

MAVERICK COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended  
September 30, 2020

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

TABLE OF CONTENTS

FINANCIAL SECTION

1. Independent Auditor's Report
4. Management's Discussion and Analysis

*Basic Financial Statements:*

Government-wide Financial Statements:

13. Statement of Net Position
14. Statement of Activities

Fund Financial Statements:

15. Balance Sheet - Governmental Funds
16. Reconciliation of the Government Funds
17. Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds
18. Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities
19. Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - General Fund
21. Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual – Road and Bridge Fund
22. Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual – Debt Service Fund
23. Statement of Net Position - Proprietary Funds
25. Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
26. Statement of Cash Flows - Proprietary Funds
28. Statement of Fiduciary Net Position - Fiduciary Funds
29. Notes to the Financial Statements

Required Supplementary Information:

83. Public Employees Retirement System Information
87. OPEB Information

Combining and Individual Fund Statements and Schedules:

89. Combining Balance Sheet - Nonmajor Governmental Funds
93. Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances – Nonmajor Governmental Funds

Single Audit Section:

97. Schedule of Expenditures of Federal Awards
98. Community Development Block Grants/States Program - Budget-Award No. 7217299
99. Community Development Block Grants/States Program - Budget-Award No. 7218065
100. Community Development Block Grants/States Program - Budget-Award No. 7218115
101. Community Development Block Grants/States Program - Budget-Award No. 7219143
102. 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
104. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by THE UNIFORM GUIDANCE
106. Notes to Schedule of Expenditures of Federal Awards
107. Schedule of Prior Audit Findings
108. Schedule of Findings and Questioned Costs

FINANCIAL SECTION

**BEYER & Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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INDEPENDENT AUDITOR'S REPORT

To the Judge and Commissioner's Court  
Maverick 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 Maverick County, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Maverick County, Texas's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Maverick County Solid Waste Authority, which represent 51 percent, 51 percent, and 77 percent, respectively, of the assets, net position, and revenues of the Business-type activities of Maverick County, Texas. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Maverick County Solid Waste Authority, is based solely on the report of the other auditors. 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 Maverick County, Texas, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, the Road and Bridge Fund, and the Debt Service 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 4–12 and 83-88 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 Maverick 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 March 28, 2021, on our consideration of Maverick County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Maverick County, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maverick County, Texas's internal control over financial reporting and compliance.

*Beyer & Co.*

BEYER & COMPANY  
Certified Public Accountants  
March 28, 2021

## Management's Discussion and Analysis

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

### Financial Highlights

- . The assets of Maverick County, Texas, exceeded its liabilities at the close of the most recent fiscal year by \$17,074,634 (net position). Unrestricted net position was a minus \$10,313,711 at year's end.
- . The government's total net position increased by \$6,297,813. This increase is due to the following: An increase in Maintenance and Operations Taxes of \$1,098,084, a reduction in net pension liability of \$1,779,043, and careful budget management.
- . Maverick County, Texas' total restricted net position at September 30, 2020 is \$5,028,677 or 29%. There was a decrease of \$1,402,799 in the restricted net position. This decrease is the result of street construction.
- . Maverick County, Texas' total debt decreased by \$5,433,340 (13.59 percent) during the current fiscal year. This decrease is the result of bond and note payments totaling \$3,056,847 and a decrease in GASB 68 payable of \$1,779,043.

### Overview of the Financial Statements

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

The *statement of net position* presents information on all Maverick 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 Maverick County, Texas is improving or deteriorating.

The *statement for 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).

Both government-wide financial statements distinguish functions of Maverick 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 Maverick County, Texas include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of Maverick County, Texas include Water System, airport, landfill, and commissary activity.

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

The government-wide financial statements can be found on pages 13-14 for 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. Maverick County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All other funds of Maverick County, Texas can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds:** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of 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*.

Maverick County, Texas maintains 49 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 Debt Service Fund, and the Landfill Waste/Criminal Detention Center Fund. The other 45 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Maverick County, Texas adopts an annual appropriated budget for its general fund, road and bridge fund, and debt service fund. A budgetary comparison statement has been provided for the general fund, road and bridge fund, and debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on 15-22 of this report.

**Proprietary funds:** Maverick County, Texas maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Maverick County, Texas uses enterprise funds to account for its Water operations, airport, landfill, and commissary activity.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water operations, airport, landfill, and commissary activity, all of which are major funds of Maverick County, Texas. The basic proprietary fund financial statements can be found on pages 23-27 of this report.

Maverick County, Texas also has agency funds which are totaled on page 28.

**Notes to the financial statements:** The notes provided 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 29-82 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Maverick County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 83-88 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 89-96 of this report. The single audit section can be found on pages 97-108 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 Maverick County, Texas, assets exceeded liabilities by \$17,074,634 at the close of the most recent fiscal year. A large portion of Maverick County, Texas' net position (131 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. Maverick County, Texas uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Maverick County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### MAVERICK COUNTY, TEXAS NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$14,481,395	\$19,800,061	\$5,214,340	\$6,028,274	\$19,695,735	\$25,828,335
Restricted Assets:				659,000	0	659,000
Capital Assets:	16,377,715	12,665,926	16,636,716	11,625,388	33,014,431	24,291,314
Total Assets	30,859,110	32,465,987	21,851,056	18,312,662	52,710,166	50,778,649
Deferred Inflows of Resources	2,178,515	3,971,193	103,913	243,840	2,282,428	4,215,033
Long-Term Liabilities	29,756,252	34,604,942	4,791,884	5,376,534	34,548,136	39,981,476
Other Liabilities	1,622,947	3,523,628	726,787	709,196	2,349,734	4,232,824
Total Liabilities	31,379,199	38,128,570	5,518,671	6,085,730	36,897,870	44,214,300
Deferred Inflows of Resources	948,458	0	71,632	2,561	1,020,090	2,561
Invested in Capital Assets, Net of Related Debt	8,237,900	3,410,609	14,121,768	8,877,379	22,359,668	12,287,988
Restricted	5,028,677	6,431,476			5,028,677	6,431,476
Unrestricted	(12,556,609)	(11,533,475)	2,242,898	3,590,832	(10,313,711)	(7,942,643)
Total Net Position	\$709,968	(\$1,691,390)	\$16,364,666	\$12,468,211	\$17,074,634	\$10,776,821

An additional portion of Maverick County, Texas' net position (29 percent) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position was a minus \$10,313,711 at year's end.

