
Cash flows from Operating Activities			
Receipts from Customers and Users	\$384,754	\$459,646	\$384,754
Payments to Suppliers	(2,497,923)	(2,932,915)	(2,497,923)
Net Cash Provided(Used) By Operating Activities:	(2,113,169)	(2,473,269)	(2,113,169)
Cash Flows from Non-Capital and Related Financing Activities			
Transfers Out	2,200,000	2,450,000	2,200,000
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	2,200,000	2,450,000	2,200,000
Cash Flows from Investing Activities			
Interest Received	8,221	10,060	8,221
Net Cash Provided(Used) By Investing Activities	8,221	10,060	8,221
Net Increase (Decrease) in Cash Equivalents	95,052	(13,209)	95,052
Cash and Cash Equivalents at Beginning of Year	150,866	164,075	150,866
Cash and Cash Equivalents at End of Year	\$245,918	\$150,866	\$245,918

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

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(continued)

	Internal Service Self Insurance	Internal Service Self Insurance	Total Proprietary Funds
	Current Year	Prior Year	Current Year
Reconciliation of Operating Income to net cash provided(Used) By Operating Activities			
Operating Income (Loss)	(\$2,112,233)	(\$2,473,269)	(\$2,112,233)
Changes in Current Items			
Decrease(Increase) in Accounts Receivable	(936)	0	(936)
Increase(Decrease) in Accounts Payable	0	0	0
Net Cash Provided(Used) by Operating Activities	(\$2,113,169)	(\$2,473,269)	(\$2,113,169)
Noncash Investing, Capital, and Financing Activities:			
Borrowing from capital debt	\$0	\$0	\$0

Note: The above funds are all Enterprise Funds.

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

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

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$5,062,565
Receivables (net of allowance for uncollectibles)	2,904
Total Assets	<u>\$5,065,469</u>
LIABILITIES	
Accounts Payable	\$76,064
Bank Overdraft	6,900
Due to Others	4,982,505
Total Liabilities	<u>\$5,065,469</u>

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

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

I. Summary of Significant Accounting Policies

A. Reporting entity

Austin County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), environmental protection (sanitation), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services.

B. Government-Wide and Fund Financial Statements

The County’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the County accompanied by a total column. Fiduciary activities of the County are not included in these statements.

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

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities, which are presented as internal balances and eliminated in the total primary government column.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

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

The County reports the following major governmental funds:

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

The *Road and Bridge Fund* accounts for certain revenues and expenditures related to the construction and maintenance of roads and bridges within all County precincts.

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

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

C. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

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

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

C. Assets, Liabilities, and Net Position or Equity (continued)

2. Receivables and Payables (continued)

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

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

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

3. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for in the Balance Sheet. In the General Fund, disbursements for supplies and materials are considered to be expenditures at the time of purchase. There were no inventory items at September 30, 2020.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. There were prepaid items at September 30, 2020.

4. Restricted Assets

There were no restricted assets at September 30, 2020.

5. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County had the following construction: Austin County Jail and Sheriff’s Office, the Austin County Justice Center, an EMS Building, and Wendt Street New Phone and Cameras. etc.

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

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

6. Compensated Absences

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

7. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Balances – Governmental Funds

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

Nonspendable — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

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

Unassigned — all other spendable amounts.

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

Fund Balances:	
Non-Spendable	
Prepaid Items	\$79,667
Restricted	
Administrative	394,409
Archives	117,405
Construction	14,643,167
Health	170,440
Judicial	187,249
Public Safety	623,539
Public Transportation	8,002,926
Committed	
Culture and Recreation	77,557
Unassigned	<u>12,909,642</u>
Total Fund Balance	<u>\$37,206,001</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Commissioners’ Court or the finance committee has provided otherwise in its commitment or assignment actions. In fiscal year 2011, the Commissioners’ Court adopted a minimum fund balance policy for the General Fund. The policy requires the County to maintain, at all times, an unassigned fund balance at fiscal year end of not less than 3 months of regular general fund operating expenditures.

9. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

10. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is deferred under GASB 68. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government only has two items that qualify for reporting in this category. They are deferred under Gain on Bond Refunding and GASB 68. The County reports unearned revenue on its fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measureable" and "available" criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the County and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized. Pursuant to GASB 65 we have included deferred ad valorem taxes as deferred inflows in the fund financial statements.

11. Net position flow assumption

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

II. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$31,957,360 difference are as follows:

Bonds Payable	\$27,835,000
Unamortized Bond Premium	1,046,130
Notes Payable	57,107
Capital Lease Payable	1,693,544
Accrued Interest Payable	295,955
Compensated Absences	468,108
Net Pension Payable	561,516
	<u>\$31,957,360</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in Net Position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$25,151,053 difference are as follows:

Capital Assets Not Being Depreciated	\$12,251,884
Capital Assets Being Depreciated	104,896,682
Depreciation Expense	(91,997,513)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$25,151,053</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles)." The details of this \$733,816 difference are as follows:

Property Taxes Receivable	\$786,331
Allowance for Doubtful Accounts	<u>(52,515)</u>
Net	<u><u>\$733,816</u></u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$1,853,977 difference are as follows:

Fines and Fees Receivable	\$3,094,554
Allowance for Doubtful Accounts	(1,826,996)
GASB 68	
Contributions (after 12/31/19)	1,224,285
Changes of assumptions	50,240
Net difference between projected and actual earnings	(988,229)
Differences between expected and actual experience	<u>300,123</u>
Net	<u><u>\$1,853,977</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in Net Position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$8,671,125 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$9,545,470
Capital Outlay - Additions - Being Depreciated	729,327
Capital Outlay - Deletions - Net	(27,643)
Depreciation Expense	(1,576,029)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	\$8,671,125

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

The final amended budget is used in this report.

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

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

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

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

Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2020 fiscal year were adopted for the General Fund, the F/M and Lateral Fund, and the Road and Bridge Fund.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2020, expenditures did not exceed appropriations in any fund.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2020, except for the Certificate of Obligation Series 2009 fund which had a deficit fund balance of \$162,525, the Courthouse Security fund which had a deficit fund balance of \$5,042, the Tax Road Bond fund which had a deficit fund balance of \$128,726. These deficits are expected to be liquidated by future resources of the funds.

IV. Detailed Notes on All Funds

A. Deposits and investments

Legal and Contractual Provisions Governing Deposits and Investments:

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

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

Deposits:

Custodial credit risk - deposits. At year end, the carrying amount of the County's bank balance was \$46,000,006. All the bank balance was covered by federal deposit insurance and collateralized by the pledging financial institution with marketable securities held by an agent in the County's name. The amount of securities pledged and held by the County's depository in the County's name is \$62,852,102 and the FDIC coverage is \$250,000. The book balance of the cash and cash equivalents was \$45,169,895.

Investments:

The Interlocal 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.

TexPool use amortized cost to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. TexPool do not place any limitations or restrictions such as notice periods or maximum transaction amounts, on withdrawals. TexPool have 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 principal. TexPool invest a high quality portfolio of debt securities investments that are legally permissible for local governments in the state.

All funds participate in a pooling of cash and investment income in order to maximize investment opportunities. Each fund may liquidate its equity in the pool on demand.

The County’s investments are authorized by the County. The County is authorized to invest in obligations of the U.S. Government and its agencies or instrumentalities; direct obligations of Texas and its agencies and instrumentalities; obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent rating; insured or collateralized certificates of deposit; fully collateralized repurchase agreements; and government pools.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County’s investments by fair value level are classified in Level 2 of the fair value hierarchy and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. The County has no Level 1 investments (investments valued using prices quoted in active markets for identical securities) or Level 3 investments (investments valued using significant unobservable inputs). As of September 30, 2020, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$5,098	Less than 1 year	Less than 1 year

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk. The County’s investment policy is to apply the “prudent investor” standard: “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” The County’s investments were rated as follows: TexPool Funds - AAAM.

Concentration of Credit Risk. The County places no limit on the amount the County may invest in any one issuer. 100 percent of the County’s investments are in Texpool.

