

REFUGIO COUNTY, TEXAS

Annual Financial Report

For the fiscal year ended

September 30, 2021

Refugio County, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2021

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FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Refugio County, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Refugio County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Refugio County, Texas, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Road and Bridge Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Employee Retirement System Information on pages 3–12 and 68-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Refugio County, Texas's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2022, on our consideration of Refugio County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Refugio County, Texas' 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 Refugio County, Texas' internal control over financial reporting and compliance.



BEYER & COMPANY
Certified Public Accountants
May 20, 2022

Management's Discussion and Analysis

As management of Refugio County, Texas, we offer readers of Refugio County, Texas' financial statements this narrative overview and analysis of the financial activities of Refugio County, Texas for the fiscal year ended September 30, 2021.

Financial Highlights

- . The assets of Refugio County, Texas, exceeded its liabilities at the close of the most recent fiscal year by \$19,279,142 (net position). Of this amount, \$4,807,534 or 25% (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 \$3,455,943. This increase is mainly attributable to an increase in grants of \$2,427,417, a reduction in environmental expenses (Hurricane Harvey) of \$1,109,062, and careful budget management.
- . Refugio County, Texas' total restricted net position at September 30, 2021 is \$6,269,941 or 33% of net position. This was an increase of \$1,915,014 from the previous year. This increase resulted from an increase in grants of \$2,427,417.
- . Refugio County, Texas' total debt decreased by \$732,284 (71 percent) during the current fiscal year. The key factor in this decrease was the forgiveness of the Community Disaster Loans of \$675,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Refugio County, Texas' basic financial statements. Refugio 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 Refugio County, Texas' finances, in a manner like a private-sector business.

The statement of net position presents information on all of Refugio 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 Refugio 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 Refugio 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 Refugio 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 Refugio County, Texas includes the Internal Service Fund.

The government-wide financial statements include only Refugio 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. Refugio 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 Refugio 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.

Refugio County, Texas maintains thirty-seven (37) 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 Road and Bridge Fund, the Coastal Protection Fund, the Grant Fund and the Hurricane Harvey Fund each of which are major funds. Data from the other thirty-two (32) 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.

Refugio County, Texas adopts an annual appropriated budget for its General Fund and the Road and Bridge Fund. A budgetary comparison statement has been provided for the general fund and the road and bridge fund. The basic governmental fund financial statements can be found on pages 15-21 of this report.

Proprietary funds: Refugio County maintains one type of proprietary fund. The Internal Service Fund for Refugio 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 22-25 of this report.

Refugio County, Texas also has four (4) agency funds. The fiduciary fund types can be found on page 26 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 27-67 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Refugio County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 68-71 of this report.

The combining statements referred to earlier in connection with major road and bridge funds and the non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 72-81 of this report.

The single audit section can be found on pages 82-90 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Refugio County, Texas, assets exceeded liabilities by \$19,279,142 at the close of the most recent fiscal year.

REFUGIO COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2021	2020	2021	2020
Current and Other Assets	\$12,460,282	\$9,958,681	\$12,460,282	\$9,958,681
Capital Assets:	8,419,809	7,999,673	8,419,809	7,999,673
Total Assets	20,880,091	17,958,354	20,880,091	17,958,354
Total Deferred Outflows of Resources	1,228,564	539,780	1,228,564	539,780
Long-Term Liabilities	298,940	1,031,224	298,940	1,031,224
Other Liabilities	404,675	974,898	404,675	974,898
Total Liabilities	703,615	2,006,122	703,615	2,006,122
Total Deferred Inflows of Resources	2,125,898	668,813	2,125,898	668,813
Invested in Capital Assets, Net of Related Debt	8,201,667	7,046,828	8,201,667	7,046,828
Restricted	6,269,941	4,354,927	6,269,941	4,354,927
Unrestricted	4,807,534	4,421,444	4,807,534	4,421,444
Total Net Position	\$19,279,142	\$15,823,199	\$19,279,142	\$15,823,199

A portion of Refugio County, Texas' net position (33 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$4,807,534) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Refugio County, Texas can report positive balances in all three categories of net position, both for the government, as well as for its separate governmental and business-type activities.

The government's total net position increased by \$3,455,943. This increase is mainly attributable to an increase in grants of \$2,427,417, a reduction in environmental expenses (Hurricane Harvey) of \$1,109,062, 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.

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

	Governmental Activities		Total	
	2021	2020	2021	2020
Revenues:				
Program Revenues:				
Charges for Services	\$3,205,374	\$3,045,503	\$3,205,374	\$3,045,503
Operating Grants and Contributions	849,149	860,072	849,149	860,072
Capital Grants and Contributions	4,443,516	3,223,352	4,443,516	3,223,352
General Revenues:				
Maintenance and Operations Taxes	7,288,617	6,572,385	7,288,617	6,572,385
Unrestricted Investment Earnings	13,104	25,661	13,104	25,661
Miscellaneous	810,414	1,033,712	810,414	1,033,712
Grants and Contributions Not Restricted to Specific Programs	1,218,176	0	1,218,176	0
Total Revenue	<u>17,828,350</u>	<u>14,760,685</u>	<u>17,828,350</u>	<u>14,760,685</u>
Expenses:				
General Administration	2,946,623	2,830,255	2,946,623	2,830,255
Judicial	844,758	841,889	844,758	841,889
Legal	146,934	155,006	146,934	155,006
Financial Administration	503,927	503,189	503,927	503,189
Public Facilities	1,295,205	1,480,659	1,295,205	1,480,659
Public Safety	4,112,926	4,374,630	4,112,926	4,374,630
Public Transportation	2,006,530	2,049,735	2,006,530	2,049,735
Environmental Protection	1,569,467	2,678,529	1,569,467	2,678,529
Culture and Recreation	274,872	216,922	274,872	216,922
Health and Welfare	583,881	622,774	583,881	622,774
Conservation - Agriculture	76,431	84,183	76,431	84,183
Interest and Fiscal Charges	10,853	23,677	10,853	23,677
Total Expenses	<u>14,372,407</u>	<u>15,861,448</u>	<u>14,372,407</u>	<u>15,861,448</u>
Increase in Net Position Before Transfers and Special Items	3,455,943	(1,100,763)	3,455,943	(1,100,763)
Transfers	0	0	0	0
Increase in Net Position	3,455,943	(1,100,763)	3,455,943	(1,100,763)
Net Position at 09/30/2020	15,823,199	16,923,962	15,823,199	16,923,962
Net Position at 09/30/2021	<u>\$19,279,142</u>	<u>\$15,823,199</u>	<u>\$19,279,142</u>	<u>\$15,823,199</u>

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government activities:				
General Administration	\$2,946,623	\$1,011,744	\$60,015	\$1,828,355
Judicial	844,758	334,270	58,774	
Legal	146,934	118,911	23,333	
Financial Administration	503,927	235,587		
Public Facilities	1,295,205			2,278,523
Public Safety	4,112,926	188,080	260,084	
Public Transportation	2,006,530	1,226,367	78,676	
Environmental Protection	1,569,467			336,638
Culture and Recreation	274,872	75,592		
Health and Welfare	583,881	14,823	368,267	
Conservation - Agriculture	76,431			
Interest and Fiscal Charges	10,853			
Total Government Activities	<u>\$14,372,407</u>	<u>\$3,205,374</u>	<u>\$849,149</u>	<u>\$4,443,516</u>

Revenues by Source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$3,205,374	17.98%
Operating Grants and Contributions	849,149	4.76%
Capital Grants and Contributions	4,443,516	24.92%
Maintenance and Operations Taxes	7,288,617	40.88%
Unrestricted Investment Earnings	13,104	0.07%
Miscellaneous	810,414	4.55%
Grants and Contributions Not Restricted to Specific Programs	<u>1,218,176</u>	<u>6.83%</u>
	<u>\$17,828,350</u>	<u>100.00%</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, Refugio County, Texas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of Refugio County, Texas' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Refugio 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, Refugio County, Texas' governmental funds reported combined ending fund balances of \$8,864,230, an increase of \$2,321,425 in comparison with the prior year. Approximately 22% of this total amount \$1,936,677 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is restricted or committed.

The general fund is the chief operating fund of Refugio County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,936,677, while total fund balance reached a balance of \$2,036,447. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned, undesignated fund balance represents 25 percent of total general fund expenditures, while total fund balance represents 26 percent of that same amount.

The fund balance of the general fund increased by \$452,613 during the current fiscal year. This increase is mostly a result of an increase in Property Taxes of \$634,239 and careful budget management.

At the end of the current fiscal year restricted fund balance of the road and bridge fund was \$1,870,138, while total fund balance reached a balance of \$1,870,138. 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 85 percent of total road and bridge fund expenditures, while total fund balance represents 85 percent of that same amount.

The fund balance of the road and bridge fund increased by \$196,506 during the current fiscal year. This increase is mostly a result of an increase in Property Taxes of \$99,107 and careful budget management.

There is no discussion regarding the Coastal Protection, Grant and the Hurricane Harvey funds since these funds are grant funds and are structured to conform to grant budgets.

Budgetary Highlights:

The difference between the original budget and the final amended budget in the general fund was an increase of \$225,744 in appropriations and most of the amendments can be briefly summarized as follows:

- . An increase in the Courthouse Maintenance Department of \$48,345 and an increase in the Non-Departmental of \$58,617. The major increase in the Courthouse Maintenance Department was for maintenance. The major increase in Non-Departmental was for sheriff's equipment.

Capital Asset and Debt Administration

Capital assets:

Refugio County, Texas' investment in capital assets for its governmental activities as of September 30, 2021, amounts to \$8,419,809 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, roads and infrastructure, machinery and equipment, and park facilities. The total increase in Refugio County, Texas' investment in capital assets for the current fiscal year was 5 percent.

There was no major construction in the County for the year.

**REFUGIO COUNTY, TEXAS
CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities		Total	
	2021	2020	2021	2020
Land	\$680,467	\$680,467	\$680,467	\$680,467
Construction in Progress	0	1,345,573	0	1,345,573
Building and Improvements	5,206,549	3,432,029	5,206,549	3,432,029
Machinery and Equipment	1,349,775	1,287,003	1,349,775	1,287,003
Intangible	957	1,915	957	1,915
Infrastructure	1,182,061	1,252,686	1,182,061	1,252,686
Total	<u>\$8,419,809</u>	<u>\$7,999,673</u>	<u>\$8,419,809</u>	<u>\$7,999,673</u>

Additional information on Refugio County, Texas' capital assets can be found in note IV C on page 40 of this report.

Long-term debt:

At the end of the current fiscal year, Refugio County, Texas had no bonded debt.