At the end of the current fiscal year and the prior year, Maverick County, Texas was able to 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 except for Unrestricted Net Position in the governmental activities. Unrestricted Net Position in the governmental activities was a minus \$12,556,609 in the current year and a minus \$11,533,475 in the prior year.

Maverick County, Texas' total restricted net position at September 30, 2020 is \$5,028,677 or 29%. There was a decrease of \$1,402,799 in the restricted net position. This decrease is the result of street construction.

The government's total net position increased by \$6,297,813. This increase is due to the following: An increase in Maintenance and Operations Taxes of \$1,098,084, a reduction in net pension liability of \$1,779,043, and careful budget management.

**Governmental activities:** Governmental activities increased Maverick County, Texas' net position by \$2,401,358, thereby accounting for 38 percent of the total growth in the net position of Maverick County, Texas. This increase is due to the following: An increase in Maintenance and Operations Taxes of \$1,098,084, a reduction in net pension liability of \$1,648,126, and careful budget management.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$5,105,901	\$6,050,371	\$2,631,328	\$2,657,465	\$7,737,229	\$8,707,836
Operating Grants and Contributions	1,819,131	1,190,459			1,819,131	1,190,459
Capital Grants and Contributions	7,700	714,811	2,510,529	66,683	2,518,229	781,494
<b>General Revenues:</b>						
Maintenance and Operations Taxes	15,792,669	14,694,585			15,792,669	14,694,585
Sales Taxes	5,539,794	5,770,611			5,539,794	5,770,611
Other Taxes	41,752	44,624			41,752	44,624
Unrestricted Investment Earnings	9,998	12,530	5,472	5,337	15,470	17,867
Miscellaneous	736,305	891,260			736,305	891,260
<b>Total Revenue</b>	<b>29,053,250</b>	<b>29,369,251</b>	<b>5,147,329</b>	<b>2,729,485</b>	<b>34,200,579</b>	<b>32,098,736</b>
<b>Expenses:</b>						
General Administration	3,954,427	3,237,845			3,954,427	3,237,845
Legal	348,084	316,106			348,084	316,106
Judicial	2,831,487	2,528,642			2,831,487	2,528,642
Financial Administration	1,905,726	1,699,199			1,905,726	1,699,199
Public Facilities	395,205	455,279			395,205	455,279
Public Safety	8,289,465	7,761,662			8,289,465	7,761,662
Public Transportation	3,416,934	3,435,147			3,416,934	3,435,147
Culture and Recreation	715,421	625,968			715,421	625,968
Health and Welfare	1,699,956	1,871,283			1,699,956	1,871,283
Conservation - Agriculture	1,113,996	1,083,755			1,113,996	1,083,755
Interest and Fiscal Charges	1,520,557	1,635,110			1,520,557	1,635,110
Business-Type Activities			1,711,508	3,648,446	1,711,508	3,648,446
<b>Total Expenses</b>	<b>26,191,258</b>	<b>24,649,996</b>	<b>1,711,508</b>	<b>3,648,446</b>	<b>27,902,766</b>	<b>28,298,442</b>
Increase in Net Position Before Transfers and Special Items	2,861,992	4,719,255	3,435,821	(918,961)	6,297,813	3,800,294
Transfers	(460,634)	(3,408,514)	460,634	3,408,514	0	0
Increase in Net Position	2,401,358	1,310,741	3,896,455	2,489,553	6,297,813	3,800,294
Net Position at 09/30/2019 - Restated	(1,691,390)	(3,002,131)	12,468,211	9,978,658	10,776,821	6,976,527
Net Position at 09/30/2020	\$709,968	(\$1,691,390)	\$16,364,666	\$12,468,211	\$17,074,634	\$10,776,821

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$3,954,427	\$366,344	\$0	\$0
Legal	348,084	1,025	23,333	
Judicial	2,831,487	515,699	319,634	
Financial Administration	1,905,726	353,862		
Public Facilities	395,205			7,700
Public Safety	8,289,465	2,904,379	371,504	
Public Transportation	3,416,934	945,203	14,084	
Culture and Recreation	715,421			
Health and Welfare	1,699,956	19,389	1,090,576	
Conservation - Agriculture	1,113,996			
Interest and Fiscal Charges	1,520,557			
Total Government Activities	<u>\$26,191,258</u>	<u>\$5,105,901</u>	<u>\$1,819,131</u>	<u>\$7,700</u>

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$5,105,901	18%
Operating Grants and Contributions	1,819,131	6%
Capital Grants and Contributions	7,700	0%
Maintenance and Operations Taxes	15,792,669	54%
Sales Taxes	5,539,794	19%
Other Taxes	41,752	0%
Unrestricted Investment Earnings	9,998	0%
Miscellaneous	736,305	3%
	<u>\$29,053,250</u>	<u>100%</u>

Except as provided above, increases and/or decreases in expenses closely paralleled inflation and growth in the demand for services.

**Business-type activities:** Business-type activities increased Maverick County, Texas' net position by \$3,896,455, accounting for 62 percent of the total increase in the government's net position. Key elements of this increase are as follows: Maverick County Solid Waste Authority transfers out decreased by \$2,639,810 and careful budget management.