IV. Detailed Notes on All Funds (continued)

B. Receivables

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

	General Fund	Road and Bridge	F/M and Lateral Fund	Other Govern- mental	Total
<u>Receivables</u>					
Taxes					
Property	\$575,420	\$115,485	\$95,426		\$786,331
Sales	139,289				139,289
GASB 34 Fees and Fines	3,094,554				3,094,554
Other Receivable	129,655	34,326	600	8,761	173,342
Gross Receivables	3,938,918	149,811	96,026	8,761	4,193,516
Less: Allowance for Uncollectibles	1,865,308	7,771	6,432		1,879,511
Net Total Receivables	<u>\$2,073,610</u>	<u>\$142,040</u>	<u>\$89,594</u>	<u>\$8,761</u>	<u>\$2,314,005</u>

C. Capital Assets

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

Governmental Activities:	Beginning			Ending
	Balances	Increases	Decreases	Balances
Capital assets not being depreciated:				
Land	\$597,660			\$597,660
Construction in Progress	2,108,754	9,545,470		11,654,224
Total capital assets not being depreciated:	2,706,414	9,545,470	0	12,251,884
Capital assets being depreciated:				
Building and Improvements	12,068,589			12,068,589
Machinery and Equipment	13,914,778	647,617	461,909	14,100,486
Infrastructure	78,615,780	81,710		78,697,490
Intangibles	30,117			30,117
Total capital assets being depreciated:	104,629,264	729,327	461,909	104,896,682
Less: Accumulated Depreciation for:				
Building and Improvements	6,705,840	259,910		6,965,750
Machinery and Equipment	11,085,607	996,317	434,266	11,647,658
Infrastructure	73,045,531	317,281		73,362,812
Intangibles	18,772	2,521		21,293
Total Accumulated Depreciation	90,855,750	1,576,029	434,266	91,997,513
Total Capital Assets Depreciated, Net	13,773,514	(846,702)	27,643	12,899,169
Governmental Activities capital assets, Net	\$16,479,928	\$8,698,768	\$27,643	\$25,151,053

The 2019-2020 depreciation is as follows:

Governmental Activities	
General Administration	\$52,709
Judicial	5,697
Financial Administration	36,117
Public Facilities	23,724
Public Safety	666,492
Public Transportation	785,862
Culture and Recreation	5,428
Total Depreciation Expense - Governmental Activities	<u>\$1,576,029</u>

The infrastructure capital assets were not fully depreciated at September 30, 2020.

Construction commitments

The County had the following construction: Austin County Jail and Sheriff's Office, the Austin County Justice Center, an EMS Building, and Wendt Street New Phone and Cameras. etc.

D. Interfund Receivables, Payables, and Transfers

There was a \$55,409 amount due from the General fund to the Road and Bridge fund at year's end. This amount was for operating expenditures.

The following interfund balances as of September 30, 2020, were for operating capital.

<u>DUE TO/FROM</u>	<u>DUE</u>	
<i>ACCOUNT</i>	<i>FROM</i>	<i>REASON</i>
<u>GENERAL FUND</u>		
DUE FROM INFRASTRUCTURE PROJECTS	\$940,995	INFRASTRUCTURE PROJECTS
<u>ROAD AND BRIDGE FUND</u>		
DUE FROM INFRASTRUCTURE PROJECTS	88,372	INFRASTRUCTURE PROJECTS
DUE FROM OTHER GOVERNMENTAL FUNDS	59,437	OPERATING FUNDS
<u>INFRASTRUCTURE PROJECTS</u>		
DUE FROM GENERAL FUND	2,504	OPERATING FUNDS
DUE FROM OTHER GOVERNMENTAL FUNDS	239,396	OPERATING FUNDS
	<u>\$1,330,704</u>	

These amounts are expected to be liquidated in the 2020 year.

There were no advances at September 30, 2020.

The following transfers to the insurance fund were recurring. The transfers to and from the non-major funds were non-recurrent and were for operating capital. The transfer to the insurance fund was for self-insurance.

<u>TRANSFERS</u>		
<i>ACCOUNT</i>	<i>AMOUNT</i>	<i>REASON</i>
<u>GENERAL FUND</u>		
TRANSFER TO SELF INSURANCE FUND	\$1,800,000	HEALTH CARE
TRANSFER TO INFRASTRUCTURE PROJECTS	871,608	PROJECTS
<u>ROAD AND BRIDGE FUND</u>		
TRANSFER TO SELF INSURANCE FUND	400,000	HEALTH CARE
<u>DEBT SERVICE FUND</u>		
TRANSFER TO CERTIFICATE OF OBLIGATION SERIES 2007	46,880	HEALTH CARE
<u>CDA LAW ENFORCEMENT</u>		
TRANSFER TO DA VEHICLE FUND	8,000	PUBLIC SAFETY
	<u>\$3,126,488</u>	

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$119,764 for the year ended September 30, 2020. The future minimum lease payments for these leases are as follows:

Year Ending Sep. 30	<u>Amount</u>
2021	\$229,075
2022	219,711
2023	216,602
2024	123,420
2025	<u>5,966</u>
Total	<u>\$ 794,774</u>

Rent expenditures were \$12,300 for the year ended September 30, 2020. Rental income was \$12,000 for the year ended September 30, 2020. Sublease rental income was \$0 for the year ended September 30, 2020.

F. Long-Term Debt

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

Assets acquired through capital leases are as follows:

	JD 325G SKID STEER PCT 1	LIFEPAK 15 EQUIPMENT	ELECT- TION EQUIP	2014 HAMM COMPACTOR PCT 1	2018 FORD F150
Asset:					
Cost	\$49,716	\$508,533	\$129,411	\$72,430	\$158,062
Less: Accum. Depr.	19,887	203,413	51,764	72,430	63,225
Total	\$29,829	\$305,120	\$77,647	\$0	\$94,837

	7 POWER PRO AMBULANCE AND POWER MOWER	2019 FORD F250 PU PCT 4	ENERGY CONSER- VATION	JD 5100E TRACTOR - PCT 1	ASPHALT ZIPPER/ DUAL AXLE TLH -PCT 3
Asset:					
Cost	\$368,022	\$33,519	\$883,000	\$59,068	\$112,690
Less: Accum. Depr.	147,209	13,408	105,960	35,441	72,444
Total	\$220,813	\$20,111	\$777,040	\$23,627	\$40,246

	2016 SCHULTE XH1500 ROTARY CUTTER PCT 4	2 FORD PICKUP TRUCKS PCT 3	HEAVY EQUIP- MENT - PCT 1	TOTAL
Asset:				
Cost	\$22,665	\$85,998	\$488,996	\$2,972,110
Less: Accum. Depr.	18,132	17,200	195,598	1,016,111
Total	\$4,533	\$68,798	\$293,398	\$1,955,999

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

YEAR	ASPHALT	2018		JD 325G	JD 5100E
	ZIPPER/ DUAL AXLE TLH -PCT 3	FORD F150	7 POWER PRO AMBULANCE	SKID STEER PCT 1	TRACTOR - PCT 1
2021	24,680	41,966	73,829	14,601	10,980
2022			73,830	14,601	10,980
2023					
2024					
TOTAL MINIMUM LEASE PAYMENTS	<u>24,680</u>	<u>41,966</u>	<u>147,659</u>	<u>29,202</u>	<u>21,960</u>
LESS: AMOUNT REPRESENTING INTEREST	788	1,431	0	2,076	1,500
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$23,892</u>	<u>\$40,535</u>	<u>\$147,659</u>	<u>\$27,126</u>	<u>\$20,460</u>

(continued) YEAR	2016				
	2 FORD PICKUP TRUCKS PCT 3	SCHULTE XH1500 ROTARY CUTTER PCT 4	HEAVY EQUIP- MENT - PCT 1	ENERGY CONSER- VATION	LIFEPAK 15 EQUIPMENT
2021	30,548	4,949	98,919	87,603	57,189
2022	30,548		98,920	87,603	57,189
2023	30,548			87,603	57,189
2024				87,602	57,189
				87,602	
				87,602	
				87,602	
				87,602	
				87,602	
				87,602	
TOTAL MINIMUM LEASE PAYMENTS	<u>91,644</u>	<u>4,949</u>	<u>197,839</u>	<u>876,023</u>	<u>285,945</u>
LESS: AMOUNT REPRESENTING INTEREST	5,646	73	7,894	134,601	254
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$85,998</u>	<u>\$4,876</u>	<u>\$189,945</u>	<u>\$741,422</u>	<u>\$285,691</u>

(continued)	ELECT- TION EQUIP	2014 HAMM COMPACTOR PCT 1	2019 FORD F250 PU PCT 4	Total Governmental Activities
YEAR				
2021	\$30,793	\$15,541	12,112	503,710
2022	\$30,793	\$15,541	12,112	432,117
2023		\$15,541		190,881
2024				144,791
2025				144,791
2026				87,602
2027				87,602
2028				87,602
2029				87,602
2030				87,602
2031				0
TOTAL MINIMUM LEASE PAYMENTS	<u>61,586</u>	<u>46,623</u>	<u>24,224</u>	<u>1,854,300</u>
LESS: AMOUNT REPRESENTING INTEREST	1,597	3,470	1,426	157,079
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$59,989</u>	<u>\$43,153</u>	<u>\$22,798</u>	<u>\$1,693,544</u>

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

Bonds

The government issued a Series 2009 Bond to provide funds for various County projects. The original amount of the bond issued is \$6,000,000. The bond was refunded in the 2018 year with a Series 2018 Bond. The present value of the refunding was a gain of \$216,242. The bond is payable through the year 2039 at a rate of 4% to 5%. The current amount outstanding is \$3,505,000. The refunded bond is a direct obligation and pledge the full faith and credit of the government.