Economic Factors

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the System. The duration of these uncertainties and the ultimate financial effects cannot be 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 Refugio County Auditor's Office, 808 Commerce, Room 107, Refugio, TX 78377, or (361) 526-2245.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government	
	Governmental Activities	Total
<i>ASSETS</i>		
Cash and Cash Equivalents	\$10,334,877	\$10,334,877
Receivables (net of allowance for uncollectibles)	1,456,166	1,456,166
Net Pension Receivable	568,543	568,543
Prepaid Expenses	100,696	100,696
Capital assets not being depreciated:		
Land	680,467	680,467
Total Capital assets being depreciated, net		
Building and Improvements	5,206,549	5,206,549
Machinery, Vehicles, and Equipment	1,349,775	1,349,775
Intangible	957	957
Infrastructure	1,182,061	1,182,061
Total Assets	<u>\$20,880,091</u>	<u>\$20,880,091</u>
DEFERRED OUTFLOWS OF RESOURCES		
GASB 68		
Contributions (after 12/31/20)	462,204	462,204
Changes of assumptions	766,360	766,360
Total Deferred Outflows of Resources	<u>1,228,564</u>	<u>1,228,564</u>
LIABILITIES:		
Accounts Payable	\$281,924	\$281,924
Accrued Wages Payable	3,366	3,366
Unearned Revenues	119,385	119,385
Noncurrent Liabilities:		
Due within one year	142,853	142,853
Due in more than one year	156,087	156,087
Total Liabilities	<u>703,615</u>	<u>703,615</u>
DEFERRED INFLOWS OF RESOURCES		
GASB 68		
Net difference between projected and actual earnings	707,717	707,717
Differences between expected and actual experience	114,641	114,641
CDL Loan Proceeds	1,303,540	1,303,540
Total Deferred Inflows of Resources	<u>2,125,898</u>	<u>2,125,898</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	8,201,667	8,201,667
Restricted		
Construction	922,837	922,837
Environmental Protection	1,309,476	1,309,476
General Administration	596,506	596,506
General Administration - Records	339,187	339,187
Health and Welfare	261,048	261,048
Judicial	408,907	408,907
Permanent Improvement	1,155	1,155
Public Safety	560,687	560,687
Public Transportation	1,870,138	1,870,138
Unrestricted	4,807,534	4,807,534
Total Net Position	<u>\$19,279,142</u>	<u>\$19,279,142</u>

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary Government						
Government activities:						
General Administration	\$2,946,623	\$1,011,744	\$60,015	\$1,828,355	(\$46,509)	(\$46,509)
Judicial	844,758	334,270	58,774		(451,714)	(451,714)
Legal	146,934	118,911	23,333		(4,690)	(4,690)
Financial Administration	503,927	235,587			(268,340)	(268,340)
Public Facilities	1,295,205			2,278,523	983,318	983,318
Public Safety	4,112,926	188,080	260,084		(3,664,762)	(3,664,762)
Public Transportation	2,006,530	1,226,367	78,676		(701,487)	(701,487)
Environmental Protection	1,569,467			336,638	(1,232,829)	(1,232,829)
Culture and Recreation	274,872	75,592			(199,280)	(199,280)
Health and Welfare	583,881	14,823	368,267		(200,791)	(200,791)
Conservation - Agriculture	76,431				(76,431)	(76,431)
Interest and Fiscal Charges	10,853				(10,853)	(10,853)
Total Government Activities	<u>14,372,407</u>	<u>3,205,374</u>	<u>849,149</u>	<u>4,443,516</u>	<u>(5,874,368)</u>	<u>(5,874,368)</u>
Total Primary Government	<u>\$14,372,407</u>	<u>\$3,205,374</u>	<u>\$849,149</u>	<u>\$4,443,516</u>	<u>(5,874,368)</u>	<u>(5,874,368)</u>
General Revenues						
Property Taxes, Levies for General Purposes					7,288,617	7,288,617
Unrestricted Investment Earnings					13,104	13,104
Miscellaneous					810,414	810,414
Grants and Contributions Not Restricted to Specific Programs					<u>1,218,176</u>	<u>1,218,176</u>
Total General Revenues and Transfers					<u>9,330,311</u>	<u>9,330,311</u>
Change in Net Position					<u>3,455,943</u>	<u>3,455,943</u>
Net Position - Beginning					<u>15,823,199</u>	<u>15,823,199</u>
Net Position - Ending					<u>\$19,279,142</u>	<u>\$19,279,142</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

REFUGIO COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Road and Bridge	Coastal Protection	Grant Fund	Hurricane Harvey	Other Governmental Funds	Total Governmental Funds
<i>ASSETS</i>							
Cash and Cash Equivalents	\$3,381,922	\$1,884,644	\$1,309,476	\$498,246	\$945,968	\$2,197,501	\$10,217,757
Receivables (net of allowance for uncollectibles)	486,768	143,791		1,164		46,487	678,210
Prepaid Expenses	99,770					926	100,696
Total Assets	<u>\$3,968,460</u>	<u>\$2,028,435</u>	<u>\$1,309,476</u>	<u>\$499,410</u>	<u>\$945,968</u>	<u>\$2,244,914</u>	<u>\$10,996,663</u>
<i>LIABILITIES AND FUND BALANCES:</i>							
<i>Liabilities:</i>							
Accounts Payable	\$134,342	\$105,668		\$2,050	\$23,131	\$16,668	\$281,859
Due to Others	65						65
Accrued Wages	1,369	1,723				274	3,366
Deferred Revenues	119,385						119,385
Total Liabilities	<u>255,161</u>	<u>107,391</u>	<u>0</u>	<u>2,050</u>	<u>23,131</u>	<u>16,942</u>	<u>404,675</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>							
CDL Loan Proceeds	1,303,540						1,303,540
Deferred Property Taxes	373,312	50,906					424,218
Total deferred inflows of resources	<u>1,676,852</u>	<u>50,906</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,727,758</u>
<i>Fund Balances:</i>							
<i>Non-Spendable</i>							
Prepaid Items	99,770					926	100,696
<i>Restricted</i>							
Construction					922,837		922,837
Environmental Protection			1,309,476				1,309,476
General Administration				497,360		99,146	596,506
General Administration - Records						339,187	339,187
Health and Welfare						261,048	261,048
Judicial						408,907	408,907
Permanent Improvement						1,155	1,155
Public Safety						560,687	560,687
Public Transportation		1,870,138					1,870,138
<i>Committed</i>							
Culture and Recreation						185,200	185,200
General Administration						255,877	255,877
Public Facilities						115,839	115,839
<i>Unassigned</i>							
Total Fund Balance	<u>2,036,447</u>	<u>1,870,138</u>	<u>1,309,476</u>	<u>497,360</u>	<u>922,837</u>	<u>2,227,972</u>	<u>8,864,230</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$3,968,460</u>	<u>\$2,028,435</u>	<u>\$1,309,476</u>	<u>\$499,410</u>	<u>\$945,968</u>	<u>\$2,244,914</u>	<u>\$10,996,663</u>

The accompanying notes are an integral part of this statement.

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

Total Fund Balances - governmental funds balance sheet	\$8,864,230
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.	8,419,809
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,752,705
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	424,218
Long-term liabilities - Capital lease payable, is not due and payable in the current period and therefore is not reported in the funds.	(298,940)
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.	<u>117,120</u>
Net Position of governmental activities - statement of Net Position	<u>\$19,279,142</u>

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Road and Bridge	Coastal Protection	Grant Fund	Hurricane Harvey	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>							
Taxes							
Property	\$6,418,196	\$875,156					\$7,293,352
Intergovernmental	662,515	78,676	336,638	1,828,355	2,278,524	651,134	5,835,842
Licenses and Permits	4,685	273,634					278,319
Charges for Services	769,142	82,800				320,943	1,172,885
Fines and Forfeitures		1,065,818					1,065,818
Interest	5,483	2,658	2,228			2,650	13,019
Miscellaneous	495,291	17,605				282,164	795,060
Total Revenues	<u>8,355,312</u>	<u>2,396,347</u>	<u>338,866</u>	<u>1,828,355</u>	<u>2,278,524</u>	<u>1,256,891</u>	<u>16,454,295</u>
<i>EXPENDITURES</i>							
Current:							
General Administration	1,811,267		34,500			150,228	1,995,995
Judicial	778,486					80,773	859,259
Legal	150,803						150,803
Financial Administration	518,482						518,482
Public Facilities	266,799						266,799
Public Safety	3,557,968					445,847	4,003,815
Public Transportation		2,174,427					2,174,427
Environmental Protection					1,675,678		1,675,678
Culture and Recreation	121,629					139,486	261,115
Health and Welfare	377,928					270,348	648,276
Conservation - Agriculture	78,257						78,257
Capital Projects -							
Capital Outlay and Other				1,377,444		59,707	1,437,151
Debt Service							
Principal Retirement	38,352	21,351					59,703
Interest and Fiscal Charges	6,790	4,063					10,853
Total Expenditures	<u>7,706,761</u>	<u>2,199,841</u>	<u>34,500</u>	<u>1,377,444</u>	<u>1,675,678</u>	<u>1,146,389</u>	<u>14,140,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>648,551</u>	<u>196,506</u>	<u>304,366</u>	<u>450,911</u>	<u>602,846</u>	<u>110,502</u>	<u>2,313,682</u>
<i>OTHER FINANCING SOURCES (USES):</i>							
Operating Transfers In	45,724	26,904				249,405	322,033
Operating Transfers Out	(241,662)	(26,904)				(45,724)	(314,290)
Total Other Financing Sources (Uses)	<u>(195,938)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>203,681</u>	<u>7,743</u>
Net Changes in Fund Balances	452,613	196,506	304,366	450,911	602,846	314,183	2,321,425
Fund Balances - Beginning	1,583,834	1,673,632	1,005,110	46,449	319,991	1,913,789	6,542,805
Fund Balances - Ending	<u>\$2,036,447</u>	<u>\$1,870,138</u>	<u>\$1,309,476</u>	<u>\$497,360</u>	<u>\$922,837</u>	<u>\$2,227,972</u>	<u>\$8,864,230</u>

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED SEPTEMBER 30, 2021

Net Changes in Fund Balances - total governmental funds	\$2,321,425
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.	420,136
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(4,735)
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.	(195,885)
GASB 68	
Deferred Outflow of Resources-Contribution. This is the change in these amounts this year.	(30,661)
Deferred Inflow-Changes of assumptions. This is the change in these amounts this year.	719,445
Deferred Inflow-Net difference between projected and actual earnings. This is the change in these amounts this year.	(231,102)
Deferred Inflow-Differences between expected and actual experience. This is the change in these amounts this year.	77,557
Net Pension Receivable. This is the change in these amounts this year.	(360,230)
(Increase) decrease in Accrued Interest Payable from beginning of period to end of period.	13,491
(Increase) decrease in Compensated absences from beginning of period to end of period.	(2,419)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	734,703
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.	(5,782)
Change in Net Position of governmental activities - statement of activities	<u>\$3,455,943</u>