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
<b>Primary Government</b>			
Business-Type Activities:			
Water	\$664,065	\$610,335	\$2,510,529
MCSWA	940,154	2,015,899	
Airport	107,289	5,094	
Total Business-Type Activities	\$1,711,508	\$2,631,328	\$2,510,529

Revenues by Source - Business-Type Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$2,631,328	51.12%
Capital Grants and Contributions	2,510,529	48.77%
Unrestricted Investment Earnings	5,472	0.11%
	<u>\$5,147,329</u>	<u>100%</u>

## Financial Analysis of the Government's Funds

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

**Governmental funds:** The focus of Maverick County, Texas' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Maverick County, Texas' financing requirements. Unreserved *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, Maverick County, Texas' governmental funds reported combined ending fund balances of \$9,960,326, a decrease of \$3,397,607 in comparison with the prior year. *Unassigned fund balance* is \$4,931,609 or 50%. The remainder of fund balance of \$5,028,677 is restricted to indicate that it is not available for new spending because it has already been committed or non-spendable.

The general fund is the chief operating fund of Maverick County, Texas. At the end of the current fiscal year unassigned fund balance of the general fund was \$2,126,483, while total fund balance was \$2,126,843. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 11 percent of total general fund expenditures, while total fund balance represents 11 percent of that same amount.

The fund balance of Maverick County, Texas' general fund decreased by \$1,647,528 during the current fiscal year. This decrease is due to an increase in total expenditures of \$1,202,020 and an increase in net transfers out of \$853,144.

At the end of the current fiscal year unassigned fund balance of the Road and Bridge fund was \$0, while total fund balance was \$877,689. As a measure of the Road and Bridge fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 0 percent of total Road and Bridge fund expenditures, while total fund balance represents 24 percent of that same amount.

The fund balance of Maverick County, Texas' Road and Bridge fund increased by \$57,385 during the current fiscal year. This increase is due to a transfer in of \$2,691,673.

At the end of the current fiscal year unassigned fund balance of the Debt Service fund was \$0, while total fund balance reached \$1,063,185. As a measure of the Debt Service fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 0 percent of total Debt Service fund expenditures, while total fund balance represents 22 percent of that same amount.

The fund balance of Maverick County, Texas' Debt Service fund increased by \$285,735 during the current fiscal year. This increase is a result of property tax revenues exceeding debt service expenditures.

At the end of the current fiscal year unassigned fund balance of the Landfill Waste/Criminal Detention Center fund was \$2,849,533, while total fund balance reached \$2,849,533. As a measure of the Landfill Waste/Criminal Detention Center fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures; however, the Landfill Waste/Criminal Detention Center fund had no expenditures during the year.

The fund balance of Maverick County, Texas' Landfill Waste/Criminal Detention Center fund increased by \$1,036 during the current fiscal year. This increase is immaterial.

**Proprietary funds:** Maverick County, Texas’ proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund amounted to \$385,701, those for the MCSWA Fund amounted to \$591,207, those for the Airport Fund amounted to \$1,218,904, and those for the Commissary Fund amounted to \$47,086. The total increase/(decrease) in net position was \$2,153,529 for the Water Fund, \$1,849,921 for the MCSWA Fund, (\$106,995) for the Airport Fund, and \$0 for the Commissary Fund.

**General Fund Budgetary Highlights**

During the year there was a \$611,974 increase in appropriations between the original and final amended budget. The largest increases were in non-departmental which increased by \$818,076. The primary reason for this increase was due to property acquisition of \$768,792.

**Capital Asset and Debt Administration:**

**Capital assets:** Maverick County, Texas’ investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$33,014,430 (net of cumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, and park facilities. The total increase in Maverick County, Texas’ investment in capital assets for the current fiscal year was 29 percent (a 29 percent increase for governmental activities and a 28 percent increase for business-type activities).

The Water Fund had a water expansion project during the 2020 year. There was also had road improvement projects during the 2020 year. The Solid Waste Authority has executed a constructed cell 3.

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

	Governmental Activities:		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Land	\$6,241,082	\$4,612,570	\$71,209	\$71,209	\$6,312,291	\$4,683,779
Construction in Progress			4,474,042	1,884,724	4,474,042	1,884,724
Buildings	6,074,957	5,625,435	3,265,395	3,387,469	9,340,352	9,012,904
Machinery and Equipment	2,168,640	1,796,106	0	0	2,168,640	1,796,106
Infrastructure	1,793,253	503,715			1,793,253	503,715
Intangible	99,783	128,100			99,783	128,100
Water Rights			539,325	558,360	539,325	558,360
MCSWA			8,286,744	7,045,326	8,286,744	7,045,326
<b>Total</b>	<b>\$16,377,715</b>	<b>\$12,665,926</b>	<b>\$16,636,715</b>	<b>\$12,947,088</b>	<b>\$33,014,430</b>	<b>\$25,613,014</b>

Additional information on Maverick County, Texas’ capital assets can be found in note IV C on page 44 and 45 of this report.

**Long-term debt:** At the end of the current fiscal year, Maverick County, Texas had total bonded debt of \$27,456,997. Of this amount, \$27,456,997 comprises debt backed by the full faith and credit of the government.

	Beginning			Ending	Due Within	Due After
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>	<u>One Year</u>
<u>Governmental Activities:</u>						
General Obligation Bonds	\$25,700,000		\$2,390,000	\$23,310,000	\$1,820,000	\$21,490,000
Tax Notes	2,785,844		665,502	2,120,342	153,676	1,966,666
	<u>28,485,844</u>	<u>0</u>	<u>3,055,502</u>	<u>25,430,342</u>	<u>1,973,676</u>	<u>23,456,666</u>
<u>Business-Type Activities:</u>						
General Obligation Bonds	659,000	1,369,000		2,028,000		2,028,000
Grand Total	<u>\$29,144,844</u>	<u>\$1,369,000</u>	<u>\$3,055,502</u>	<u>\$27,458,342</u>	<u>\$1,973,676</u>	<u>\$25,484,666</u>

Maverick County, Texas' bonded debt decreased by \$1,686,502 (6 percent) during the current fiscal year. This decrease is the result of the issuance of bond and note payments totaling \$3,056,847.