The government issued a Series 2019 Bond to provide funds for various County projects. The original amount of the bond issued is \$ 9,085,000. The bond is payable through the year 2039 at a rate of 3.25 % to 5%. The bond is a direct obligation and pledge the full faith and credit of the government.

The government issued a Series 2020 Bond to provide funds for various County projects. The original amount of the bond issued is \$15,810,000. The bond is payable through the year 2040 at a rate of 3.375 % to 5%. The bond is a direct obligation and pledge the full faith and credit of the government.

Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Rates</u>	<u>Amount</u>
Refunded Bonds - Series 2018	4.00-5.00%	\$ 3,235,000
Bonds - Series 2019	3.25-5.00%	\$ 8,790,000
Bonds - Series 2020	3.375-5.00%	\$15,810,000

The following is a summary of debt service requirements to maturity.

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2021	\$1,090,000	\$1,084,157
2022	1,155,000	1,028,032
2023	1,215,000	968,782
2024	1,275,000	906,532
2025	1,345,000	841,032
2026 to 2030	7,365,000	3,140,410
2031 to 2035	6,900,000	1,810,522
2036 to 2040	7,490,000	598,931
TOTALS	<u>\$27,835,000</u>	<u>\$10,378,398</u>

The above debt is to be serviced by the Debt Service funds.

Notes

The County had the following notes payable:

The 2- 2014 Belly Dump Load King Trailers, the 2004 KW & 2000 Freight Trucks, and Four Vehicles were refinance into a new note for \$111,025. Four annual payments of \$30,138. Balance at September 30, 2020 is \$57,107.

The following is a summary of debt service requirements to maturity.

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$27,998	\$2,140	\$30,138
2022	29,109	1,028	30,137
TOTALS	\$57,107	\$3,168	\$60,275

The above debt is to be serviced by the general fund and the F/M and Lateral fund.

The changes in long-term liabilities are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
General Obligation Bonds	\$12,590,000	\$15,810,000	\$565,000	\$27,835,000	\$1,090,000	\$26,745,000
Bond Premium	717,825	372,843	44,538	1,046,130	0	1,046,130
Net Bonds	13,307,825	16,182,843	609,538	28,881,130	1,090,000	27,791,130
Capital Leases	2,033,589	85,998	426,043	1,693,544	447,411	1,246,133
Notes Payable	84,093		26,986	57,107	27,998	29,109
TCDRS GASB 68 Payable	3,253,145		2,691,629	561,516		561,516
Compensated Absences	450,494	468,108	450,494	468,108	468,108	0
	19,129,146	16,736,949	4,204,690	31,661,405	2,033,517	29,627,888
Grand Total	\$19,129,146	\$16,736,949	\$4,204,690	\$31,661,405	\$2,033,517	\$29,627,888

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2020-21 year is \$458,108. The compensated absences are deemed to be current liabilities.

The government-wide statement of activities includes \$2,033,517 as "non-current liabilities, due within one year".

The total amount of interest expensed in 2019-2020 is \$1,189,481.

V. Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no instances where settlements exceeded insurance coverage in any of the three previous years.

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

	Year ended <u>09/30/20</u>	Year ended <u>09/30/19</u>
Unpaid Claims, Beginning of Fiscal Year	\$ -0-	\$ -0-
Incurred Claims (including IBNRs)		
Claim Payments	<u>-0-</u>	<u>-0-</u>
Unpaid Claims, End of Fiscal Year	<u>\$ -0-</u>	<u>\$ -0-</u>

1. General Liability Insurance

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

The County pays an annual premium to Travelers Insurance for auto vehicle insurance coverage. The agreement with Travelers provides that Travelers will be self-sustaining through member premiums and will reinsure through commercial companies for claims of combined single limits of \$1,000,000 for each insurance event. The County anticipates no contingent losses.

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

2. Property and Casualty Insurance

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

3. Workers' Compensation Insurance

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

4. Group Health and Life Insurance

Austin County maintains a self-funded stop/loss health insurance plan for active employees and their eligible dependents. The stop/loss amounts for the year 2020 are \$100,000 per individual and \$2,683,127 aggregate. The stop/loss amounts for the year 2021 are \$100,000 per individual and \$2,756,648 aggregate. Costs are recorded in the fund from which the employees' compensation is paid.

5. Unemployment Compensation Insurance

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

B. Related Party Transaction

There were no related party transactions requiring disclosure.

C. Subsequent Events

On October 12, 2020, the County approved to purchase two (2) 140H Caterpillar Motor Graders for Precinct 1 in the amount of \$92,632 each, for a total amount of \$185,264.

On October 26, 2020, the County awarded the construction contract for CDBG DR #19-076-037-B689 Roadway and Drainage Improvements to Tierra Lease Services, LLC. The County was awarded a grant in the amount of \$1.7 million, the remaining cost will be paid by the County over two fiscal years. The County also accepted a grant in the amount of \$47,032 from the Criminal Justice Division of the Texas Offices of the Governor for the car and body camera enhancements for the Sheriff's office.

On November 23, 2020, the County approved to switch the phone systems for the Justice Center, Jail and EMS to Voice Over Internet Phones for the cost of \$161,763.05 with a \$450 IntelePeer monthly fee. The County also approved to upgrade to Incode RMS and to purchase software client access licenses not to exceed \$16,000 from the CARES Act funds.

On December 14, 2020, the County approved the purchase a 2021 F350 Chassis from Chastain Ford for \$42,272 and a build out from Frazer in the amount of \$151,960. The County approved to purchase ten (10) Mobile Data Terminals in the amount of \$18,430.

On December 28, 2020, the County approved to purchase two (2) Cepheid GeneXpert machines for the Bellville Medical Center in the amount of \$78,981.

On January 1, 2021, the County accepted the bid in the amount of \$61,180 from TCI for furniture for the Sheriff's Office.

On February 8, 2021, the County approved the estimate from Honeycutt Air Conditioning in the amount of \$36,200 to repair the air conditioning unit at the Wendt St. building.

On March 8, 2021, the County awarded the bid for filing systems to Southwest Filing and Storage – Lindy Stull in the amount of \$248,055. The County awarded the bid for court benches and public area seating to Imperial Woodworks in the amount of \$58,827. The County awarded the bid for the Audio/Visual package to BIS Digital in the amount of \$187,620.14. The County accepted a grant in the amount of \$19,100 from the Office of National Drug Control Policy. The County also approved the purchase and financing of a 2022 International HV 507 with a 15 ft demo bed dump truck from Hermann International for \$109,650 and a 2014 Ham GRW280I10 Roller from Nueces Power Equipment for \$44,842.77. The final purchase price of \$154,492 will be financed through Government Capital with an interest rate of 2.72%.

On May 10, 2021, the County awarded the bid for furniture at the Justice Center to Texas Correctional Industries (TCI) in the amount of \$179,684.

On September 27, 2021, the County approved to purchase seven (7) Technimount Safety Arm Monitor/Stretchers from American Response Vehicles in the amount of \$21,220.

On October 11, 2021, the County approved to purchase two (2) Ford F350's from Appel Ford in the amount of \$86,842.

On October 25, 2021, the County accepted the Justice Assistance Grant in the amount of \$29,778.05 from the Texas Office of the Governor.

On November 8, 2021, the County accepted the bid proposal From Wakefield Bridge, Inc. in the amount of \$625,000 for the Kulow Rd/Sealy Rd Bridge Replacement Project with Colorado County.

D. Contingent Liabilities

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

E. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year.

The County had a prior period adjustment whereby governmental activities were increased by \$510,355. The restatement was a result of capital items previously omitted from the fixed assets schedule.

The County had a prior period adjustment whereby governmental activities and the Funds were increased by \$111,025. The restatement was a result of prior year loan proceeds omitted from the road and bridge fund.

The County had a prior period adjustment whereby governmental activities and the Funds were decreased by \$352,933. The restatement was a result of prior year sales taxes being over collected by the State.

The County had a prior period adjustment whereby governmental activities and the Funds were decreased by \$80,811. The restatement was a result of prior year transfer omitted from the tax road bonds series 2009 fund.