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
<i>REVENUES</i>				
Taxes				
Property	\$6,417,050	\$5,352,048	\$6,418,196	\$1,066,148
Intergovernmental	656,622	1,426,938	662,515	(764,423)
Licenses and Permits	6,100	6,100	4,685	(1,415)
Charges for Services	651,635	699,595	769,142	69,547
Interest	15,000	15,000	5,483	(9,517)
Miscellaneous	123,542	568,542	495,291	(73,251)
Total Revenues	<u>7,869,949</u>	<u>8,068,223</u>	<u>8,355,312</u>	<u>287,089</u>
<i>EXPENDITURES</i>				
Current:				
General Administration				
Commissioner's Court	37,200	37,200	23,548	13,652
County Clerk	204,388	229,154	197,931	31,223
County Judge	161,426	210,523	185,569	24,954
Economic Development	50,000	50,000	50,000	0
Elections	122,547	130,977	117,783	13,194
IT Department	160,000	180,000	175,260	4,740
Non-Departmental	1,025,458	1,084,075	1,036,238	47,837
Veterans Service	25,808	25,976	24,938	1,038
Legal				
County Attorney	153,053	153,563	150,803	2,760
Judicial				
Assistant District Attorney	115,482	131,749	115,710	16,039
County Court	12,500	21,500	1,298	20,202
District Clerk	203,842	208,842	200,819	8,023
District Court	164,050	164,050	182,062	(18,012)
Justices of the Peace	291,243	285,928	278,597	7,331
Financial Administration				
County Auditor	186,775	189,454	185,197	4,257
County Treasurer	139,308	139,754	137,260	2,494
Tax Assessor-Collector	194,296	204,017	196,025	7,992
Public Facilities				
Courthouse Maintenance	229,588	277,933	200,481	77,452
Public Buildings	131,500	112,540	66,318	46,222

(continued)

(continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Safety				
911	\$48,844	\$48,981	\$47,798	\$1,183
Adult Probation	2,500	2,500	2,500	0
Animal Control	149,712	115,913	142,742	(26,829)
Constables	75,504	76,866	77,639	(773)
D.P.S.	50,603	51,319	50,651	668
Emergency Management	70,336	72,080	66,781	5,299
Fire	120,900	121,600	114,594	7,006
Jail	1,168,694	1,191,070	1,083,351	107,719
Sheriff	1,753,990	1,753,450	1,971,912	(218,462)
Culture and Recreation				
Library	131,888	133,315	121,629	11,686
Museum	15,750	15,750		15,750
Health and Welfare				
Elderly Services	135,000	135,000	135,000	0
Food Service	283,037	284,567	242,928	41,639
Conservation - Agriculture				
Agriculture Extension Service	85,309	86,629	78,257	8,372
Debt Service				
Principal Retirement	38,352	38,352	38,352	0
Interest and Fiscal Charges	6,790	6,790	6,790	0
Total Expenditures	<u>7,745,673</u>	<u>7,971,417</u>	<u>7,706,761</u>	<u>264,656</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>124,276</u>	<u>96,806</u>	<u>648,551</u>	<u>551,745</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	55,724	123,194	45,724	(77,470)
Operating Transfers Out	(180,000)	(220,000)	(241,662)	(21,662)
Total Other Financing Sources (Uses)	<u>(124,276)</u>	<u>(96,806)</u>	<u>(195,938)</u>	<u>(99,132)</u>
Net Changes in Fund Balances	0	0	452,613	452,613
Fund Balances - Beginning	<u>1,583,834</u>	<u>1,583,834</u>	<u>1,583,834</u>	<u>0</u>
Fund Balances - Ending	<u>\$1,583,834</u>	<u>\$1,583,834</u>	<u>\$2,036,447</u>	<u>\$452,613</u>

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

REFUGIO COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$876,144	\$519,518	\$875,156	\$355,638
Intergovernmental	71,300	71,300	78,676	7,376
Licenses and Permits	230,000	235,000	273,634	38,634
Charges for Services	70,000	75,000	82,800	7,800
Fines and Forfeitures	640,000	785,000	1,065,818	280,818
Interest	4,700	4,700	2,658	(2,042)
Miscellaneous	0	372,962	17,605	(355,357)
Total Revenues	<u>1,892,144</u>	<u>2,063,480</u>	<u>2,396,347</u>	<u>332,867</u>
EXPENDITURES				
Current				
Public Transportation	2,024,455	2,012,781	2,174,427	(161,646)
Debt Service				
Principal Retirement	21,351	21,351	21,351	0
Interest and Fiscal Charges	4,063	4,063	4,063	0
Total Expenditures	<u>2,049,869</u>	<u>2,038,195</u>	<u>2,199,841</u>	<u>(161,646)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(157,725)</u>	<u>25,285</u>	<u>196,506</u>	<u>171,221</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In			26,904	26,904
Operating Transfers Out			(26,904)	(26,904)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(157,725)</u>	<u>25,285</u>	<u>196,506</u>	<u>171,221</u>
Fund Balances - Beginning	<u>1,673,632</u>	<u>1,673,632</u>	<u>1,673,632</u>	
Fund Balances - Ending	<u>\$1,515,907</u>	<u>\$1,698,917</u>	<u>\$1,870,138</u>	<u>\$171,221</u>

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

REFUGIO COUNTY, TEXAS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2021

	GOVERN MENTAL ACTIVITIES- INTERNAL SERVICE FUND
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$117,120
Receivables (net of allowance for uncollectibles)	
Total Current Assets	<u>117,120</u>
Total Assets	<u>\$117,120</u>
FUND EQUITY AND OTHER CREDITS	
Net Position	
Restricted for:	
Employee Insurance - Expendable	117,120
Unrestricted	
Total Net Position	<u>\$117,120</u>

The notes to the financial statements are an integral part of this statement.
 Note: The Employee Insurance Fund is the only Internal Service Fund.

REFUGIO COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	GOVERN MENTAL ACTIVITIES- INTERNAL SERVICE FUND
OPERATING REVENUES:	
Charges for Services	\$884,236
Miscellaneous	<u>1,863</u>
Total Operating Revenues	<u>886,099</u>
OPERATING EXPENSES:	
Personal Services	
Other Services and Charges	<u>884,223</u>
Total Operating Expenses	<u>884,223</u>
Operating Income (Loss)	<u>1,876</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest Income	85
Total Non-Operating Revenues (Expenses)	<u>85</u>
Income Before Transfers	1,961
Transfers In (Out) - Net	<u>(7,743)</u>
Change in Net Position	<u>(5,782)</u>
Total Net Position - Beginning	<u>122,902</u>
Total Net Position - Ending	<u><u>\$117,120</u></u>

The notes to the financial statements are an integral part of this statement.
 Note: The Employee Insurance Fund is the only Internal Service Fund.

REFUGIO COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	GOVERN MENTAL ACTIVITIES- INTERNAL SERVICE FUND
Cash Flows from Operating Activities	
Receipts from customers and users	\$886,099
Payments to suppliers	(884,223)
Payments to employees	0
Net Cash Provided (Used) By Operating Activities	<u>1,876</u>
Cash Flows from Non-Capital and Related Financing Activities	
Transfers In (Out) - Net	(7,743)
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u>(7,743)</u>
Cash Flows from Capital and Related Financing Activities	
Interest and Fiscal Charges	0
Purchases of Capital Assets	0
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>0</u>
Cash Flows from Investing Activities	
Interest Received	85
Net Cash Provided (Used) by Investment Activities	<u>85</u>
Net Increase (Decrease) in Cash Equivalents	(5,782)
Cash and Cash Equivalents at Beginning of Year	122,902
Cash and Cash Equivalents at End of Year (continued)	<u>\$117,120</u>

(continued)

GOVERN
MENTAL
ACTIVITIES-
INTERNAL
SERVICE
FUND

Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$1,876
Adjustments to Reconcile to Net Cash Flow	
Non-Cash Items Included in Net Income	
Depreciation	0
Changes in Current Items	
Increase (Decrease) in Accounts Receivable	
Net Cash Provided (Used)	
By Operating Activities	<u>\$1,876</u>
Noncash Investing, Capital, and Financing Activities:	
Borrowing from Capital Debt	<u>\$0</u>

Noncash Investing, Capital, and Financing Activities: None
The notes to the financial statements are an integral part of this statement.

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

	Agency Funds				TOTAL
	Juvenile Fee Funds	State Fees	Cash Bond Fund	County Officer Accounts	
ASSETS					
Cash and Cash Equivalents	\$17,859	\$158,697	\$64,315	\$945,307	\$1,186,178
Receivables	0	65,935	0	0	65,935
Total Assets	\$17,859	\$224,632	\$64,315	\$945,307	\$1,252,113
LIABILITIES:					
Accounts Payable	\$0	\$203,286	\$0	\$0	\$203,286
Due to Others	17,859	21,346	64,315	945,307	1,048,827
Total Liabilities	\$17,859	\$224,632	\$64,315	\$945,307	\$1,252,113

Note: The Agency funds were the only fiduciary fund type of the County in the 2021 year.

REFUGIO COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Agency Funds				TOTAL
	Juvenile Fee Funds	State Fees	Cash Bond Fund	County Officer Accounts	
ADDITIONS					
Contributions:					
Restitution	\$2,377				\$2,377
State Fees		916,792			916,792
Court Fees	90	4,680			4,770
Intergovernmental				945,307	945,307
Total Contributions	2,467	921,472	0	945,307	1,869,246
Investment Earnings:					
Interest Received	21	77	124		222
Total Investment Earnings	21	77	124	0	222
Less Investment Expense					
Net Investment Earnings	21	77	124	0	222
TOTAL ADDITIONS	2,488	921,549	124	945,307	1,869,468
DEDUCTIONS					
Distributions to other governments and Others		924,554		1,020,547	1,945,101
Distributions to others	1,977				1,977
Total Deductions	1,977	924,554	0	1,020,547	1,947,078
Change in Net Position	511	(3,005)	124	(75,240)	(77,610)
Net Position-Beginning	17,348	24,351	64,191	1,020,547	1,126,437
Net Position-Ending	\$17,859	\$21,346	\$64,315	\$945,307	\$1,048,827

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

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

I. Summary of Significant Accounting Policies

A. Reporting entity

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

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

B. Government-Wide and Fund Financial Statements

The County’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the County accompanied by a total column.

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

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

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

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

The government reports the following major governmental funds:

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

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

The sheriff grant fund accounts for the Coastal Protection Grant monies for the overtime of sheriff deputies. The Hurricane Harvey fund accounts for FEMA monies used for hurricane Harvey cleanup.

C. Fiduciary Funds

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

D. Proprietary fund financial statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Internal Service Fund are charges to employees for health insurance premiums. Operating expenses for enterprise funds include health insurance premiums remitted to the County’s health insurance carrier. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, and Net Assets 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. For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

E. Assets, Liabilities, and Net Assets or Equity (continued)

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."

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, 2021 and 10 percent of the delinquent outstanding property taxes at September 30, 2021.

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, 2021.

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.

4. Restricted Assets

There were no restricted assets at September 30, 2021.

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 activity's 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. There was no major construction in the County for the year.

Property, plant, and equipment of the primary government, as well as the component units, 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 and comp. time 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 assets. 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 or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Balances – Governmental Funds

As of September 30, 2021, 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 Commissioner’s Court. Commissioner’s 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 Commissioner’s Court.

Unassigned — all other spendable amounts.

As of September 30, 2021, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$100,696
Restricted	
Construction	922,837
Environmental Protection	1,309,476
General Administration	596,506
General Administration - Records	339,187
Health and Welfare	261,048
Judicial	408,907
Permanent Improvement	1,155
Public Safety	560,687
Public Transportation	1,870,138
Committed	
Culture and Recreation	185,200
General Administration	255,877
Public Facilities	115,839
Unassigned	<u>1,936,677</u>
Total Fund Balance	<u>\$8,864,230</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 Commissioner's Court or the finance committee has provided otherwise in its commitment or assignment actions.