Additional information on Maverick County, Texas' long-term debt can be found in note IV.F on pages 47-51 of this report.

**Outlook**

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

**Requests for Information**

This financial report is designed to provide a general overview of Maverick County, Texas' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Maverick County Auditor, 370 N. Monroe St. Ste.1, Eagle Pass, TX 78852.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$10,071,849	\$4,402,750	\$14,474,599
Receivables (net of allowance for uncollectibles)	4,409,546	811,590	5,221,136
Capital Assets Not Being Depreciated: (Incl: MCSWA)			
Land	4,151,953	71,209	4,223,162
Construction in Progress	2,089,129	4,474,042	6,563,171
Total Capital Assets Being Depreciated, Net			
Buildings	6,074,957	3,265,395	9,340,352
Machinery and Equipment	2,168,640		2,168,640
Infrastructure	1,793,253		1,793,253
Intangible	99,783		99,783
Water Rights		539,325	539,325
MCSWA		8,286,745	8,286,745
Total Assets	<u>\$30,859,110</u>	<u>\$21,851,056</u>	<u>\$52,710,166</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>GASB 68</b>			
Deferred Outflow of Resources-Contributions (after 12/31/19)	1,660,115	87,085	1,747,200
Net difference between projected and actual earnings	0	0	0
Differences between expected and actual experience	0	3,773	3,773
Changes of assumptions	69,323	4,805	74,128
<b>GASB 75</b>			
Differences between projected and actual experience	0	20	20
Differences between expected and actual experience	4,246	517	4,763
Changes of assumptions	87,331	7,713	95,044
Loss on Bond Refunding	357,500		357,500
Total Deferred Outflows of Resources	<u>2,178,515</u>	<u>103,913</u>	<u>2,282,428</u>
<b>LIABILITIES:</b>			
Accounts Payable	\$1,160,110	\$687,064	\$1,847,174
Due to Other Funds	(268)	268	0
Due to Others	0	10,900	10,900
Accrued Wages	340,909	28,555	369,464
Accrued Interest Payable	122,196	0	122,196
Noncurrent Liabilities:			
Due Within One Year	2,906,401	209,847	3,116,248
Due in More Than One Year	26,849,851	4,582,037	31,431,888
Total Liabilities	<u>31,379,199</u>	<u>5,518,671</u>	<u>36,897,870</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
<b>GASB 68</b>			
Net difference between projected and actual earnings		60,787	60,787
Differences between expected and actual experience		8,734	8,734
Changes of assumptions			0
<b>GASB 75</b>			
Net difference between projected and actual earnings	876,893	0	876,893
Differences between expected and actual experience	71,565	252	71,817
Changes of assumptions	0	1,859	1,859
Total Deferred Inflows of Resources	<u>948,458</u>	<u>71,632</u>	<u>1,020,090</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	8,237,900	14,121,768	22,359,668
Restricted			
Construction	601,179		601,179
Debt Service	1,063,185		1,063,185
General Administration	294,039		294,039
Health and Welfare	772,594		772,594
Judicial	666,462		666,462
Public Safety - Sheriff	592,879		592,879
Public Transportation	877,689		877,689
Records Management	160,650		160,650
Unrestricted	(12,556,609)	2,242,898	(10,313,711)
Total Net Position	<u>\$709,968</u>	<u>\$16,364,666</u>	<u>\$17,074,634</u>

The accompanying notes are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Business-Type Activities	Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
Primary government								
Government Activities:								
General Administration	\$3,954,427	\$366,344	\$0			(\$3,588,083)	(\$3,588,083)	
Legal	348,084	1,025	23,333			(323,726)	(323,726)	
Judicial	2,831,487	515,699	319,634			(1,996,154)	(1,996,154)	
Financial Administration	1,905,726	353,862				(1,551,864)	(1,551,864)	
Public Facilities	395,205			7,700		(387,505)	(387,505)	
Public Safety	8,289,465	2,904,379	371,504			(5,013,582)	(5,013,582)	
Public Transportation	3,416,934	945,203	14,084			(2,457,647)	(2,457,647)	
Culture and Recreation	715,421					(715,421)	(715,421)	
Health and Welfare	1,699,956	19,389	1,090,576			(589,991)	(589,991)	
Conservation - Agriculture	1,113,996					(1,113,996)	(1,113,996)	
Interest and Fiscal Charges	1,520,557					(1,520,557)	(1,520,557)	
Total Government Activities	26,191,258	5,105,901	1,819,131	7,700		(19,258,526)	(19,258,526)	
Business-Type Activities:								
Water	664,065	610,335		2,510,529		2,456,799	2,456,799	
MCSWA	940,154	2,015,899				1,075,745	1,075,745	
Airport	107,289	5,094				(102,195)	(102,195)	
Total Business-Type Activities:	1,711,508	2,631,328	0	2,510,529	0	3,430,349	3,430,349	
Total Primary Government	\$27,902,766	\$7,737,229	\$1,819,131	\$2,518,229	(19,258,526)	3,430,349	(15,828,177)	
General Revenues								
Property Taxes, Levies for General Purposes					15,792,669		15,792,669	
Sales Taxes					5,539,794		5,539,794	
Other Taxes					41,752		41,752	
Unrestricted Investment Earnings					9,998	5,472	15,470	
Miscellaneous					736,305		736,305	
Transfers					(460,634)	460,634	0	
Total General Revenues					21,659,884	466,106	22,125,990	
Change in Net Position					2,401,358	3,896,455	6,297,813	
Net Position - Beginning - Restated					(1,691,390)	12,468,211	10,776,821	
Net Position - Ending					\$709,968	\$16,364,666	\$17,074,634	