These restatements had a corresponding effect on the beginning net position.

	Net Assets, as Previously Reported	Over Collected Sales Tax	Restated Fixed Assets	Prior Year Loan Proceeds	Prior Year Transfer	Various Other	Net Assets As Restated
Governmental Activities:							
Net Assets	\$31,031,410	(\$352,933)	\$510,355	\$111,025	(\$80,811)	(\$5,557)	\$31,213,489
Total Governmental Activities	\$31,031,410	(\$352,933)	\$510,355	\$111,025	(\$80,811)	(\$5,557)	\$31,213,489

	Fund Balance as Previously Reported	Over Collected Sales Tax	Prior Year Loan Proceeds	Prior Year Transfer	Various Other	Fund Balance as Restated
Governmental Funds:						
Fund Balance	\$28,766,570	(\$352,933)	\$111,025	(\$80,811)	(\$5,557)	\$28,438,294
Total Governmental Funds	\$28,766,570	(\$352,933)	\$111,025	(\$80,811)	(\$5,557)	\$28,438,294

F. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	December 31, 2018	December 31, 2019
Total pension liability	\$38,244,143	\$40,870,618
Fiduciary net position	34,990,998	40,309,102
Net pension liability/(asset)	3,253,145	561,516
Fiduciary net position as a % of total pension liability	91.49%	98.63%
Pensionable covered payroll	\$9,283,934	\$9,757,729
Net Pension liability as a % of covered payroll	35.04%	5.75%

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

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

Discount Rate

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

Other Key Actuarial Assumptions

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

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

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

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

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2018 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013 — December 31, 2016 for more details.

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

Depletion of Plan Assets / GASB Discount Rate

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

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, alternative methods to determine sufficiency may be applied.

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

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

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

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

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

Projection of Fiduciary Net Position

Calendar Year Ending	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
2020	\$40,309,102	\$1,515,103	\$2,598,829	\$40,309	\$3,220,400	\$42,405,467
2021	42,405,467	1,449,960	2,407,881	42,405	3,395,118	44,800,259
2022	44,800,259	1,406,255	2,599,117	44,800	3,579,671	47,142,268
2023	47,142,268	1,369,269	2,830,908	47,142	3,758,608	49,392,095
2024	49,392,095	1,338,304	2,970,772	49,392	3,933,970	51,644,205
2025	51,644,205	1,311,041	3,101,734	51,644	4,110,019	53,911,887
2026	53,911,887	1,288,273	3,245,722	53,912	4,286,989	56,187,515
2027	56,187,515	1,269,951	3,404,757	56,188	4,464,181	58,460,702
2028	58,460,702	1,246,681	3,668,329	58,461	4,636,828	60,617,421
2029	60,617,421	1,221,130	3,833,638	60,617	4,803,857	62,748,153
2030	62,748,153	908,869	4,042,270	62,748	4,955,676	64,507,680
2031	64,507,680	899,463	4,252,726	64,508	5,089,397	66,179,306
2032	66,179,306	844,034	4,425,725	66,179	5,215,661	67,747,097
2033	67,747,097	786,294	4,586,450	67,747	5,333,914	69,213,108
2034	69,213,108	757,118	4,751,716	69,213	5,444,882	70,594,179
2035	70,594,179	756,527	4,852,677	70,594	5,552,661	71,980,096
2036	71,980,096	723,293	5,014,217	71,980	5,657,130	73,274,322
2037	73,274,322	647,268	5,177,424	73,274	5,752,411	74,423,303
2038	74,423,303	603,716	5,343,692	74,423	5,837,100	75,446,004
2039	75,446,004	463,584	5,503,359	75,446	5,907,993	76,238,776
2040	76,238,776	429,975	5,655,242	76,239	5,964,810	76,902,080
2041	76,902,080	398,419	5,789,761	76,902	6,011,916	77,445,752
2042	77,445,752	365,850	5,901,468	77,446	6,050,203	77,882,891
2043	77,882,891	332,861	6,022,917	77,883	6,079,461	78,194,413
2044	78,194,413	300,096	6,128,940	78,194	6,099,170	78,386,545
2045	78,386,545	269,013	6,273,825	78,387	6,107,737	78,411,083
2046	78,411,083	238,428	6,371,860	78,411	6,104,616	78,303,856
2047	78,303,856	210,593	6,439,282	78,304	6,092,152	78,089,015
2048	78,089,015	185,141	6,476,841	78,089	6,072,256	77,791,482
2049	77,791,482	163,572	6,482,888	77,791	6,047,071	77,441,446
2050	77,441,446	143,384	6,482,130	77,441	6,017,961	77,043,220
2051	77,043,220	125,153	6,500,963	77,043	5,984,248	76,574,615
2052	76,574,615	107,967	6,469,849	76,575	5,946,863	76,083,021
2053	76,083,021	93,462	6,451,189	76,083	5,907,228	75,556,439
2054	75,556,439	79,216	6,407,017	75,556	5,865,785	75,018,867
2055	75,018,867	66,928	6,380,347	75,019	5,822,834	74,453,263
2056	74,453,263	55,421	6,329,524	74,453	5,778,603	73,883,310
2057	73,883,310	46,407	6,217,552	73,883	5,736,548	73,374,830
2058	73,374,830	38,217	6,083,128	73,375	5,700,395	72,956,939
2059	72,956,939	31,207	5,935,861	72,957	5,672,132	72,651,460

2060	72,651,460	24,655	5,787,917	72,651	5,653,015	72,468,562
2061	72,468,562	19,606	5,619,211	72,469	5,644,707	72,441,195
2062	72,441,195	14,948	5,447,045	72,441	5,649,143	72,585,800
2063	72,585,800	11,694	5,257,870	72,586	5,668,234	72,935,272
2064	72,935,272	9,176	5,060,327	72,935	5,704,272	73,515,458
2065	73,515,458	7,013	4,857,408	73,515	5,759,216	74,350,764
2066	74,350,764	4,877	4,656,684	74,351	5,834,729	75,459,335
2067	75,459,335	3,757	4,440,028	75,459	5,933,038	76,880,643
2068	76,880,643	2,639	4,225,306	76,881	6,056,591	78,637,686
2069	78,637,686	1,864	4,005,987	78,638	6,207,520	80,762,445
2070	80,762,445	822	3,793,867	80,762	6,387,923	83,276,561
2071	83,276,561	275	3,575,163	83,277	6,600,130	86,218,526
2072	86,218,526	52	3,353,384	86,219	6,847,111	89,626,086
2073	89,626,086	20	3,131,837	89,626	7,131,785	93,536,428
2074	93,536,428	6	2,915,121	93,536	7,456,973	97,984,750
2075	97,984,750	5	2,704,180	97,985	7,825,487	103,008,077
2076	103,008,077	4	2,499,697	103,008	8,240,297	108,645,673
2077	108,645,673	3	2,302,061	108,646	8,704,567	114,939,536
2078	114,939,536	0	2,111,850	114,940	9,221,673	121,934,419
2079	121,934,419	0	1,929,545	121,934	9,795,220	129,678,160
2080	129,678,160	0	1,755,680	129,678	10,429,060	138,221,862
2081	138,221,862	0	1,590,503	138,222	11,127,320	147,620,457
2082	147,620,457	0	1,434,140	147,620	11,894,443	157,933,140
2083	157,933,140	0	1,286,668	157,933	12,735,217	169,223,756
2084	169,223,756	0	1,148,169	169,224	13,654,808	181,561,171
2085	181,561,171	0	1,018,694	181,561	14,658,791	195,019,707
2086	195,019,707	0	898,164	195,020	15,753,184	209,679,707
2087	209,679,707	0	786,421	209,680	16,944,499	225,628,105
2088	225,628,105	0	683,413	225,628	18,239,777	242,958,841
2089	242,958,841	0	589,058	242,959	19,646,625	261,773,449
2090	261,773,449	0	503,215	261,773	21,173,270	282,181,731
2091	282,181,731	0	425,588	282,182	22,828,614	304,302,575
2092	304,302,575	0	355,824	304,303	24,622,294	328,264,742
2093	328,264,742	0	293,614	328,265	26,564,748	354,207,611
2094	354,207,611	0	238,739	354,208	28,667,270	382,281,934
2095	382,281,934	0	190,993	382,282	30,942,071	412,650,730
2096	412,650,730	0	150,075	412,651	33,402,362	445,490,366
2097	445,490,366	0	115,579	445,490	36,062,439	480,991,736
2098	480,991,736	0	87,069	480,992	38,937,772	519,361,447
2099	519,361,447	0	64,050	519,361	42,045,109	560,823,145