In fiscal year 2011, the Commissioner's Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least equal to 20 percent of the subsequent year's budgeted General Fund 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 GASB 68 and CDL Loan Proceeds.

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

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 assets.

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 \$8,419,809 difference are as follows:

Capital Assets Not Being Depreciated	\$680,467
Capital Assets Being Depreciated	18,852,181
Depreciation Expense	(11,112,839)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u><u>\$8,419,809</u></u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. 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 \$298,940 difference are as follows:

Capital Leases Payable	\$218,142
Compensated Absences Payable	80,798
	<u><u>\$298,940</u></u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. 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 \$424,218 difference are as follows:

Property taxes Receivable	\$462,784
Allowance for Doubtful Accounts	(38,566)
Net	<u><u>\$424,218</u></u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. 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 \$1,752,705 difference are as follows:

Fines Receivable	\$3,739,153
Allowance for Doubtful Accounts	(2,961,197)
Net Pension Receivable	568,543
GASB 68	
Contributions (after 12/31/20)	462,204
Changes of assumptions	766,360
Net difference between projected and actual earnings	(707,717)
Differences between expected and actual experience	<u>(114,641)</u>
Net	<u><u>\$1,752,705</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 assets 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 \$420,136 difference are as follows:

Capital Outlay - Additions	\$1,320,413
Capital Outlay - Dispositions - Net	(1,375)
Depreciation Expense	(898,902)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u><u>\$420,136</u></u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The original budget is adopted by the Commissioner's Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioner's 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 Commissioner's Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioner's Court.

The Commissioner's Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioner's 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 Commissioner's 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 Commissioner's 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 Commissioner's Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund.

Budgets for the 2021 fiscal year were adopted for the General Fund and the Road and Bridge Fund.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2021, expenditures did not exceed appropriations in any funds.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2021.

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) banker's 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.

Policies Governing Deposits and Investments

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

As of September 30, 2021, the government had the following investments: None

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2021, the government's bank balance of \$11,885,251 with Vantage Bank was not exposed to custodial credit risk because it was fully secured by a \$17,450,000 Letter of Credit and FDIC coverage is \$250,000. The book balance of the cash at September 30, 2021 is \$11,521,055.

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	Road and Bridge	Grant Fund	Other Govern- mental	Total
<u>Receivables</u>					
Ad Valorem Taxes	\$407,250	\$55,534			\$462,784
Intergovernmental	20,606		1,164	15,397	37,167
Charges for Services				31,090	31,090
Fines	3,739,153				3,739,153
Other	92,850	92,885			185,735
Gross Receivables	<u>4,259,859</u>	<u>148,419</u>	<u>1,164</u>	<u>46,487</u>	<u>4,455,929</u>
Less: Allowance for Uncollectibles	<u>2,995,135</u>	<u>4,628</u>			<u>2,999,763</u>
Net Total Receivables	<u>\$1,264,724</u>	<u>\$143,791</u>	<u>\$1,164</u>	<u>\$46,487</u>	<u>\$1,456,166</u>

C. Capital Assets

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

Governmental Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$680,467			\$680,467
Construction in Progress	1,345,573	533,155	1,878,728	0
Total capital assets not being depreciated:	<u>2,026,040</u>	<u>533,155</u>	<u>1,878,728</u>	<u>680,467</u>
Capital assets being depreciated:				
Building and Improvements	6,506,990	2,002,453		8,509,443
Machinery and Equipment	5,074,828	663,533	84,094	5,654,267
Intangible	58,779			58,779
Infrastructure	4,629,692			4,629,692
Total capital assets being depreciated:	<u>16,270,289</u>	<u>2,665,986</u>	<u>84,094</u>	<u>18,852,181</u>
Less: Accumulated Depreciation for:				
Building and Improvements	3,074,961	227,933		3,302,894
Machinery and Equipment	3,787,825	599,386	82,719	4,304,492
Intangible	56,864	958		57,822
Infrastructure	3,377,006	70,625		3,447,631
Total Accumulated Depreciation	<u>10,296,656</u>	<u>898,902</u>	<u>82,719</u>	<u>11,112,839</u>
Total Capital Assets Depreciated, Net	<u>5,973,633</u>	<u>1,767,084</u>	<u>1,375</u>	<u>7,739,342</u>
Governmental Activities capital assets, Net	<u>\$7,999,673</u>	<u>\$2,300,239</u>	<u>\$1,880,103</u>	<u>\$8,419,809</u>

The 2020-2021 depreciation is as follows:

Governmental Activities	
General Administration	\$82,760
Public Facilities	82,669
Public Safety	356,010
Public Transportation	324,645
Environmental Protection	4,107
Culture and Recreation	16,999
Health and Welfare	<u>31,712</u>
Total Depreciation Expense - Governmental Activities	<u>\$898,902</u>

The infrastructure capital assets were not fully depreciated at September 30, 2021.

There was no major construction in the County for the year.

D. Interfund Receivables, Payables, and Transfers

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and 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 noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Transfers:

TRANSFER OUT	TRANSFER IN			TOTAL
	GENERAL FUND	ROAD AND BRIDGE FUNDS	NON-MAJOR GOVERNMENTAL FUNDS	
GENERAL FUND			241,662	\$241,662
ROAD AND BRIDGE FUNDS		26,904		\$26,904
NON-MAJOR GOVERNMENTAL FUNDS	45,724		7,743	53,467
TOTALS	\$45,724	\$26,904	\$249,405	\$322,033

All the above transfers were to provide operating capital. All of the transfers were non-recurring. There were no interfund receivables or payables at year’s end.

Due to/from other funds:

There was a due to the general fund of \$65; which consisted of \$65 from the grant fund. These amounts were to provide operating capital and are expected to be paid off in the 2021 year.

E. Leases

Operating Leases

The government leases equipment under noncancelable operating leases. Total costs for such leases were \$32,669 for the year ended September 30, 2021. The future minimum lease payments for these leases are as follows:

Year Ending Sep. 30	Amount
2022	\$27,720
2023	23,137
2024	12,961
2025	7,357
2026	3,122
Total	<u>\$74,297</u>

Rent expenditures were \$18,073 for the year ended September 30, 2021. Sublease rental income was \$0 for the year ended September 30, 2021. Rental income was \$6,381 for the year ended September 30, 2021.

F. Long-Term Debt

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

Assets acquired through capital leases are as follows:

	HART AUTOMATIC VOTING		BODY	TOTAL
Asset:	MACHINE	CAMERAS		
Cost	\$200,000	\$114,597		\$314,597
Less: Accumulated Depreciation	117,959	45,839		163,798
Total	<u>\$82,041</u>	<u>\$68,758</u>		<u>\$150,799</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021, were as follows:

YEAR	Governmental Activities		
	Hart Automatic Voting Machine	Body Cameras	Total
2022	45,142	25,414	\$70,556
2023	45,142	25,414	\$70,556
2024	45,142	25,414	\$70,556
2025		25,414	\$25,414
2026			\$0
TOTAL MINIMUM LEASE PAYMENTS	135,426	101,656	237,082
LESS: AMOUNT REPRESENTING INTEREST	10,530	8,410	\$18,940
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	\$124,896	\$93,246	\$218,142

The above debt is to be serviced by the General 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>						
Capital Lease	\$277,845		\$59,703	\$218,142	\$62,055	\$156,087
Notes Payable	675,000		675,000	0		0
Compensated Absences	78,379	80,798	78,379	80,798	80,798	0
Grand Total	\$1,031,224	\$80,798	\$813,082	\$298,940	\$142,853	\$156,087

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2021-21 year is \$80,798. The compensated absences are deemed to be current liabilities.

The government-wide statement of activities includes \$142,853 as "non-current liabilities, due within one year".

The total amount of interest expensed in 2020-2021 is \$10,853.

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 claim's liability estimate.

1. General Liability Insurance

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

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

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

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

2. Property and Casualty Insurance

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

3. Workers' Compensation Insurance

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

4. Group Health and Life Insurance

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

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Association of Counties.

B. Related Party Transaction

Stanley Tuttle is the Commissioner of Precinct #2. His son Matt Tuttle is a Deputy Sheriff for the County.

Stanley Tuttle Commission Pct. #2 owns Tuttle's Grocery Store FYE 2021 \$394.60. There was no amount due to either party as of September 30, 2021.

Robert Blaschke- County Judger (brother-in-law) & Debra Blaschke – 911 Secretary/Grant Administrator (sister-in-law)

Rita Trojcak – Treasurer (sister-in-law) & Cindy Henderson- Chief Deputy Treasurer (sister-in-law).

Rita Trojcak – Treasurer (sister) & Roy Payne – Commissioner Pct. #1 (brother)

C. Subsequent Events

On November 9, 2021, the County awarded the bid for the Hurricane Harvey Street, Flood & Drainage Improvement Project, CDBG-DR Contract No. 20-065-110-C306 to LCR Total Transport LLC in the amount of \$1,966,402.05.

On December 14, 2021, the County awarded the construction contract for the Precinct 2 Outdoor Community Park Area, FEMA Project No. 45883 to Rodcon Services, LLC in the amount of \$33,500.00. The County also awarded the construction contract for the Precinct 1 Maintenance Structure Carport, FEMA Project No. 38029 to Costa Verde Resources, LLC in the amount of \$26,285.00.

On December 28, 2021, the County awarded the contract for the Countywide Sign Damage/Repairs, FEMA Project No. 48813 to Highway Barricades and Service, LLC in the amount of \$91,100.00.

On February 8, 2022, the County awarded the contract for the Refugio County Sheriff's Annex, FEMA Project No. 65439 to Rodcon Services, LLC in the amount of \$118,705.68.

On February 28, 2022, the County awarded the contract for the Refugio County Election Office, Senior Center, Ag Office – Flooring, FEMA Project No. 46962 to Gemini Services of the Coastalbend, LLC in the amount of \$149,405.30, with an additional charge order of \$17,497.12. The County also awarded the contract for the CTIF – Tivoli – Crockett Street Road and Drainage Repair Project No. CTIF 02196 to LCR Total Transport in the amount of \$105,863.00.

On March 22, 2022, the County awarded the construction contract for the Refugio County Tivoli and Bayside Communication Towers CDBG-DR GLO Contract No. 20-065-110-C306, FEMA Project No. 45516 to Motorola Solutions, Inc. in the amount of \$3,052,560.33 and the contract for the Fairgrounds Communication Tower Project, FEMA Project No. 65486 in the amount of \$411,990.00. The County also awarded the construction contract for the Refugio County Tivoli Water and Wastewater Treatment Plants, CDBG-DR GLO Contract No. 20-065-110-C306 to Donald Hubert Construction Co. in the amount of \$1,346,072.00.

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 County is a defendant in the following at September 30, 2021.