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

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

	General Fund	Road and Bridge Fund	Debt Service Fund	Landfill Waste/ Criminal Detention Ctr. Fund	Other Governmental Funds	Total Governmental Funds
<i>ASSETS</i>						
Cash and Cash Equivalents	\$5,211,107	\$1,108,768	\$1,063,185	\$8,953	\$2,679,836	\$10,071,849
Receivables (net of allowance for uncollectibles)	2,798,979	25	737,840		459,538	3,996,382
Prepaid Items						0
Due from Other Funds	12,204			2,840,580	545,357	3,398,141
Total Assets	<u>\$8,022,290</u>	<u>\$1,108,793</u>	<u>\$1,801,025</u>	<u>\$2,849,533</u>	<u>\$3,684,731</u>	<u>\$17,466,372</u>
<i>LIABILITIES AND FUND BALANCES:</i>						
<i>Liabilities</i>						
Accounts Payable	\$450,820	\$191,571			\$517,719	\$1,160,110
Due to Other Funds	3,330,962	42			66,869	3,397,873
Accrued Wages	244,711	39,491			56,707	340,909
Unearned Revenues						0
Total Liabilities	<u>4,026,493</u>	<u>231,104</u>	<u>0</u>	<u>0</u>	<u>641,295</u>	<u>4,898,892</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>						
Deferred Property Taxes	1,869,314		737,840			2,607,154
Total Deferred Inflows of Resources	<u>1,869,314</u>	<u>0</u>	<u>737,840</u>	<u>0</u>	<u>0</u>	<u>2,607,154</u>
<i>Fund Balances:</i>						
<i>Restricted</i>						
Construction					601,179	601,179
Debt Service			1,063,185			1,063,185
General Administration					294,039	294,039
Health and Welfare					772,594	772,594
Judicial					666,462	666,462
Public Safety - Sheriff					592,879	592,879
Public Transportation		877,689				877,689
Records Management					160,650	160,650
Unassigned	2,126,483			2,849,533	(44,367)	4,931,649
Total Fund Balance	<u>2,126,483</u>	<u>877,689</u>	<u>1,063,185</u>	<u>2,849,533</u>	<u>3,043,436</u>	<u>9,960,326</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$8,022,290</u>	<u>\$1,108,793</u>	<u>\$1,801,025</u>	<u>\$2,849,533</u>	<u>\$3,684,731</u>	<u>\$17,466,372</u>

The accompanying notes are an integral part of this statement.

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

Total Fund Balances - governmental funds balance sheet	\$9,960,326
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.	16,377,715
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,643,221
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	2,607,154
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(29,878,448)
Net Position of governmental activities - statement of Net Position	<u>\$709,968</u>

The accompanying notes are an integral part of this statement.

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

	General Fund	Road and Bridge Fund	Debt Service Fund	Landfill Waste/ Criminal Detention Ctr. Fund	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>						
Taxes						
Property	\$10,563,061		\$5,071,981			\$15,635,042
Sales	2,782,889			2,756,905		5,539,794
Other	41,752					41,752
Intergovernmental	49,760	14,084			1,762,987	1,826,831
Licenses and Permits	299,291	910,213				1,209,504
Charges for Services	3,508,407	34,990			329,367	3,872,764
Fines and Forfeitures	230,177					230,177
Interest	902		7,374	1,036	686	9,998
Miscellaneous	652,530	24	0		83,751	736,305
Total Revenues	<u>18,128,769</u>	<u>959,311</u>	<u>5,079,355</u>	<u>2,757,941</u>	<u>2,176,791</u>	<u>29,102,167</u>
<i>EXPENDITURES</i>						
Current:						
General Administration	4,309,075				260,975	4,570,050
Legal	319,019					319,019
Judicial	2,331,109				320,183	2,651,292
Financial Administration	1,742,348					1,742,348
Public Facilities	333,199					333,199
Public Safety	7,162,125				514,425	7,676,550
Public Transportation		3,593,599				3,593,599
Culture and Recreation	683,850					683,850
Health and Welfare	441,556				1,161,475	1,603,031
Conservation - Agriculture	1,110,263					1,110,263
Capital Projects -						
Capital Outlay and Other					2,724,728	2,724,728
Debt Service						
Principal Retirement	150,502		3,111,013			3,261,515
Interest Retirement	46,378		1,723,318			1,769,696
Total Expenditures	<u>18,629,424</u>	<u>3,593,599</u>	<u>4,834,331</u>	<u>0</u>	<u>4,981,786</u>	<u>32,039,140</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures	(500,655)	(2,634,288)	245,024	2,757,941	(2,804,995)	(2,936,973)
<i>OTHER FINANCING SOURCES (USES):</i>						
Debt Issuance Proceeds					0	0
Operating Transfers In	2,495,594	2,691,673	40,714		814,958	6,042,939
Operating Transfers Out	(3,642,467)	0		(2,756,905)	(104,201)	(6,503,573)
Total Other Financing Sources (Uses)	<u>(1,146,873)</u>	<u>2,691,673</u>	<u>40,714</u>	<u>(2,756,905)</u>	<u>710,757</u>	<u>(460,634)</u>
Net Changes in Fund Balances	(1,647,528)	57,385	285,738	1,036	(2,094,238)	(3,397,607)
Fund Balances - Beginning - Restated	3,774,011	820,304	777,447	2,848,497	5,137,674	13,357,933
Fund Balances - Ending	<u>2,126,483</u>	<u>877,689</u>	<u>1,063,185</u>	<u>2,849,533</u>	<u>3,043,436</u>	<u>9,960,326</u>

The accompanying notes are an integral part of this statement.