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2018	\$38,244,143	\$34,990,998	\$3,253,145
Changes of the year:			
Service cost	1,090,885		1,090,885
Interest on total pension liability	3,115,382		3,115,382
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	201,954		201,954
Effect of assumptions changes or inputs	0		0
Refund of contributions	(134,538)	(134,538)	0
Benefit payments	(1,647,208)	(1,647,208)	0
Administrative expenses		(30,717)	30,717
Member contributions		683,041	(683,041)
Net investment income		5,746,616	(5,746,616)
Employer contributions		711,339	(711,339)
Other	0	(10,429)	10,429
Balances as of December 31, 2019	\$40,870,618	\$40,309,102	\$561,516

Sensitive Analysis

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$45,854,693	\$40,870,618	\$36,646,110
Fiduciary net position	40,309,102	40,309,102	40,309,102
Net pension liability/(asset)	\$5,545,591	\$561,516	(\$3,662,992)

Pension Expense / (Income)

Pension Expense / (Income)	January 1, 2019 to December 31, 2019
Service cost	\$1,090,885
Interest on total pension liability	3,115,382
Effect of plan changes	0
Administrative expenses	30,717
Member contributions	(683,041)
Expected investment return net of investment expenses	(2,817,254)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	59,945
Recognition of assumption changes or inputs	25,120
Recognition of investment gains or losses	218,040
Other	10,429
Pension expense	\$1,382,918

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

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$0	\$300,123
Changes of assumptions	0	50,240
Net difference between projected and actual earnings	988,229	0
Contributions made subsequent to measurement date	N/A	None

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

Year ending December 31:	
2020	(\$95,782)
2021	(135,089)
2022	178,879
2023	(585,874)
2024	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2019	
Original Amount	Date Established	Original Recognition Period	Amount Recognized for 2019	Inflows	Outflows
(a)	(b)	(c)	(a) / (c)		
Investment (gains) or losses					
(\$2,929,362)	12/31/2019	5.0	(\$585,872)	\$2,343,490	\$0
3,571,328	12/31/2018	5.0	714,266	0	2,142,796
(2,067,104)	12/31/2017	5.0	(413,421)	826,841	0
196,526	12/31/2016	5.0	39,305	0	39,306
2,318,814	12/31/2015	5.0	463,763	0	0
Economic/demographic (gains) or losses					
201,954	12/31/2019	4.0	50,489	0	151,465
206,251	12/31/2018	4.0	51,563	0	103,125
113,834	12/31/2017	5.0	22,767	0	45,533
(259,495)	12/31/2016	4.0	(64,874)	0	0
(214,376)	12/31/2015	4.0	0	0	0
Assumption changes or inputs					
0	12/31/2019	4.0	0	0	0
0	12/31/2018	4.0	0	0	0
125,600	12/31/2017	5.0	25,120	0	50,240
0	12/31/2016	4.0	0	0	0
327,037	12/31/2015	4.0	0	0	0

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31												
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
Total Pension Liability													
Service cost	\$1,090,885	\$1,055,346	\$1,028,884	\$1,038,798	\$918,709	\$832,613	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	3,115,382	2,910,242	2,715,110	2,531,778	2,384,025	2,204,104	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	0	0	0	(133,185)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	0	0	125,600	0	327,037	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	201,954	206,251	113,834	(259,495)	(214,376)	258,063	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(1,781,746)</u>	<u>(1,571,920)</u>	<u>(1,628,679)</u>	<u>(1,508,304)</u>	<u>(1,338,866)</u>	<u>(1,087,601)</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	2,626,475	2,599,919	2,354,748	1,802,777	1,943,344	2,207,180	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>38,244,143</u>	<u>35,644,224</u>	<u>33,289,476</u>	<u>31,486,699</u>	<u>29,543,355</u>	<u>27,336,176</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	<u>\$40,870,618</u>	<u>\$38,244,143</u>	<u>\$35,644,224</u>	<u>\$33,289,476</u>	<u>\$31,486,699</u>	<u>\$29,543,355</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position													
Employer contributions	\$711,339	\$691,653	\$659,993	\$686,673	\$656,924	\$636,162	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	683,041	649,875	626,867	595,627	562,162	519,123	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	5,746,616	(671,837)	4,618,209	2,201,096	103,366	1,919,505	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,781,746)	1,571,920	(1,628,679)	(1,508,304)	(1,338,866)	(1,087,601)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(30,717)	(28,105)	(23,891)	(23,932)	(21,387)	(22,071)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(10,429)</u>	<u>(3,106)</u>	<u>(4,866)</u>	<u>5,548</u>	<u>96,664</u>	<u>87,228</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	5,318,104	(933,439)	4,247,633	1,956,708	58,863	2,052,346	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>34,990,998</u>	<u>35,924,437</u>	<u>31,676,805</u>	<u>29,720,096</u>	<u>29,661,233</u>	<u>27,608,887</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	<u>\$40,309,102</u>	<u>\$34,990,998</u>	<u>\$35,924,437</u>	<u>\$31,676,805</u>	<u>\$29,720,096</u>	<u>\$29,661,233</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability / (asset), ending = (a) - (b)	<u>\$561,516</u>	<u>\$3,253,145</u>	<u>(\$280,213)</u>	<u>\$1,612,672</u>	<u>\$1,766,603</u>	<u>(\$117,878)</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	98.63%	91.49%	100.79%	95.16%	94.39%	100.40%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$9,757,729	\$9,283,934	\$8,955,242	\$8,508,954	\$8,030,891	\$7,414,444	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	5.75%	35.04%	-3.13%	18.95%	22.00%	-1.59%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$507,545	\$507,545	\$0	\$6,273,738	8.10%
2011	491,888	491,888	0	6,156,098	8.00%
2012	516,398	516,398	0	6,328,404	8.20%
2013	568,130	568,130	0	6,652,456	8.50%
2014	636,162	636,162	0	7,414,444	8.60%
2015	656,924	656,924	0	8,030,891	8.20%
2016	686,673	686,673	0	8,508,954	8.10%
2017	659,993	659,993	0	8,955,242	7.40%
2018	691,653	691,653	0	9,283,934	7.40%
2019	711,339	711,339	0	9,757,729	7.30%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.9 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule.

Appendix A— GASB 68 Plan Description for Austin County

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

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

Membership Information

Members	Dec. 31, 2018	Dec. 31, 2019
Number of inactive employees entitled to but not yet receiving benefits:	210	221
Number of active employees:	231	244
Average monthly salary:	\$3,349	\$3,454
Average age:	47.77	47.57
Average length of service in years:	10.86	10.98
<hr/>		
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	112	118
Average monthly benefit:	\$1,160	\$1,212

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

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

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

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

Appendix C—Actuarial Methods and Assumptions Used for Funding Valuation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2018 financial reporting metrics are the same as those used in the December 31, 2019 actuarial valuation analysis for Austin County.

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

Economic Assumptions

TCDRS system-wide economic assumptions:

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

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

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

Employer-specific economic assumptions:

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

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

Table 1
Merit Salary Increase

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

Demographic Assumptions

TCDRS system-wide demographic assumptions:

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

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

**Table 2
Annual Rates of Disability**

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

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

Mortality

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

Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014. Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
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Family Composition — For current retirees, beneficiary information is supplied by TCDRS. For purposes of calculating the Survivor Benefit for current depositing and non-depositing members, male members are assumed to have a female beneficiary who is three years younger. Female members are assumed to have a male beneficiary who is three years older.