Cause No. 2020-03-13092, Garner Environmental Services, Inc. v. Refugio County, Texas, in the District Court, 135th Judicial District, Refugio County, Texas – Garner Environmental Services, Inc. ("Garner") filed suit against the County on March 30, 2020. Garner sued the County for breach of contract related to services rendered to the County incurred in response to the recovery from Hurricane Harvey in August 2017. According to the allegations of Garner, the County owes Garner \$2,774,009.30 for services and materials that were provided to the County as part of the post-hurricane recovery response. The County has denied the allegations made by Garner and is aggressively defending the lawsuit. In this regard, the County has asserted that the Garner contract is unenforceable as the contract fails to comply with certain federal guidelines pertaining to a time and materials contract. The County alleged that as a result of Garner's failure to abide by the federal guidelines, the contract is unenforceable. A plea to the jurisdiction was heard by the District Court, and the case was dismissed with prejudice against Garner. The Court ruled that the County had not waived sovereign immunity to suit as the contract was unenforceable under applicable federal law that applies to FEMA funding. Garner has filed a notice to appeal the dismissal. The amount of the unpaid fees and expenses due to the attorney by the County for services rendered is \$525.00. As of May 10, 2022, this case has been settled in the amount of \$100,000.00 which provides a full and complete release of all claims involving litigation. The settlement amount will be funded on or before June 15, 2022.

Susie Lerma – This claim has been brought under the Texas Tort Claims Act and arises out of a vehicle accident. This matter is pending litigation. All legal costs and settlement fees will be paid by Texas Association of Counties.

E. Tax Abatements

There were no tax abatements at September 30, 2021.

F. Summary of TCDRS Funding Policy
Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	December 31, 2019	December 31, 2020
Total pension liability	\$18,190,859	\$20,192,645
Fiduciary net position	19,119,632	20,761,188
Net pension liability/(asset)	(928,773)	(568,543)
Fiduciary net position as a % of total pension liability	105.11%	102.82%
Pensionable covered payroll	\$4,598,310	\$5,191,047
Net Pension liability as a % of covered payroll	-20.20%	-10.95%

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

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

Discount Rate

Discount rate	8.10%	7.60%
Long-term expected rate of return, net of investment expense	8.10%	7.60%
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, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68. The economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

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, 2019	December 31, 2020
Measurement date	December 31, 2019	December 31, 2020
Employer's fiscal year	October 1, 2020	September 30, 2021

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 2021 information for a 10-year time horizon.

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

Benchmark	Target Allocation	Geometric Real Rate of Return
Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
MSCI World (net) Index	2.50%	4.55%
MSCI World Ex USA (net) Index	5.00%	4.25%
MSCI Emerging Markets (net) Index	6.00%	4.75%
Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
FTSE High-yield Cash-Pay Capped Index	9.00%	2.11%
S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Cambridge Associates Distressed Securities Index	4.00%	5.70%
67% FTSE NAREIT All Equity REIT's Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Alerian MLP Index	2.00%	5.10%
Cambridge Associates Real Estate Index ⁽⁸⁾	6.00%	4.90%
Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.25%
Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
90-Day U.S. Treasury	2.00%	-0.70%

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 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, 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)
2021	\$20,761,188	\$623,784	\$1,402,221	\$20,761	\$1,548,037	\$21,510,027
2022	21,510,027	616,006	1,223,493	21,510	1,611,298	22,492,328
2023	22,492,328	588,598	1,313,169	22,492	1,681,548	23,426,813
2024	23,426,813	559,618	1,382,864	23,427	1,748,853	24,328,993
2025	24,328,993	532,726	1,470,775	24,329	1,813,103	25,179,718
2026	25,179,718	514,705	1,534,050	25,180	1,874,693	26,009,886
2027	26,009,886	496,746	1,617,524	26,010	1,933,971	26,797,069
2028	26,797,069	473,991	1,682,277	26,797	1,990,503	27,552,489
2029	27,552,489	449,665	1,803,866	27,552	2,042,444	28,213,180
2030	28,213,180	426,739	1,914,814	28,213	2,087,638	28,784,530
2031	28,784,530	408,309	1,967,578	28,785	2,128,383	29,324,859
2032	29,324,859	393,151	2,010,949	29,325	2,167,245	29,844,981
2033	29,844,981	375,882	2,075,123	29,845	2,203,716	30,319,611
2034	30,319,611	360,154	2,126,735	30,320	2,237,259	30,759,969
2035	30,759,969	345,813	2,162,855	30,760	2,268,827	31,180,994
2036	31,180,994	332,057	2,219,126	31,181	2,298,197	31,560,941
2037	31,560,941	319,786	2,249,082	31,561	2,325,483	31,925,567
2038	31,925,567	307,233	2,340,305	31,926	2,349,310	32,209,879
2039	32,209,879	296,107	2,365,721	32,210	2,369,544	32,477,599
2040	32,477,599	283,127	2,399,845	32,478	2,388,124	32,716,527
2041	32,716,527	269,445	2,428,890	32,717	2,404,679	32,929,044
2042	32,929,044	244,152	2,446,727	32,929	2,419,214	33,112,754
2043	33,112,754	232,570	2,477,187	33,113	2,431,601	33,266,625
2044	33,266,625	220,986	2,501,225	33,267	2,441,960	33,395,079
2045	33,395,079	210,050	2,513,352	33,395	2,450,858	33,509,240
2046	33,509,240	199,344	2,531,045	33,509	2,458,470	33,602,500
2047	33,602,500	189,370	2,527,324	33,603	2,465,321	33,696,264
2048	33,696,264	179,263	2,576,588	33,696	2,470,229	33,735,472
2049	33,735,472	170,072	2,635,225	33,735	2,470,677	33,707,261
2050	33,707,261	161,885	2,663,984	33,707	2,467,156	33,638,611
2051	33,638,611	155,546	2,642,537	33,639	2,462,504	33,580,485
2052	33,580,485	149,404	2,618,506	33,580	2,458,756	33,536,559
2053	33,536,559	143,791	2,610,635	33,537	2,455,504	33,491,682
2054	33,491,682	139,753	2,593,820	33,492	2,452,572	33,456,695
2055	33,456,695	136,182	2,567,651	33,457	2,450,757	33,442,526
2056	33,442,526	132,683	2,535,562	33,443	2,450,747	33,456,951
2057	33,456,951	130,339	2,506,573	33,457	2,452,837	33,500,097
2058	33,500,097	128,684	2,460,739	33,500	2,457,763	33,592,305
2059	33,592,305	127,810	2,418,175	33,592	2,466,322	33,734,670
2060	33,734,670	127,527	2,369,488	33,735	2,478,942	33,937,916
2061	33,937,916	127,695	2,311,935	33,938	2,496,535	34,216,273
2062	34,216,273	128,884	2,244,782	34,216	2,520,229	34,586,388

2063	34,586,388	130,305	2,177,944	34,586	2,550,890	35,055,053
2064	35,055,053	131,922	2,113,661	35,055	2,588,949	35,627,208
2065	35,627,208	133,701	2,049,925	35,627	2,634,856	36,310,213
2066	36,310,213	136,595	1,972,600	36,310	2,689,731	37,127,629
2067	37,127,629	139,922	1,892,008	37,128	2,754,955	38,093,370
2068	38,093,370	143,401	1,812,996	38,093	2,831,392	39,217,074
2069	39,217,074	147,049	1,734,786	39,217	2,919,806	40,509,926
2070	40,509,926	150,979	1,654,777	40,510	3,021,145	41,986,763
2071	41,986,763	155,276	1,572,008	41,987	3,136,578	43,664,622
2072	43,664,622	159,558	1,492,507	43,665	3,267,158	45,555,166
2073	45,555,166	164,252	1,409,547	45,555	3,414,039	47,678,355
2074	47,678,355	169,032	1,328,752	47,678	3,578,514	50,049,471
2075	50,049,471	174,005	1,247,975	50,049	3,761,829	52,687,281
2076	52,687,281	179,225	1,166,645	52,687	3,965,433	55,612,607
2077	55,612,607	184,602	1,086,326	55,613	4,190,845	58,846,115
2078	58,846,115	190,140	1,007,353	58,846	4,439,624	62,409,680
2079	62,409,680	195,844	929,890	62,410	4,713,424	66,326,648
2080	66,326,648	201,719	854,020	66,327	5,014,017	70,622,037
2081	70,622,037	207,771	780,017	70,622	5,343,293	75,322,462
2082	75,322,462	214,004	708,251	75,322	5,703,260	80,456,153
2083	80,456,153	220,424	639,129	80,456	6,096,047	86,053,039
2084	86,053,039	227,037	573,001	86,053	6,523,915	92,144,937
2085	92,144,937	233,848	510,150	92,145	6,989,271	98,765,761
2086	98,765,761	240,863	450,769	98,766	7,494,683	105,951,772
2087	105,951,772	248,089	395,105	105,952	8,042,898	113,741,702
2088	113,741,702	255,532	343,420	113,742	8,636,848	122,176,920
2089	122,176,920	263,198	295,946	122,177	9,279,666	131,301,661
2090	131,301,661	271,094	252,792	131,302	9,974,711	141,163,372
2091	141,163,372	279,227	213,943	141,163	10,725,586	151,813,079
2092	151,813,079	287,603	179,319	151,813	11,536,170	163,305,720
2093	163,305,720	296,232	148,792	163,306	12,410,643	175,700,497
2094	175,700,497	305,118	122,195	175,700	13,353,507	189,061,227
2095	189,061,227	314,272	99,252	189,061	14,369,622	203,456,808
2096	203,456,808	323,700	79,640	203,457	15,464,232	218,961,643
2097	218,961,643	333,411	63,074	218,962	16,643,001	235,656,019
2098	235,656,019	343,414	49,260	235,656	17,912,040	253,626,557
2099	253,626,557	353,716	37,892	253,627	19,277,938	272,966,692
2100	272,966,692	364,327	28,676	272,967	20,747,807	293,777,183

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability	Fiduciary Net Position	Net Pension Liability / (Asset)
	(a)	(b)	(a) - (b)
	<hr/>		
Balances as of December 31, 2019	\$18,190,859	\$19,119,632	(\$928,773)
Changes of the year:			
Service cost	513,689		513,689
Interest on total pension liability	1,476,495		1,476,495
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	(38,881)		(38,881)
Effect of assumptions changes or inputs	1,021,814		1,021,814
Refund of contributions	(145,164)	(145,164)	0
Benefit payments	(826,167)	(826,167)	0
Administrative expenses		(15,191)	15,191
Member contributions		363,373	(363,373)
Net investment income		1,974,552	(1,974,552)
Employer contributions		297,447	(297,447)
Other	0	(7,294)	7,294
<hr/>			
Balances as of December 31, 2020	\$20,192,645	\$20,761,188	(\$568,543)

Sensitivity Analysis

The following presents the net pension liability of the employer, calculated using the discount rate of 7.60%, as well as what the Refugio County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	6.60%	7.60%	8.60%
Total pension liability	\$22,617,207	\$20,192,645	\$18,146,226
Fiduciary net position	20,761,188	20,761,188	20,761,188
Net pension liability/(asset)	\$1,856,019	(\$568,543)	(\$2,614,962)

Pension Expense / (Income)

Pension Expense / (Income)	January 1, 2020 to December 31, 2020
Service cost	\$513,689
Interest on total pension liability	1,476,495
Effect of plan changes	0
Administrative expenses	15,191
Member contributions	(363,373)
Expected investment return net of investment expenses	(1,535,466)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(116,438)
Recognition of assumption changes or inputs	302,369
Recognition of investment gains or losses	(207,983)
Other	7,294
Pension expense	\$91,778