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

Net Changes in Fund Balances - total governmental funds	(\$3,397,607)
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.	3,711,789
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.	(206,544)
Amortization of Loss on Refunded Bonds -	(27,810)
Amortization of Bond Premium	275,910
<b>GASB 68</b>	
Deferred Outflow of Resources-Contributions (after 12/31/19) - This is the change in these amounts this year.	354,606
Net difference between projected and actual earnings - This is the change in these amounts this year.	(2,938,301)
Differences between expected and actual experience - This is the change in these amounts this year.	(118,794)
Changes of assumptions - This is the change in these amounts this year.	(69,152)
<b>GASB 75</b>	
Net difference between projected and actual earnings - This is the change in these amounts this year.	(4,397)
Differences between expected and actual experience - This is the change in these amounts this year.	4,246
Changes of assumptions - This is the change in these amounts this year.	58,156
Loss on Bond Refunding - This is the change in these amounts this year.	(27,500)
(Increase) decrease in Compensated Absences from beginning of period to end of period.	(141,221)
Capital Lease Issuance Proceeds	0
(Increase) decrease in Accrued Interest Payable from beginning of period to end of period.	28,539
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	157,627
(Increase) decrease in Net Pension Liability from beginning of period to end of period.	1,648,126
(Increase) decrease in OPEB Payable from beginning of period to end of period.	(167,830)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	<u>3,261,515</u>
Change in Net Position of governmental activities - statement of activities	<u>\$2,401,358</u>

The accompanying notes are an integral part of this statement.

MAVERICK COUNTY, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Taxes				
Property	\$10,176,810	\$10,176,810	\$10,563,061	\$386,251
Sales	2,700,000	2,700,000	2,782,889	82,889
Other	48,050	48,050	41,752	(6,298)
Intergovernmental	48,533	48,533	49,760	1,227
Licenses and Permits	260,000	260,000	299,291	39,291
Charges for Services	3,849,846	3,849,846	3,508,407	(341,439)
Fines and Forfeitures	341,508	341,508	230,177	(111,331)
Interest	100	100	902	802
Miscellaneous	356,112	522,308	652,530	130,222
Total Revenues	17,780,959	17,947,155	18,128,769	181,614
<i>EXPENDITURES</i>				
Current:				
General Administration				
Bank Fees	10,000	19,917	33,877	(13,960)
Code Enforcement	105,624	95,624	81,411	14,213
County Clerk	258,335	261,351	239,289	22,062
County Judge and Commissioners	878,190	1,023,813	858,139	165,674
Elections	322,025	313,348	272,085	41,263
Human Resources	108,827	109,827	104,314	5,513
IT Media Tech	39,380	15,680	158	15,522
Matching Funds	44,711	46,584	2,885	43,699
Non-Departmental	1,699,753	2,517,829	2,262,130	255,699
Planner	73,015	63,973	34,129	29,844
State Aid	324,001	323,700	323,700	0
Veterans Service	54,177	54,477	50,345	4,132
VFW Precinct No. 1	52,180	52,180	46,613	5,567
Legal				
County Attorney	418,758	417,063	319,019	98,044
Judicial				
293rd District	488,400	489,065	419,204	69,861
365th District	482,564	486,547	444,452	42,095
Collections Department	105,958	105,958	86,229	19,729
District Attorney	441,249	423,249	423,501	(252)
District Clerk	464,263	464,262	438,288	25,974
Justice of the Peace	545,450	545,450	519,435	26,015
Financial Administration				
County Auditor	594,682	594,682	567,142	27,540
County Treasurer	397,368	399,527	379,999	19,528
Information Department	358,086	358,086	295,763	62,323
Tax Assessor-Collector	662,848	579,811	499,444	80,367
Public Facilities				
Courthouse	484,022	466,922	333,199	133,723
Public Safety				
Code Enforcement	163,469	163,469	161,438	2,031
Constables	472,387	436,912	378,952	57,960
HIDTA - City of Eagle Pass	60,185	60,185	59,689	496
Jail	3,840,743	3,764,249	3,292,983	471,266
Sheriff	3,614,543	3,448,456	3,137,001	311,455
Vector Control	130,416	135,923	132,062	3,861

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Culture and Recreation				
Administrative Office	96,142	135,242	103,880	31,362
Community Center	242,196	227,296	182,292	45,004
Compt. Center - Pct. 1	91,865	125,848	120,575	5,273
Parks and Recreation	220,121	345,107	277,103	68,004
Health and Welfare				
Cemetery	213,406	193,406	173,217	20,189
Food Pantry	340,081	300,446	268,339	32,107
Conservation - Agriculture				
Agriculture Extension Service	84,982	85,434	51,039	34,395
Intergovernmental Agriculture Contract Service	1,119,045	1,064,523	1,059,224	5,299
Debt Service				
Principal Retirement	152,285	152,285	150,502	1,783
Interest Retirement	44,595	44,595	46,378	(1,783)
Total Expenditures	<u>20,300,327</u>	<u>20,912,301</u>	<u>18,629,424</u>	<u>2,282,877</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,519,368)</u>	<u>(2,965,146)</u>	<u>(500,655)</u>	<u>2,464,491</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,209,715	2,695,732	2,495,594	(200,138)
Operating Transfers Out	<u>(4,919,571)</u>	<u>(5,055,167)</u>	<u>(3,642,467)</u>	<u>1,412,700</u>
Total Other Financing Sources (Uses)	<u>(2,709,856)</u>	<u>(2,359,435)</u>	<u>(1,146,873)</u>	<u>1,212,562</u>
Net Changes in Fund Balances	(5,229,224)	(5,324,581)	(1,647,528)	3,677,053
Fund Balances - Beginning - Restated	<u>3,774,011</u>	<u>3,774,011</u>	<u>3,774,011</u>	
Fund Balances - Ending	<u>(\$1,455,213)</u>	<u>(\$1,550,570)</u>	<u>\$2,126,483</u>	<u>\$3,677,053</u>

The accompanying notes are an integral part of this statement.