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

**Table 3
Annual Rates of Service Retirement**

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

Employer-specific demographic assumptions:

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

Table 4
Annual Rates of Termination

Years of Service	Entry Age 20		Entry Age 30		Entry Age 40		Entry Age 50	
	Male	Female	Male	Female	Male	Female	Male	Female
0	30.1%	32.6%	25.0%	27.2%	21.3%	23.0%	20.1%	21.7%
1	20.5	22.3	17.3	18.7	14.7	15.9	13.9	14.9
2	15.3	16.6	13.0	14.0	11.0	12.0	10.4	11.3
3	12.2	13.1	10.4	11.3	8.8	9.5	8.3	9.0
4	10.0	10.9	8.6	9.4	7.4	7.9	6.9	7.5
5	8.9	9.7	7.7	8.5	6.6	7.2	6.2	6.8
6	7.9	8.6	6.9	7.5	5.9	6.4	5.5	6.0
7	7.0	7.7	6.2	6.8	5.3	5.8	5.0	5.4
8	5.9	6.3	5.2	5.6	4.4	4.8	4.1	4.5
9	5.6	6.0	5.0	5.4	4.2	4.6	4.1	4.3
10	5.0	5.3	4.5	4.9	3.8	4.1	3.6	3.9
11	4.3	4.7	4.0	4.3	3.4	3.7	3.2	3.4
12	4.0	4.2	3.6	4.0	3.1	3.3	2.9	3.2
13	3.5	3.8	3.2	3.6	2.8	3.1	2.6	2.9
14	3.2	3.3	3.0	3.2	2.5	2.7	2.3	2.5
15	2.7	3.0	2.6	2.8	2.2	2.4	2.1	2.3
16	2.3	2.5	2.3	2.4	1.9	2.1	1.8	2.0
17	2.1	2.3	2.0	2.2	1.7	1.8	1.6	1.7
18	1.8	1.9	1.7	1.9	1.4	1.6	1.4	1.5
19	1.5	1.7	1.5	1.7	1.4	1.4	1.3	1.4
20	1.4	1.6	1.4	1.6	1.2	1.3	1.2	1.3
21	1.3	1.5	1.3	1.5	1.1	1.2	1.1	1.2
22	1.2	1.4	1.2	1.4	1.0	1.1	1.0	1.1
23	1.1	1.3	1.1	1.3	0.9	1.0	0.9	1.0
24	1.1	1.2	1.1	1.2	0.9	1.0	0.9	0.9
25	1.0	1.1	1.0	1.1	0.8	0.9	0.8	0.9
26	1.0	1.0	1.0	1.0	0.8	0.9	0.8	0.8
27	0.9	0.9	0.9	0.9	0.7	0.8	0.7	0.7
28	0.9	0.8	0.9	0.8	0.7	0.8	0.7	0.7
29	0.8	0.7	0.8	0.7	0.6	0.7	0.6	0.6
30 & Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Table 5
Probability of Withdrawal

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31											
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability												
Service cost	\$1,090,885	\$1,055,346	\$1,028,884	\$1,038,798	\$918,709	\$832,613	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	3,115,382	2,910,242	2,715,110	2,531,778	2,384,025	2,204,104	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	0	0	0	(133,185)	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	0	0	125,600	0	327,037	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	201,954	206,251	113,834	(259,495)	(214,376)	258,063	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(1,781,746)</u>	<u>(1,571,920)</u>	<u>(1,628,679)</u>	<u>(1,508,304)</u>	<u>(1,338,866)</u>	<u>(1,087,601)</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	2,626,475	2,599,919	2,354,748	1,802,777	1,943,344	2,207,180	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>38,244,143</u>	<u>35,644,224</u>	<u>33,289,476</u>	<u>31,486,699</u>	<u>29,543,355</u>	<u>27,336,176</u>	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	<u>\$40,870,618</u>	<u>\$38,244,143</u>	<u>\$35,644,224</u>	<u>\$33,289,476</u>	<u>\$31,486,699</u>	<u>\$29,543,355</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position												
Employer contributions	\$711,339	\$691,653	\$659,993	\$686,673	\$656,924	\$636,162	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	683,041	649,875	626,867	595,627	562,162	519,123	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	5,746,616	(671,837)	4,618,209	2,201,096	103,366	1,919,505	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,781,746)	1,571,920	(1,628,679)	(1,508,304)	(1,338,866)	(1,087,601)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(30,717)	(28,105)	(23,891)	(23,932)	(21,387)	(22,071)	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(10,429)</u>	<u>(3,106)</u>	<u>(4,866)</u>	<u>5,548</u>	<u>96,664</u>	<u>87,228</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	5,318,104	(933,439)	4,247,633	1,956,708	58,863	2,052,346	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>34,990,998</u>	<u>35,924,437</u>	<u>31,676,805</u>	<u>29,720,096</u>	<u>29,661,233</u>	<u>27,608,887</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	<u>\$40,309,102</u>	<u>\$34,990,998</u>	<u>\$35,924,437</u>	<u>\$31,676,805</u>	<u>\$29,720,096</u>	<u>\$29,661,233</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability / (asset), ending = (a) - (b)	<u>\$561,516</u>	<u>\$3,253,145</u>	<u>(\$280,213)</u>	<u>\$1,612,672</u>	<u>\$1,766,603</u>	<u>(\$117,878)</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	98.63%	91.49%	100.79%	95.16%	94.39%	100.40%	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$9,757,729	\$9,283,934	\$8,955,242	\$8,508,954	\$8,030,891	\$7,414,444	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	5.75%	35.04%	-3.13%	18.95%	22.00%	-1.59%	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$507,545	\$507,545	\$0	\$6,273,738	8.10%
2011	491,888	491,888	0	6,156,098	8.00%
2012	516,398	516,398	0	6,328,404	8.20%
2013	568,130	568,130	0	6,652,456	8.50%
2014	636,162	636,162	0	7,414,444	8.60%
2015	656,924	656,924	0	8,030,891	8.20%
2016	686,673	686,673	0	8,508,954	8.10%
2017	659,993	659,993	0	8,955,242	7.40%
2018	691,653	691,653	0	9,283,934	7.40%
2019	711,339	711,339	0	9,757,729	7.30%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.9 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule.

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

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

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

	SPECIAL REVENUE								
	2007 PSIC GRANT	ABAND- ONED VEHICLES	ARCHIVE/ CASH FUND	ARRA JAG GRANT FUND	AUSTIN COUNTY RECY- CLING	CC & DC TECH FUND	COLLEC- TION FEE/ ESTRAY	COURT- HOUSE SECURITY	COURT REPORTER SERVICE FUND
ASSETS									
Cash and Cash Equivalents		\$1,015	\$372,885	\$320		\$13,004	\$1,115		\$60,422
Receivables (net of allowance for uncollectibles)			1,860			10		263	143
TOTAL ASSETS	\$0	\$1,015	\$374,745	\$320	\$0	\$13,014	\$1,115	\$263	\$60,565
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts Payable									
Accrued Wages								5,305	
Due to Other Funds									
Total Liabilities	0	0	0	0	0	0	0	5,305	0
Fund Balances									
Restricted									
Administrative			374,745			13,014			
Archives									
Health									
Judicial									60,565
Public Safety		1,015		320			1,115		
Committed									
Culture and Recreation									
Unassigned								(5,042)	
Total Fund Balances	0	1,015	374,745	320	0	13,014	1,115	(5,042)	60,565
TOTAL LIABILITIES AND FUND BALANCES	\$0	\$1,015	\$374,745	\$320	\$0	\$13,014	\$1,115	\$263	\$60,565

(continued)

SPECIAL REVENUE

CRIMINAL DA - HOT CHECK	CRIME STOPPERS ASSISTANCE	DISTRICT ATTORNEY FOR- FEITURE	DONATIONS - LEPC AND CERT	CDA LAW ENFORCE- MENT	EMS/ SPECIAL FUNDS	ENVIRO- MENTAL FUND	ESTRAY	INDIGENT HEALTH CARE	JUSTICE COURT BUILDING SECURITY	JUSTICE COURT TECH- NOLOGY
\$12,582	\$40	\$2,550	\$1,873	\$320,759	\$55,403		\$18,219	\$8,855	\$53,805	\$11,309
30										
\$12,612	\$40	\$2,550	\$1,873	\$320,759	\$55,403	\$0	\$18,219	\$8,855	\$53,805	\$11,309

\$122

\$125

\$549

122	0	0	0	0	125	0	0	549	0	0
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12,490	40	2,550	1,873	320,759	55,278		18,219	8,306	53,805	11,309
12,490	40	2,550	1,873	320,759	55,278	0	18,219	8,306	53,805	11,309
\$12,612	\$40	\$2,550	\$1,873	\$320,759	\$55,403	\$0	\$18,219	\$8,855	\$53,805	\$11,309

AUSTIN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020
 (continued)

	SPECIAL REVENUE							
	JUVENILE PROBATION PARENTAL SUPPORT	JUVENILE CASE MANAGE- MENT	LAW LIBRARY	POD GRANT	RECORDS MANAGE- MENT COUNTY	RECORDS MANAGE- FEES	DEA/ SHERIFF'S FORFEI- TURE	SPECIAL DONA- TIONS/ SHERIFF
ASSETS								
Cash and Cash Equivalents	\$10,324	\$87,456	\$35,856	\$6,650	\$64,121	\$51,521	\$86,687	\$13,351
Receivables (net of allowance for uncollectibles)			350		151	1,820	3,825	100
TOTAL ASSETS	\$10,324	\$87,456	\$36,206	\$6,650	\$64,272	\$53,341	\$90,512	\$13,451
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts Payable						\$208	\$7,367	\$937
Accrued Wages								
Due to Other Funds								
Total Liabilities	0	0	0	0	0	208	7,367	937
Fund Balances								
Restricted								
Administrative				6,650				
Archives					64,272	53,133		
Health								
Judicial	10,324		36,206					
Public Safety		87,456					83,145	12,514
Committed								
Culture and Recreation								
Unassigned								
Total Fund Balances	10,324	87,456	36,206	6,650	64,272	53,133	83,145	12,514
TOTAL LIABILITIES AND FUND BALANCES	\$10,324	\$87,456	\$36,206	\$6,650	\$64,272	\$53,341	\$90,512	\$13,451