As of December 31, 2020, 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	\$156,376	\$41,735
Changes of assumptions	0	766,360
Net difference between projected and actual earnings	707,717	0
Contributions made subsequent to measurement date	N/A	Employer determined

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

Year ending December 31:	
2021	(\$2,396)
2022	157,820
2023	(123,605)
2024	(87,817)
2025	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2020	
Original Amount	Date Established	Original Recognition Period	Amount Recognized for 2020	Inflows	Outflows
(a)	(b)	(c)	(a) / (c)		
Investment (gains) or losses					
(\$439,085)	12/31/2020	5	(\$87,817)	\$351,268	\$0
(1,407,603)	12/31/2019	5	(281,521)	844,561	0
1,725,159	12/31/2018	5	345,032	0	690,063
(1,009,747)	12/31/2017	5	(201,949)	201,951	0
91,363	12/31/2016	5	18,272	0	0
Economic/demographic (gains) or losses					
(38,881)	12/31/2020	4	(9,720)	29,161	0
(254,431)	12/31/2019	4	(63,608)	127,215	0
166,937	12/31/2018	4	41,734	0	41,735
(339,377)	12/31/2017	4	(84,844)	0	0
Assumption changes or inputs					
1,021,814	12/31/2020	4	255,454	0	766,360
0	12/31/2019	4	0	0	0
0	12/31/2018	4	0	0	0
187,662	12/31/2017	4	46,915	0	0

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31							2013
	2020	2019	2018	2017	2016	2015	2014	- 2009
Total Pension Liability								
Service cost	\$513,689	\$494,783	\$517,996	\$495,313	\$639,416	\$588,092	\$556,571	N/A
Interest on total pension liability	1,476,495	1,416,039	1,326,947	1,264,177	1,176,621	1,117,545	1,077,810	N/A
Effect of plan changes	0	0	0	0	0	-82,144	0	N/A
Effect of assumption changes or inputs	1021814	0	0	187,662	0	187,301	0	N/A
Effect of economic/demographic (gains) or losses	-38,881	-254,431	166,937	-339,377	-119,405	-284,671	-440,572	N/A
Benefit payments/refunds of contributions	<u>-971,331</u>	<u>-888,139</u>	<u>-889,370</u>	<u>-822,953</u>	<u>-773,079</u>	<u>-767,802</u>	<u>-772,628</u>	<u>N/A</u>
Net change in total pension liability	2,001,786	768,252	1,122,510	784,822	923,554	758,321	421,181	<u>N/A</u>
Total pension liability, beginning	<u>18,190,859</u>	<u>17,422,607</u>	<u>16,300,096</u>	<u>15,515,275</u>	<u>14,591,721</u>	<u>13,833,400</u>	<u>13,412,219</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$20,192,645</u>	<u>\$18,190,859</u>	<u>\$17,422,607</u>	<u>\$16,300,096</u>	<u>\$15,515,275</u>	<u>\$14,591,721</u>	<u>\$13,833,400</u>	<u>N/A</u>
Fiduciary Net Position								
Employer contributions	\$297,447	\$224,857	\$239,710	\$244,057	\$306,849	\$357,204	\$353,978	N/A
Member contributions	363,373	321,882	315,409	323,559	343,670	378,277	352,468	N/A
Investment income net of investment expenses	1,974,552	2,748,717	-328,266	2,249,714	1,070,336	112,200	922,450	N/A
Benefit payments/refunds of contributions	-971,331	-888,139	-889,370	-822,953	-773,079	-767,802	-772,628	N/A
Administrative expenses	-15,191	-14,570	-13,442	-11,585	-11,501	-10,256	-10,733	N/A
Other	<u>-7,294</u>	<u>-9,025</u>	<u>-8,202</u>	<u>-3,531</u>	<u>190,017</u>	<u>23,391</u>	<u>-291,897</u>	<u>N/A</u>
Net change in fiduciary net position	1,841,556	2,383,722	-684,167	1,979,259	1,126,292	93,014	553,639	N/A
Fiduciary net position, beginning	<u>19,119,632</u>	<u>16,735,911</u>	<u>17,420,077</u>	<u>15,440,818</u>	<u>14,314,526</u>	<u>14,221,512</u>	<u>13,667,873</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$20,761,188</u>	<u>\$19,119,632</u>	<u>\$16,735,911</u>	<u>\$17,420,077</u>	<u>\$15,440,818</u>	<u>\$14,314,526</u>	<u>\$14,221,512</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>(\$568,543)</u>	<u>(\$928,773)</u>	<u>\$686,696</u>	<u>(\$1,119,981)</u>	<u>\$74,457</u>	<u>\$277,195</u>	<u>(\$388,112)</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	102.82%	105.11%	96.06%	106.87%	99.52%	98.10%	102.81%	N/A
Pensionable covered payroll	\$5,191,047	\$4,598,310	\$4,505,849	\$4,622,267	\$4,909,575	\$5,402,995	\$5,035,263	N/A
Net pension liability/(asset) as % of covered payroll	-10.95%	-20.20%	15.24%	-24.23%	1.52%	5.13%	-7.71%	N/A

Schedule of Employer Contributions

Year Ending 31-Dec	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	\$249,407	\$249,407	\$0	\$3,814,422	6.50%
2012	306,821	306,873	-52	4,565,789	6.70%
2013	327,010	327,010	0	4,816,078	6.80%
2014	353,978	353,978	0	5,035,263	7.00%
2015	357,138	357,204	-66	5,402,995	6.60%
2016	306,849	306,849	0	4,909,575	6.30%
2017	244,057	244,057	0	4,622,267	5.30%
2018	239,710	239,710	0	4,505,849	5.30%
2019	224,857	224,857	0	4,598,310	4.90%
2020	297,447	297,447	0	5,191,047	5.70%

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

Appendix A— GASB 68 Plan Description for Refugio County

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

- a. Refugio 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 125%) 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 Refugio 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 2020 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, 2019	Dec. 31, 2020
Number of inactive employees entitled		
to but not yet receiving benefits:	93	100
Number of active employees:	120	119
Average monthly salary:	\$3,206	\$3,442
Average age:	48.84	48.25
Average length of service in years:	10.05	9.82
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	86	90
Average monthly benefit:	\$769	\$822

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, 2020 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Refugio County December 31, 2020 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	7.60% (Gross of administrative expenses)
Investment Rate of Return	
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Refugio 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, 2020 financial reporting metrics are the same as those used in the December 31, 2020 actuarial valuation analysis for Refugio County.

The following is a description of the assumptions used in the December 31, 2020 actuarial valuation analysis for Refugio County. This information may also be found in the Refugio County December 31, 2020 Summary Valuation Report.

Economic Assumptions

TCDRS system-wide economic assumptions:

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

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

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee. (See Table 1 for Merit Salary Increases.)

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	2.75%

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

Table 1
Merit Salary Increase

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

Demographic Assumptions

TCDRS system-wide demographic assumptions:

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

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

Table 2
Annual Rates of Disability

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

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

Mortality

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

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

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

Table 3
Annual Rates of Service Retirement

Age	Male	Female	Age	Male	Female
40-44	4.5%	4.5%	62	20.0%	20.0%
45-49	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							2013
	2020	2019	2018	2017	2016	2015	2014	- 2009
Total Pension Liability								
Service cost	\$513,689	\$494,783	\$517,996	\$495,313	\$639,416	\$588,092	\$556,571	N/A
Interest on total pension liability	1,476,495	1,416,039	1,326,947	1,264,177	1,176,621	1,117,545	1,077,810	N/A
Effect of plan changes	0	0	0	0	0	-82,144	0	N/A
Effect of assumption changes or inputs	1021814	0	0	187,662	0	187,301	0	N/A
Effect of economic/demographic (gains) or losses	-38,881	-254,431	166,937	-339,377	-119,405	-284,671	-440,572	N/A
Benefit payments/refunds of contributions	<u>-971,331</u>	<u>-888,139</u>	<u>-889,370</u>	<u>-822,953</u>	<u>-773,079</u>	<u>-767,802</u>	<u>-772,628</u>	<u>N/A</u>
Net change in total pension liability	2,001,786	768,252	1,122,510	784,822	923,554	758,321	421,181	<u>N/A</u>
Total pension liability, beginning	<u>18,190,859</u>	<u>17,422,607</u>	<u>16,300,096</u>	<u>15,515,275</u>	<u>14,591,721</u>	<u>13,833,400</u>	<u>13,412,219</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$20,192,645</u>	<u>\$18,190,859</u>	<u>\$17,422,607</u>	<u>\$16,300,096</u>	<u>\$15,515,275</u>	<u>\$14,591,721</u>	<u>\$13,833,400</u>	<u>N/A</u>
Fiduciary Net Position								
Employer contributions	\$297,447	\$224,857	\$239,710	\$244,057	\$306,849	\$357,204	\$353,978	N/A
Member contributions	363,373	321,882	315,409	323,559	343,670	378,277	352,468	N/A
Investment income net of investment expenses	1,974,552	2,748,717	-328,266	2,249,714	1,070,336	112,200	922,450	N/A
Benefit payments/refunds of contributions	-971,331	-888,139	-889,370	-822,953	-773,079	-767,802	-772,628	N/A
Administrative expenses	-15,191	-14,570	-13,442	-11,585	-11,501	-10,256	-10,733	N/A
Other	<u>-7,294</u>	<u>-9,025</u>	<u>-8,202</u>	<u>-3,531</u>	<u>190,017</u>	<u>23,391</u>	<u>-291,897</u>	<u>N/A</u>
Net change in fiduciary net position	1,841,556	2,383,722	-684,167	1,979,259	1,126,292	93,014	553,639	N/A
Fiduciary net position, beginning	<u>19,119,632</u>	<u>16,735,911</u>	<u>17,420,077</u>	<u>15,440,818</u>	<u>14,314,526</u>	<u>14,221,512</u>	<u>13,667,873</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$20,761,188</u>	<u>\$19,119,632</u>	<u>\$16,735,911</u>	<u>\$17,420,077</u>	<u>\$15,440,818</u>	<u>\$14,314,526</u>	<u>\$14,221,512</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>(\$568,543)</u>	<u>(\$928,773)</u>	<u>\$686,696</u>	<u>(\$1,119,981)</u>	<u>\$74,457</u>	<u>\$277,195</u>	<u>(\$388,112)</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	102.82%	105.11%	96.06%	106.87%	99.52%	98.10%	102.81%	N/A
Pensionable covered payroll	\$5,191,047	\$4,598,310	\$4,505,849	\$4,622,267	\$4,909,575	\$5,402,995	\$5,035,263	N/A
Net pension liability/(asset) as % of covered payroll	-10.95%	-20.20%	15.24%	-24.23%	1.52%	5.13%	-7.71%	N/A

Schedule of Employer Contributions

Year Ending 31-Dec	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	\$249,407	\$249,407	\$0	\$3,814,422	6.50%
2012	306,821	306,873	-52	4,565,789	6.70%
2013	327,010	327,010	0	4,816,078	6.80%
2014	353,978	353,978	0	5,035,263	7.00%
2015	357,138	357,204	-66	5,402,995	6.60%
2016	306,849	306,849	0	4,909,575	6.30%
2017	244,057	244,057	0	4,622,267	5.30%
2018	239,710	239,710	0	4,505,849	5.30%
2019	224,857	224,857	0	4,598,310	4.90%
2020	297,447	297,447	0	5,191,047	5.70%