MAVERICK COUNTY, TEXAS  
ROAD AND BRIDGE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$15,064	\$15,064	\$14,084	(\$980)
Licenses and Permits	840,000	840,000	910,213	70,213
Charges for Services	25,400	25,400	34,990	9,590
Miscellaneous	8,398	8,398	24	(8,374)
Total Revenues	<u>888,862</u>	<u>888,862</u>	<u>959,311</u>	<u>70,449</u>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	3,974,371	3,941,644	3,593,599	348,045
Total Expenditures	<u>3,974,371</u>	<u>3,941,644</u>	<u>3,593,599</u>	<u>348,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,085,509)	(3,052,782)	(2,634,288)	418,494
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	2,825,484	2,698,437	2,691,673	(6,764)
Transfers Out	(5,977)	(5,977)		5,977
Total Other Financing Sources (Uses)	<u>2,819,507</u>	<u>2,692,460</u>	<u>2,691,673</u>	<u>(787)</u>
Net Changes in Fund Balances	(\$266,002)	(\$360,322)	57,385	\$417,707
Fund Balances - Beginning	<u>820,304</u>	<u>820,304</u>	<u>820,304</u>	
Fund Balances - Ending	<u>\$554,302</u>	<u>\$459,982</u>	<u>\$877,689</u>	<u>\$417,707</u>

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

MAVERICK COUNTY, TEXAS  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property	\$4,789,507	\$4,789,507	\$5,071,981	\$282,474
Interest			7,374	7,374
Miscellaneous				0
Total Revenues	<u>4,789,507</u>	<u>4,789,507</u>	<u>5,079,355</u>	<u>289,848</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal Retirement	3,111,472	3,111,472	3,111,013	459
Interest Retirement	<u>1,682,477</u>	<u>1,723,192</u>	<u>1,605,155</u>	<u>118,037</u>
Total Expenditures	<u>4,793,949</u>	<u>4,834,664</u>	<u>4,716,168</u>	<u>118,496</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,442)</u>	<u>(45,157)</u>	<u>363,187</u>	<u>408,344</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In		40,714	40,714	0
Transfers Out			<u>(118,163)</u>	<u>(118,163)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>40,714</u>	<u>(77,449)</u>	<u>(118,163)</u>
Net Changes in Fund Balances	<u>(4,442)</u>	<u>(4,443)</u>	<u>285,738</u>	<u>290,181</u>
Fund Balances - Beginning	<u>777,447</u>	<u>777,447</u>	<u>777,447</u>	
Fund Balances - Ending	<u>\$773,005</u>	<u>\$773,004</u>	<u>\$1,063,185</u>	<u>\$290,181</u>

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

BUSINESS TYPE ACTIVITIES  
 - ENTERPRISE FUNDS

	Water Current Year	Water Prior Year	MCSWA Current Year	MCSWA Prior Year	Airport Current Year	Airport Prior Year	Commissary Current Year	Commissary Prior Year	Totals Current Year
<b>ASSETS</b>									
<b>Current Assets</b>									
Cash and Cash Equivalents	\$433,516	\$312,240	\$2,693,523	\$5,440,326	\$1,231,494	\$47,362	\$44,217	\$67,417	\$4,402,750
Accounts Receivables (net of allowance for uncollectibles)	584,388	28,528	224,333	480,922			2,869		811,590
Prepaid Items									0
Due from Other Funds						1,280,929			0
<b>Total Current Assets</b>	<b>1,017,904</b>	<b>340,768</b>	<b>2,917,856</b>	<b>5,921,248</b>	<b>1,231,494</b>	<b>1,328,291</b>	<b>47,086</b>	<b>67,417</b>	<b>5,214,340</b>
<b>Noncurrent Assets</b>									
<b>Restricted Assets:</b>									
Cash and Cash Equivalents		659,000							0
<b>Total Restricted Assets</b>	<b>0</b>	<b>659,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Assets</b>									
Land	143	143	308,919	308,919	71,066	71,066			380,128
Landfill Cell One, Two, and Three			8,443,551	5,482,492					8,443,551
Buildings	4,749,646	4,749,646	502,395	502,396	133,337	133,337			5,385,378
Machinery and Equipment	1,304,892	1,304,892	4,190,789	3,905,757					5,495,681
Infrastructure			1,935,484	1,935,484	21,942	21,942			1,957,426
Landfill Permit			2,175,361	2,175,360					2,175,361
Water Rights	761,400	761,400							761,400
Construction in Progress	4,474,042	563,025		1,321,699					4,474,042
<b>Total Capital Assets</b>	<b>11,290,123</b>	<b>7,379,106</b>	<b>17,556,499</b>	<b>15,632,107</b>	<b>226,345</b>	<b>226,345</b>	<b>0</b>	<b>0</b>	<b>29,072,967</b>
Less Accumulated Depreciation/Amortization	(3,070,281)	(2,932,505)	(9,269,754)	(8,586,782)	(96,216)	(92,883)			(12,436,251)
<b>Total Capital Assets (net of accumulated depreciation)</b>	<b>8,219,842</b>	<b>4,446,601</b>	<b>8,286,745</b>	<b>7,045,325</b>	<b>130,129</b>	<b>133,462</b>	<b>0</b>	<b>0</b>	<b>16,636,716</b>
<b>Total Noncurrent Assets</b>	<b>8,219,842</b>	<b>5,105,601</b>	<b>8,286,745</b>	<b>7,045,325</b>	<b>130,129</b>	<b>133,462</b>	<b>0</b>	<b>0</b>	<b>16,636,716</b>
<b>TOTAL ASSETS</b>	<b>\$9,237,746</b>	<b>\$5,446,369</b>	<b>\$11,204,601</b>	<b>\$12,966,573</b>	<b>\$1,361,623</b>	<b>\$1,461,753</b>	<b>\$47,086</b>	<b>\$67,417</b>	<b>\$21,851,056</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
<b>GASB 68</b>									
Deferred Outflow of Resources-Contributions (after 12/31/18)		20,521		56,609		6,301			0
Deferred Outflow of Resources-Contributions (after 12/31/19)	24,952		54,196		7,937				87,085
Differences between projected and actual experience		32,403		103,291		9,949			0
Differences between expected and actual experience		742	3,773	2,366		228			3,773
Changes of assumptions	1,042	2,177	3,432	6,938	331	668			4,805
<b>GASB 75</b>									
Differences between projected and actual experience		69			20	21			20
Differences between expected and actual experience	64		453						517
Change in assumptions or inputs	1,313	459	5,982	957	418	141			7,713
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>27,371</b>	<b>56,371</b>	<b>67,836</b>	<b>170,161</b>	<b>8,706</b>	<b>17,308</b>	<b>0</b>	<b>0</b>	<b>103,913</b>