SPECIAL REVENUE							DEBT SERVICE	CAPITAL PROJECT	
SPECIAL LIBRARY/ KNOX LIBRARY	SPECIAL LIBRARY/ W. E. LIBRARY	TAX INCREMENT FINANCE ZONE NO. 1	TOBACCO LITIGATION/ SETTLEMENT	TIRE COLLECTION EVENT	TRAFFIC FEES/ JUSTICE COURT	VIDEO/ COURT COSTS	CERTIFICATE OF OBLIGATION SER. 2009	TAX ROAD BONDS SER. 2009	NON-MAJOR GOVERNMENTAL FUNDS
\$49,007	\$28,692		\$163,876		\$34,815	\$6,975	\$3,807	\$3,775	\$1,581,069
123	71					15			8,761
\$49,130	\$28,763	\$0	\$163,876	\$0	\$34,815	\$6,990	\$3,807	\$3,775	\$1,589,830

\$336			\$1,742						\$11,386
							166,332	132,501	\$5,305
336	0	0	1,742	0	0	0	166,332	132,501	298,833
									315,524

			162,134		34,815	6,990			394,409
									117,405
									170,440
									187,249
									623,539
48,794	28,763								77,557
							(162,525)	(128,726)	(296,293)
48,794	28,763	0	162,134	0	34,815	6,990	(162,525)	(128,726)	1,274,306
\$49,130	\$28,763	\$0	\$163,876	\$0	\$34,815	\$6,990	\$3,807	\$3,775	\$1,589,830

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

	SPECIAL REVENUE								
	2007 PSIC GRANT	ABAND- ONED VEHICLES	ARCHIVE/ CASH FUND	ARRA JAG GRANT FUND	AUSTIN COUNTY RECY- CLING	CC & DC TECH FUND	COLLEC- TION FEE/ ESTRAY	COURT- HOUSE SECURITY	COURT REPORTER SERVICE FUND
<i>REVENUES</i>									
Taxes									
Property									
Intergovernmental									
Charges for Services			1,860			1,589		16,221	7,745
Interest									
Miscellaneous									
Total Revenues	0	0	1,860	0	0	1,589	0	16,221	7,745
<i>EXPENDITURES</i>									
Current:									
General Administration									
Legal									
Judicial									845
Financial Administration									
Public Safety								118,561	
Public Transportation									
Culture and Recreation									
Health and Welfare									
Debt Service									
Principal Retirement									
Interest Retirement									
Total Expenditures	0	0	0	0	0	0	0	118,561	845
Excess (Deficiency) of Revenues Over (Under)									
Expenditures	0	0	1,860	0	0	1,589	0	(102,340)	6,900
<i>OTHER FINANCING SOURCES (USES):</i>									
Operating Transfers In	70,769		372,885		26,264			140,935	
Operating Transfers Out									
Total Other Financing Sources (Uses)	70,769	0	372,885	0	26,264	0	0	140,935	0
Net Changes in Fund Balances	70,769	0	374,745	0	26,264	1,589	0	38,595	6,900
Fund Balances - Beginning - Restated	(70,769)	1,015	0	320	(26,264)	11,425	1,115	(43,637)	53,665
Fund Balances - Ending	\$0	\$1,015	\$374,745	\$320	\$0	\$13,014	\$1,115	(\$5,042)	\$60,565

(continued)

SPECIAL REVENUE

CRIMINAL DA - HOT CHECK	CRIME STOPPERS ASSISTANCE	DISTRICT ATTORNEY FOR- FEITURE	DONATIONS - LEPC AND CERT	CDA LAW ENFORCE- MENT	EMS/ SPECIAL FUNDS	ENVIRO- MENTAL FUND	ESTRAY	INDIGENT HEALTH CARE	JUSTICE COURT BUILDING SECURITY	JUSTICE COURT TECH- NOLOGY
				105,566						
39,820	40						4,027		1,236	4,971
190		35		4,624						
		2,500			16,330	10				
40,010	40	2,535	0	110,190	16,330	10	4,027	0	1,236	4,971
37,479		10,751								6,963
				20,175	23,464		1,442			
								42,783		
37,479	0	10,751	0	20,175	23,464	0	1,442	42,783	0	6,963
2,531	40	(8,216)	0	90,015	(7,134)	10	2,585	(42,783)	1,236	(1,992)
		8,000				4,701				
				(8,000)						
0	0	8,000	0	(8,000)	0	4,701	0	0	0	0
2,531	40	(216)	0	82,015	(7,134)	4,711	2,585	(42,783)	1,236	(1,992)
9,959	0	2,766	1,873	238,744	62,412	(4,711)	15,634	51,089	52,569	13,301
\$12,490	\$40	\$2,550	\$1,873	\$320,759	\$55,278	\$0	\$18,219	\$8,306	\$53,805	\$11,309

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

	SPECIAL REVENUE							
	JUVENILE PROBATION PARENTAL SUPPORT	JUVENILE CASE MANAGE- MENT	LAW LIBRARY	POD GRANT	RECORDS MANAGE- MENT COUNTY	RECORDS MANAGE- FEES	SHERIFF'S FORFEI- TURE	SPECIAL DONA- TIONS/ SHERIFF
<i>REVENUES</i>								
Taxes								
Property								
Intergovernmental	39,636	199						8,600
Charges for Services			39,222		14,833	60,373		
Interest	118					608	1,458	
Miscellaneous							75,442	
Total Revenues	39,754	199	39,222	0	14,833	60,981	76,900	8,600
<i>EXPENDITURES</i>								
Current:								
General Administration					4,900	60,839		
Legal								
Judicial	32,885		33,604					
Financial Administration								
Public Safety							89,314	1,788
Public Transportation								
Culture and Recreation								
Health and Welfare								
Debt Service								
Principal Retirement								
Interest Retirement								
Total Expenditures	32,885	0	33,604	0	4,900	60,839	89,314	1,788
Excess (Deficiency) of Revenues Over (Under)								
Expenditures	6,869	199	5,618	0	9,933	142	(12,414)	6,812
<i>OTHER FINANCING SOURCES (USES):</i>								
Operating Transfers In								
Operating Transfers Out								
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0
Net Changes in Fund Balances	6,869	199	5,618	0	9,933	142	(12,414)	6,812
Fund Balances - Beginning	3,455	87,257	30,588	6,650	54,339	52,991	95,559	5,702
Fund Balances - Ending	\$10,324	\$87,456	\$36,206	\$6,650	\$64,272	\$53,133	\$83,145	\$12,514

SPECIAL REVENUE							DEBT SERVICE	CAPITAL PROJECT	
SPECIAL LIBRARY/ KNOX LIBRARY	SPECIAL LIBRARY/ W. E. LIBRARY	TAX INCREMENT FINANCE ZONE NO. 1	TOBACCO LITIGATION/ SETTLEMENT	TIRE COLLECTION EVENT	TRAFFIC FEES/ JUSTICE COURT	VIDEO/ COURT COSTS	CERTIFICATE OF OBLIGATION SER. 2009	TAX ROAD BONDS SER. 2009	NON-MAJOR GOVERNMENTAL FUNDS
			67,456				\$459,802	\$580,328	\$1,040,130
					3,861	81			221,457
608	331		1,635				3,089	4,925	17,621
7,814	6,384								108,480
8,422	6,715	0	69,091	0	3,861	81	462,891	585,253	1,583,567
		70,116					400	304	136,559
									48,230
				18,788					74,297
									18,788
									254,744
6,579	2,411		10,561						0
									8,990
									53,344
							270,000	295,000	565,000
							383,073	335,794	718,867
6,579	2,411	70,116	10,561	18,788	0	0	653,473	631,098	1,878,819
1,843	4,304	(70,116)	58,530	(18,788)	3,861	81	(190,582)	(45,845)	(295,252)
		184,604		41,665			10,755	46,880	907,458
							(46,880)		(54,880)
0	0	184,604	0	41,665	0	0	(36,125)	46,880	852,578
1,843	4,304	114,488	58,530	22,877	3,861	81	(226,707)	1,035	557,326
46,951	24,459	(114,488)	103,604	(22,877)	30,954	6,909	64,182	(129,761)	716,980
\$48,794	\$28,763	\$0	\$162,134	\$0	\$34,815	\$6,990	(\$162,525)	(\$128,726)	\$1,274,306