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

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, 2020 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Refugio County December 31, 2020 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 method	None
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 Refugio 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

REFUGIO COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUNDS
 SEPTEMBER 30, 2021

	Road and Bridge	Road and Bridge Shared Equip	Road and Bridge Special	Lateral Road	Total Road and Bridge
<i>ASSETS</i>					
Cash and Cash Equivalents	\$1,206,902	\$18	\$556,387	\$121,337	\$1,884,644
Receivables (net of allowance for uncollectibles)	142,341		1,450		143,791
Prepaid Expenses					0
Total Assets	<u>\$1,349,243</u>	<u>\$18</u>	<u>\$557,837</u>	<u>\$121,337</u>	<u>\$2,028,435</u>
<i>LIABILITIES AND FUND BALANCES:</i>					
<i>Liabilities:</i>					
Accounts Payable	\$90,570		\$15,098		\$105,668
Accrued Wages Payable	1,723				1,723
Total Liabilities	<u>92,293</u>	<u>0</u>	<u>15,098</u>	<u>0</u>	<u>107,391</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>					
Unavailable Revenue-Property Taxes					
Total deferred inflows of resources	<u>50,906</u>		<u>0</u>		<u>50,906</u>
<i>Fund Balances:</i>					
<i>Non-Spendable</i>					
Prepaid Items	0				0
<i>Restricted</i>					
Public Transportation	1,206,044	18	542,739	121,337	1,870,138
Total Fund Balance	<u>1,206,044</u>	<u>18</u>	<u>542,739</u>	<u>121,337</u>	<u>1,870,138</u>
Total Liabilities and Fund Balances	<u>\$1,349,243</u>	<u>\$18</u>	<u>\$557,837</u>	<u>\$121,337</u>	<u>\$2,028,435</u>
					0

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2021

	Road and Bridge	Road and Bridge Shared Equip	Road and Bridge Special	Lateral Road	Total Road and Bridge
<i>REVENUES</i>					
Taxes					
Property	\$875,156				\$875,156
Intergovernmental			67,330	11,346	78,676
Licenses and Permits	273,634				273,634
Charges for Services	82,800				82,800
Fines and Forfeitures	1,065,818				1,065,818
Interest	1,456		935	267	2,658
Miscellaneous	17,605				17,605
Total Revenues	<u>2,316,469</u>	<u>0</u>	<u>68,265</u>	<u>11,613</u>	<u>2,396,347</u>
<i>EXPENDITURES</i>					
Current:					
Public Transportation					
Road and Bridge	2,140,272		34,155		2,174,427
Debt Service					
Principal Retirement	21,351				21,351
Interest and Fiscal Charges	4,063				4,063
Total Expenditures	<u>2,165,686</u>	<u>0</u>	<u>34,155</u>	<u>0</u>	<u>2,199,841</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>150,783</u>	<u>0</u>	<u>34,110</u>	<u>11,613</u>	<u>196,506</u>
<i>OTHER FINANCING SOURCES (USES):</i>					
Operating Transfers In	26,904				26,904
Operating Transfers Out				(26,904)	(26,904)
Total Other Financing Sources (Uses)	<u>26,904</u>	<u>0</u>	<u>0</u>	<u>(26,904)</u>	<u>0</u>
Net Changes in Fund Balances	177,687	0	34,110	(15,291)	196,506
Fund Balances - Beginning	1,028,357	18	508,629	136,628	1,673,632
Fund Balances - Ending	<u>\$1,206,044</u>	<u>\$18</u>	<u>\$542,739</u>	<u>\$121,337</u>	<u>\$1,870,138</u>

The accompanying notes are an integral part of this statement.

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

	SPECIAL REVENUE						
	AIRPORT FUND	ASSET SHARING	ATTORNEY ADMINI- STRATION	COUNTY CLERK RECORD MANAGEMENT	COURT- HOUSE SECURITY	COURT TECH- NOLOGY	CRF 2020 COVID 19
ASSETS							
Cash and Cash Equivalents	\$144,737	\$4,401	\$2,824	\$248,090	\$117,755	\$14,338	\$84,861
Receivables (net of allowance for uncollectibles)	6,091			3,886	5,090	90	
Due from Other Funds							
Prepaid Expenses	926						
Total Assets	<u>\$151,754</u>	<u>\$4,401</u>	<u>\$2,824</u>	<u>\$251,976</u>	<u>\$122,845</u>	<u>\$14,428</u>	<u>\$84,861</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$8,023				\$48		
Accrued Wages							
Bank Overdraft							
Total Liabilities	<u>8,023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>48</u>	<u>0</u>	<u>0</u>
Fund Balances							
Non-Spendable							
Prepaid Items	926						
Restricted							
Environmental Protection							
General Administration							84,861
General Administration - Records				251,976			
Judicial			2,824			14,428	
Health and Welfare							
Permanent Improvement							
Public Safety					122,797		
Committed							
Culture and Recreation	142,805						
General Administration		4,401					
Public Facilities							
Unassigned							
Total Fund Balances	<u>143,731</u>	<u>4,401</u>	<u>2,824</u>	<u>251,976</u>	<u>122,797</u>	<u>14,428</u>	<u>84,861</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$151,754</u>	<u>\$4,401</u>	<u>\$2,824</u>	<u>\$251,976</u>	<u>\$122,845</u>	<u>\$14,428</u>	<u>\$84,861</u>

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

SPECIAL REVENUE

(46) DISTRICT CLERK RECORD MANAGEMENT	(47) DISTRICT CLERK RECORD MANAGEMENT	ELDERLY SERVICES FUND	ELECTION ADMINI- STRATION	EMPLOY- MENT CONTIN- GENCY	ESTRAY FUND	JAIL COMM- ISSARY	JURY	JUSTICE COURT TECH
\$26,129	\$54	\$210,920	\$13,132	\$169,863	\$3,489	\$138,050	\$18,113	\$41,895
254	72	15,397		1,397		5,458	80	3,772
<u>\$26,383</u>	<u>\$126</u>	<u>\$226,317</u>	<u>\$13,132</u>	<u>\$171,260</u>	<u>\$3,489</u>	<u>\$143,508</u>	<u>\$18,193</u>	<u>\$45,667</u>
		\$1,016						252
		\$274						
<u>0</u>	<u>0</u>	<u>1,290</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>252</u>
		0						
			13,132					
26,383	126	225,027					18,193	45,415
					3,489	143,508		
				171,260				
<u>26,383</u>	<u>126</u>	<u>225,027</u>	<u>13,132</u>	<u>171,260</u>	<u>3,489</u>	<u>143,508</u>	<u>18,193</u>	<u>45,415</u>
<u>\$26,383</u>	<u>\$126</u>	<u>\$226,317</u>	<u>\$13,132</u>	<u>\$171,260</u>	<u>\$3,489</u>	<u>\$143,508</u>	<u>\$18,193</u>	<u>\$45,667</u>

REFUGIO COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021
 (continued)

	SPECIAL REVENUE						
	JUVENILE SERVICES	LAW LIBRARY	LEOSE TRAINING FIRE	LEOSE TRAINING CONST-ABLE NO. 1	LEOSE TRAINING CONST-ABLE NO. 2	LIBRARY FUND	NARCO-TICS FUND
ASSETS							
Cash and Cash Equivalents	\$143,190	\$14,623	\$8,277	\$8,073	\$5,632	\$42,395	\$183,880
Receivables (net of allowance for uncollectibles)		100					
Due from Other Funds							
Prepaid Expenses							
Total Assets	\$143,190	\$14,723	\$8,277	\$8,073	\$5,632	\$42,395	\$183,880
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$5,081						
Accrued Wages							
Bank Overdraft							
Total Liabilities	5,081	0	0	0	0	0	0
Fund Balances							
Non-Spendable							
Prepaid Items							
Restricted							
Environmental Protection							
General Administration							
General Administration - Records							
Judicial		14,723					
Health and Welfare							183,880
Permanent Improvement							
Public Safety	138,109		8,277	8,073	5,632		
Committed							
Culture and Recreation						42,395	
General Administration							
Public Facilities							
Unassigned							
Total Fund Balances	138,109	14,723	8,277	8,073	5,632	42,395	183,880
TOTAL LIABILITIES AND FUND BALANCES	\$143,190	\$14,723	\$8,277	\$8,073	\$5,632	\$42,395	\$183,880

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

SPECIAL REVENUE						CAPITAL PROJECT			TOTAL
PRE TRIAL DIVER-SION	RECORD MANAGEMENT AND PRES-ERVATION	SHERIFF GRANTS	SPECIAL FOR-FEITURE	TCLEOSE TRAINING	TX COMP OF PUBLIC ACCOUNTS	VEHICLE REPLACE-MENT	CAPITAL IMPROVE-MENT FUND	COURT-HOUSE RESTOR-ATION	NON-MAJOR GOVERN-MENTAL FUND
\$135,734	\$87,211	\$97,940	\$28,132	\$4,730	\$1,153	\$80,886	\$1,155	\$115,839	\$2,197,501
4,500						300			46,487
									0
\$140,234	\$87,211	\$97,940	\$28,132	\$4,730	\$1,153	\$81,186	\$1,155	\$115,839	\$2,244,914
\$1,278						\$970			\$16,668
									\$274
1,278	0	0	0	0	0	970	0	0	\$0
									926
									0
	87,211				1,153				99,146
138,956									339,187
									261,048
		97,940	28,132	4,730			1,155		408,907
									1,155
									560,687
									185,200
						80,216			255,877
								115,839	115,839
									0
138,956	87,211	97,940	28,132	4,730	1,153	80,216	1,155	115,839	2,227,972
\$140,234	\$87,211	\$97,940	\$28,132	\$4,730	\$1,153	\$81,186	\$1,155	\$115,839	\$2,244,914

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

	SPECIAL REVENUE						
	AIRPORT FUND	ASSET SHARING	ATTORNEY ADMINI- STRATION	COUNTY CLERK RECORD MANAGEMENT	COURT- HOUSE SECURITY	COURT TECH- NOLOGY	CRF 2020 COVID 19
<i>REVENUES</i>							
Intergovernmental							\$219,249
Charges for Services	75,592		150	35,985	31,331	1,450	
Interest	263	53	4	404	179		
Miscellaneous	299		226				
Total Revenues	76,154	53	380	36,389	31,510	1,450	219,249
<i>EXPENDITURES</i>							
Current:							
General Administration							
Non-Departmental				20,301			89,075
Judicial							
Judicial							
Public Safety							
Juvenile Probation							
Sheriff					3,098		
Culture and Recreation							
Airport	139,343						
Library							
Health and Welfare							
Elderly Services							
Capital Projects -							
Capital Outlay and Other		39,120					
Total Expenditures	139,343	39,120	0	20,301	3,098	0	89,075
Excess (Deficiency) of Revenues Over (Under)							
Expenditures	(63,189)	(39,067)	380	16,088	28,412	1,450	130,174
<i>OTHER FINANCING SOURCES (USES):</i>							
Operating Transfers In	20,000						
Operating Transfers Out							
Total Other Financing Sources (Uses)	20,000	0	0	0	0	0	0
Net Changes in Fund Balances	(43,189)	(39,067)	380	16,088	28,412	1,450	130,174
Fund Balances - Beginning	186,920	43,468	2,444	235,888	94,385	12,978	(45,313)
Fund Balances - Ending	\$143,731	\$4,401	\$2,824	\$251,976	\$122,797	\$14,428	\$84,861

(continued)

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

SPECIAL REVENUE

DISTRICT CLERK RECORD MANAGEMENT	DISTRICT CLERK RECORD MANAGEMENT	ELDERLY SERVICES FUND	ELECTION ADMINI- STRATION	EMPLOY- MENT CONTIN- GENCY	ESTRAY FUND	JAIL COMM- ISSARY	JURY	JUSTICE COURT TECH
		\$149,018		\$12,787			\$9,996	
2,414	126	14,823	15,621			48,376	680	23,838
21		4	9	308		222	5	37
		157,979		10,038			410	441
2,435	126	321,824	15,630	23,133	0	48,598	11,091	24,316
			1,377	39,475				
918							15,172	14,151
						15,649		
		270,348						
918	0	270,348	1,377	39,475	0	15,649	15,172	14,151
1,517	126	51,476	14,253	(16,342)	0	32,949	(4,081)	10,165
		10,561					5,000	5,000
0	0	10,561	0	0	0	(5,724)	(5,724)	5,000
1,517	126	62,037	14,253	(16,342)	0	27,225	919	15,165
24,866	0	162,990	(1,121)	187,602	3,489	116,283	17,274	30,250
\$26,383	\$126	\$225,027	\$13,132	\$171,260	\$3,489	\$143,508	\$18,193	\$45,415

REFUGIO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (continued)

	SPECIAL REVENUE						
	JUVENILE SERVICES	LAW LIBRARY	LEOSE TRAINING FIRE	LEOSE	LEOSE	LIBRARY FUND	NARCO- TICS FUND
				TRAINING CONST- ABLE NO. 1	TRAINING CONST- ABLE NO. 2		
<i>REVENUES</i>							
Intergovernmental	\$82,011			\$643	\$643		
Charges for Services		1,600					
Interest	162		8			69	296
Miscellaneous	321					40,401	37,008
Total Revenues	<u>82,494</u>	<u>1,600</u>	<u>8</u>	<u>643</u>	<u>643</u>	<u>40,470</u>	<u>37,304</u>
<i>EXPENDITURES</i>							
Current:							
General Administration							
Non-Departmental							
Judicial							
Judicial							
Public Safety							
Juvenile Probation	175,355						
Sheriff							74,055
Culture and Recreation							
Airport							
Library						143	
Health and Welfare							
Elderly Services							
Capital Projects -							
Capital Outlay and Other							
Total Expenditures	<u>175,355</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>143</u>	<u>74,055</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures	<u>(92,861)</u>	<u>1,600</u>	<u>8</u>	<u>643</u>	<u>643</u>	<u>40,327</u>	<u>(36,751)</u>
<i>OTHER FINANCING SOURCES (USES):</i>							
Operating Transfers In	110,184						
Operating Transfers Out						(40,000)	
Total Other Financing Sources (Uses)	<u>110,184</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(40,000)</u>	<u>0</u>
Net Changes in Fund Balances	<u>17,323</u>	<u>1,600</u>	<u>8</u>	<u>643</u>	<u>643</u>	<u>327</u>	<u>(36,751)</u>
Fund Balances - Beginning	<u>120,786</u>	<u>13,123</u>	<u>8,269</u>	<u>7,430</u>	<u>4,989</u>	<u>42,068</u>	<u>220,631</u>
Fund Balances - Ending	<u>\$138,109</u>	<u>\$14,723</u>	<u>\$8,277</u>	<u>\$8,073</u>	<u>\$5,632</u>	<u>\$42,395</u>	<u>\$183,880</u>

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

SPECIAL REVENUE						CAPITAL PROJECT			TOTAL
PRE TRIAL DIVER- SION	RECORD MANAGEMENT AND PRES- ERVATION	SHERIFF GRANTS	SPECIAL FORF- EITURE	TCLEOSE TRAINING	TX COMP OF PUBLIC ACCOUNTS	VEHICLE REPLACE- MENT	CAPITAL IMPROVE- MENT FUND	COURT- HOUSE RESTOR- ATION	NON-MAJOR GOVERN- MENTAL FUND
		\$176,787							\$651,134
68,006	951								320,943
188	145		41			91		141	2,650
					1,153	33,888			282,164
68,194	1,096	176,787	41	0	1,153	33,979	0	141	1,256,891
									150,228
50,532									80,773
		177,507		183					175,355
									270,492
									139,343
									143
									270,348
						20,587			59,707
50,532	0	177,507	0	183	0	20,587	0	0	1,146,389
17,662	1,096	(720)	41	(183)	1,153	13,392	0	141	110,502
		98,660							249,405
									(45,724)
0	0	98,660	0	0	0	0	0	0	203,681
17,662	1,096	97,940	41	(183)	1,153	13,392	0	141	314,183
121,294	86,115	0	28,091	4,913	0	66,824	1,155	115,698	1,913,789
\$138,956	\$87,211	\$97,940	\$28,132	\$4,730	\$1,153	\$80,216	\$1,155	\$115,839	\$2,227,972

SINGLE AUDIT SECTION

REFUGIO COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

SOURCE AND TITLE OF GRANT	ASSISTANCE LISTING NUMBER (ALN)	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS-THROUGH TO SUBRECIPIENTS	2021 TOTAL FEDERAL EXPENDI- TURES
U.S. Department of Health and Human Services				
Passed Through				
Office of the Attorney General				
Child Support Enforcement-Title IV-D	93.563	NONE	NONE	\$1,698
Passed Through				
Coastal Bend Area Agency on Aging				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers TITLE III-B	93.044	AAA-1048-11B	NONE	16,512
Special Programs for the Aging - Title III, Part C - Nutrition Services TITLE III-C	93.045	AAA-1048-11	NONE	41,461
Total U.S. Department of Health and Human Services				<u>59,671</u>
United States Department of Housing and Urban Development (HUD)				
Passed-Through:				
Community Development Block Grants/State's program				
The Texas General Land Office	14.228			
CDBG-DR HARVEY INFRASTRUCTURE		20-065-110-C306	None	393,180
Texas Department of Agriculture				
TIVOLI WCID PROJECT		7219351	None	25,950
				<u>419,130</u>
<i>Total United States Department of Housing and Urban Development (HUD)</i>				<u>419,130</u>
U.S. Department of the Treasury				
Passed Through				
Texas Division of Emergency Management (TDEM)				
2010 HAVA ELECTION SECURITY	21.019	None	None	32,783
COVID ELECTIONS RESPONSE	21.019	None	None	17,378
COVID ELECTIONS	21.019	None	None	9,943
COVID GRANT (GENERAL)-COMPLETE	21.019	None	None	29,406
<i>Total U.S. Department of the Treasury (TREAS)</i>				<u>89,510</u>
U.S. Department of Homeland Security				
Direct Programs				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
Various Projects	97.036			
		4332DRTXP0000001		1,675,679
Passed Through				
Texas Division of Emergency Management				
Hazard Mitigation Grant Program (HMGP)	97.039			
Hazard Mitigation-Planning		PDMFY19-002		72,120
Hazard Mitigation - #59		4332-0059		159,581
				<u>231,701</u>
Passed Through				
Texas Division of Emergency Management				
Operation Stonegarden Grant Program	97.067			
SG2019		None	None	77,664
SG2020		None	None	406,820
				<u>484,484</u>
Direct				
Community Disaster Loans				
	97.030	None	None	543,176
Total U.S. Department of Homeland Security				<u>2,935,040</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$3,503,351</u>

See Accompanying Notes to Schedule of Federal Financial Assistance

REFUGIO COUNTY, TEXAS
 BUDGET COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor: U.S. Department of Housing and Urban Development
 Pass Through Grantor: The Texas General Land Office
 CFDA Number: 14.228
 Project Number: 20-065-110-C306
 Contract Period: Unknown

	FEDERAL		VARIANCE
	PRIOR	CURRENT	
	BUDGET	YEAR	YEAR
REVENUE			
Federal	\$11,957,845	\$571,841	\$393,180
TOTAL REVENUE:	11,957,845	571,841	393,180
EXPENSES			
Federal			
Construction	11,957,845	571,841	393,180
TOTAL EXPENSES	11,957,845	571,841	393,180
Excess Revenue over Expenditures	\$0	\$0	\$0

REFUGIO COUNTY, TEXAS
 BUDGET COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor: U.S. Department of Housing and Urban Development
 Pass Through Grantor: Texas Department of Agriculture
 CFDA Number: 14.228
 Project Number: 7219351
 Contract Period: 1/1/ 2020 to 12/ 30/ 2021

	FEDERAL		VARIANCE
	PRIOR YEAR	CURRENT YEAR	
BUDGET			
REVENUE			
Federal	\$300,000	\$19,950	\$254,100
Local	15,000		15,000
TOTAL REVENUE:	315,000	19,950	269,100
EXPENSES			
Federal			
Construction 03J w	217,000		217,000
Engineering 03J W	50,000	3,450	27,200
General Program Administration	33,000	16,500	9,900
Local	15,000		15,000
TOTAL EXPENSES	315,000	19,950	269,100
Excess Revenue over Expenditures	\$0	\$0	\$0

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Judge and Commissioners' Court
Refugio, 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 Refugio County, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Refugio County, Texas' basic financial statements, and have issued our report thereon dated May 20, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Refugio County, Texas' 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 Refugio County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Refugio County, Texas' internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Refugio County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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
May 20, 2022

BEYER & Co.
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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
Refugio County, Texas

Report on Compliance for Each Major Federal Program

We have audited Refugio 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 Refugio County, Texas' major federal programs for the year ended September 30, 2021. Refugio 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 Refugio 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 Refugio 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 Refugio County, Texas' compliance.

Opinion on Each Major Federal Program

In our opinion, Refugio 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, 2021.

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 Refugio 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 Refugio 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 Refugio 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
May 20, 2022

REFUGIO COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE A-BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Refugio County, Texas under programs of the federal government for the year ended September 30, 2021. 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 Refugio County, Texas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Refugio 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

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

REFUGIO COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Significant Deficiencies:

2020-1 Solid Waste Citizens Collection Centers

Solid Waste Citizens Collection Centers – We noted that at all collection stations the receipts are handwritten with no description, there is just a name and/or Driver’s License number and amount. There is no way to tell if the customer was charged correctly without a description. ***This finding has been corrected.***

REFUGIO COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Section I Summary of Auditors Results

Financial Statements Section

1. The auditor's report expresses an unmodified opinion on the financial statements of the Refugio County, Texas.
2. There were no significant deficiencies disclosed during the audit. There were no material weaknesses disclosed during the audit.

Federal (or State) Awards Section

3. There were no instances of noncompliance material to the financial statements of the Refugio 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 Refugio 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: Disaster Grants - Public Assistance (Presidentially Declared Disasters) – CFDA 97.036.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Refugio County did not qualify as a low-risk auditee.