AGENCY

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

	Juvenile Probation State	Cash Fund	Drainage District No. 1	Court Costs	Bellville ISD Truancy	New Ulm WWTR Rehabilitation	County Officer Monies	Total
ASSETS								
Cash and Cash Equivalents	\$65,421	\$9,638	\$65,295	\$338,302	\$237	\$6,900	\$4,576,772	\$5,062,565
Receivables (net of allowance for uncollectibles)	330			2,574				2,904
Total Assets	<u>\$65,751</u>	<u>\$9,638</u>	<u>\$65,295</u>	<u>\$340,876</u>	<u>\$237</u>	<u>\$6,900</u>	<u>\$4,576,772</u>	<u>\$5,065,469</u>
LIABILITIES								
Accounts Payable	\$7,069			\$68,995				\$76,064
Bank Overdraft						6,900		6,900
Due to Others	58,682	9,638	65,295	271,881	237		4,576,772	4,982,505
Total Liabilities	<u>\$65,751</u>	<u>\$9,638</u>	<u>\$65,295</u>	<u>\$340,876</u>	<u>\$237</u>	<u>\$6,900</u>	<u>\$4,576,772</u>	<u>\$5,065,469</u>

SINGLE AUDIT SECTION

AUSTIN COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

SOURCE AND TITLE OF GRANT	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS- THROUGH TO SUB- RECIPIENTS	TOTAL FEDERAL EXPENDI- TURES
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through				
<i>Texas Division of Emergency Management</i>				
Operation Stonegarden (HSGP 2019)	97.067	3785001	NONE	\$115,909
Total U.S. Department of Homeland Security				<u>115,909</u>
U.S. DEPARTMENT OF JUSTICE				
Passed Through				
Bureau of Justice Assistance ~Texas OOG, CJD				
Edward Byrne Memorial Justice Assistance Grant Program	16.738			
Performance Period (10/01/2019 - 09/30/2020)		3720101	NONE	66,025
Total U.S. Department of Justice				<u>66,025</u>
EXECUTIVE OFFICE OF THE PRESIDENT				
Direct Programs				
Office of National Drug Control Policy				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001			
Performance Period (01/01/2019 - 12/31/2020)		G19HN0026A	NONE	19,100
Performance Period (01/01/2020 - 12/31/2021)		G20HN0026A	NONE	38,200
Total Executive Office of the President				<u>57,300</u>
U.S. DEPARTMENT OF THE TREASURY (TREAS)				
Passed Through				
Texas Division of Emergency Management (TDEM)				
Coronavirus Relief Fund	21.019	None	None	1,078,120
Total United States Department of the Treasury (TREAS)				<u>1,078,120</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through				
Office of the Attorney General				
Child Support Enforcement-Title IV-D				
Fiscal Year 2020	93.563	None	NONE	9,692
Total U.S. Department of Health and Human Services				<u>9,692</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Passed Through				
The Texas General Land Office				
Community Development Block Grant	14.228			
2016 Flood		19-076-037-8689		189,300
Harvey Infrastructure		20-065-065-C184		106,885
Harvey Local Buyout/Acquisition		20-066-002-B957		24,957
Total Community Development Block Grant				<u>321,142</u>
Total U.S. Department of Housing & Urban Development				<u>321,142</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u><u>\$1,648,188</u></u>

See Accompanying Notes to Schedule of Federal Financial Assistance

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
Phone: (830) 569-8781 ~ Fax: (830) 569-6776
E-mail: general@beyerandco.net

111 North Odem
Sinton, Texas 78387

Please reply to Pleasanton address

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Austin County, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Austin County, Texas's basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, and 2020-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as item 2020-004 to be a significant deficiency.

Compliance and Other Matters

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

Austin County, Texas's Response to Findings

Austin County, Texas's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Austin County, Texas's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



BEYER & COMPANY
Certified Public Accountants
December 21, 2021

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
Phone: (830) 569-8781 ~ Fax: (830) 569-6776
E-mail: general@beyerandco.net

111 North Odem
Sinton, Texas 78387

Please reply to Pleasanton address

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items.

Report on Internal Control over Compliance

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

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

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

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



BEYER & COMPANY
Certified Public Accountants
December 21, 2021

AUSTIN COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE A-BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Austin County, Texas under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Austin County, Texas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Austin County, Texas.

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C-INDIRECT COST RATE

Austin County, Texas has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

AUSTIN COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal

Section II-Financial Statement Findings

Material Weaknesses:

2019-001 Cash – We noted the bank accounts are not reconciled in a timely manner. ***This finding has not been corrected.***

2019-002 County Treasurer – We noted the County Treasurer does not reconcile the Justice of the Peace Credit Card account. ***This finding has not been corrected.***

Significant Deficiencies:

2019-003 County Clerk and District Clerk – We noted the County Clerk and District Clerk are still maintaining the fine and fee accounts. As per Attorney General Opinion, no officers are to maintain fine and fee accounts. ***This finding has not been corrected.***

2019-004 Segregation of Duties - due to the limited number of people working in the office, many critical duties are combined and given to the available employees. To the extent possible, duties should be segregated to serve as a check and balance on the employee's integrity and to maintain the best control system as possible. ***This finding has been corrected.***

Section III-Federal or State Award findings & Questioned Costs

None

AUSTIN COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Section I Summary of Auditors Results

Financial Statements Section

1. The auditor's report expresses an unmodified opinion on the financial statements of the Austin County, Texas.
2. There was one significant deficiency disclosed during the audit. There were three material weaknesses disclosed during the audit.

Federal Awards Section

3. There were no instances of noncompliance material to the financial statements of the Austin County, Texas, which would be required to be reported in accordance with Government Auditing Standards.
4. There was no significant deficiency over major Federal award programs disclosed during the audit. There was no material weakness over major Federal award programs disclosed during the audit.
5. The auditor's report on compliance for the major Federal award programs for Austin County, Texas expresses an unmodified opinion on all major Federal programs.
6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance.
7. The programs tested as major programs: Coronavirus Relief Fund - CFDA 21.019.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Austin County did not qualify as a low-risk auditee.

Section II-Financial Statement Findings

Material Weaknesses:

2020-001 Cash

Condition: Cash – We noted the bank accounts are not reconciled in a timely manner.

Criteria: Internal controls should be in place that provide reasonable assurance that bank accounts are reconciled in a timely manner.

Effect: Because the County does not have proper internal controls in place that provide reasonable assurance bank accounts are not reconciled in a timely manner, the financial statements could be materially misstated either through mistake, error, or fraud.

Cause of Condition: This condition exists because the County Treasurer is new and has not had a chance to implement such a system of controls.

Recommendation: The County Treasurer should install internal controls to provide reasonable assurance that bank accounts are reconciled in a timely manner; to avoid the possibility of the financial statements being materially misstated either through mistake, error, or fraud.

2020-002 County Treasurer

Condition: County Treasurer – We noted the County Treasurer does not reconcile the Justice of the Peace Credit Card Account.

Criteria: All bank accounts in the County should be reconciled.

Effect: Since the County Treasurer does not have proper internal controls in place that provide reasonable assurance that all bank accounts in the County be reconciled, the financial statements could be materially misstated either through mistake, error, or fraud.

Cause of Condition: This condition exists because the County Treasurer is new and has not had a chance to implement such a system of controls.

Recommendation: The County Treasurer should install internal controls to provide reasonable assurance that all bank accounts in the County should be reconciled; to avoid the possibility of the financial statements being materially misstated either through mistake, error, or fraud.

2020-003 Administration

Condition: Administration – During our audit, it took a significant amount of time for the County to provide requested information in order for the audit to be completed.

Criteria: Internal controls should be in place that provide reasonable assurance that information requested be provided to the Independent Auditor in a timely manner.

Effect: Since the County does not have proper internal controls in place that provide reasonable assurance that information requested be provided to the Independent Auditor in a timely manner, the financial statements could be materially misstated either through mistake, error, or fraud.

Cause of Condition: This condition exists because the County did not have proper internal controls in place to provide reasonable assurance that information requested be provided to the Independent Auditor in a timely manner.

Recommendation: We recommend the County implement a system to provide requested information to the independent auditors during the performance of their audit; to avoid the possibility of the financial statements being materially misstated either through mistake, error, or fraud.

Significant Deficiencies:

2020-004 District Clerk/County Clerk

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

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

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

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

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

Section II- Federal Awards Findings

None