(continued)

(continued)

	Water Current Year	Water Prior Year	MCSWA Current Year	MCSWA Prior Year	Airport Current Year	Airport Prior Year	Commissary Current Year	Commissary Prior Year	Totals Current Year
<b>AND OTHER CREDITS</b>									
Liabilities									
Current Liabilities (Payable from Current Assets)									
Accounts Payable	\$579,602	\$272,038	\$107,174	\$1,957,471	\$288				\$687,064
Accrued Wages	4,415	4,023	22,451	12,661	1,689	1,150			28,555
Accrued Interest Payable									0
Due to Other Funds	268	234							268
Due to Others	10,900	70,738						20,331	10,900
Compensated Absences			4,722	4,511					4,722
Capital Lease Obligation			205,125	289,953					205,125
Compromise and Settlement Note Payable				96,336					0
Bonds, Notes, and Loans Payable - Current									0
<b>Total Current Liabilities</b>	<b>595,185</b>	<b>347,033</b>	<b>339,472</b>	<b>2,360,932</b>	<b>1,977</b>	<b>1,150</b>	<b>0</b>	<b>20,331</b>	<b>936,634</b>
Noncurrent Liabilities									
Compensated Absences			44,857	42,953					44,857
Capital Lease Obligation			281,823	486,948					281,823
Bonds Payable	2,028,000	659,000							2,028,000
Compromise and Settlement Note Payable									0
Net Pension Payable	40,821	65,593	114,987	213,252	11,823	19,703			167,631
Net OPEB Payable	9,312	7,100	29,483	21,574	2,962	2,180			41,757
Accrued Landfill Closure and Postclosure Care Costs			2,017,969	3,467,431					2,017,969
<b>Total Noncurrent Liabilities</b>	<b>2,078,133</b>	<b>731,693</b>	<b>2,489,119</b>	<b>4,232,158</b>	<b>14,785</b>	<b>21,883</b>	<b>0</b>	<b>0</b>	<b>4,582,037</b>
<b>Total Liabilities</b>	<b>2,673,318</b>	<b>1,078,726</b>	<b>2,828,591</b>	<b>6,593,090</b>	<b>16,762</b>	<b>23,033</b>	<b>0</b>	<b>20,331</b>	<b>5,518,671</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
<b>GASB 68</b>									
Differences between expected and actual experience	1,076		7,316		342				8,734
Differences between projected and actual experience	13,180		43,415		4,192				60,787
<b>GASB 75</b>									
Differences between expected and actual experience			252						252
Differences between projected and actual experience				2,561					0
Change in assumptions or inputs			1,859						1,859
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>14,256</b>	<b>0</b>	<b>52,842</b>	<b>2,561</b>	<b>4,534</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71,632</b>
Net Position									
Invested in Capital Assets, Net of Related Debt	6,191,842	3,787,601	7,799,797	4,956,316	130,129	133,462	0	0	14,121,768
Unrestricted	385,701	636,413	591,207	1,584,767	1,218,904	1,322,566	47,086	47,086	2,242,898
<b>Total Net Position</b>	<b>\$6,577,543</b>	<b>\$4,424,014</b>	<b>\$8,391,004</b>	<b>\$6,541,083</b>	<b>\$1,349,033</b>	<b>\$1,456,028</b>	<b>\$47,086</b>	<b>\$47,086</b>	<b>\$16,364,666</b>

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

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

	Water Current Year	Water Prior Year	MCSWA Current Year	MCSWA Prior Year	Airport Current Year	Airport Prior Year	Commissary Current Year	Commissary Prior Year	Totals Current Year
<b>OPERATING REVENUES:</b>									
Charges for Services	\$609,471	\$655,293			\$5,094	\$5,780			614,565
Tipping Fee			1,897,736	1,989,364					1,897,736
Miscellaneous	864	5,511	118,163	1,517					119,027
<b>Total Operating Revenues</b>	<b>610,335</b>	<b>660,804</b>	<b>2,015,899</b>	<b>1,990,881</b>	<b>5,094</b>	<b>5,780</b>	<b>0</b>	<b>0</b>	<b>2,631,328</b>
<b>OPERATING EXPENSES:</b>									
Personal Services	263,955	241,270	918,545	817,920	88,134	79,019			1,270,634
Supplies	107,880	151,175	19,165	14,915	5,993	15,938			133,038
Other Services and Charges	154,454	91,952	741,667	854,941	9,829	17,045			905,950
Depreciation	137,776	137,885	682,972	843,453	3,333	3,334			824,081
Closure and Post Closure Care Costs (Recovery)			(1,449,463)	341,510					(1,449,463)
<b>Total Operating Expenses</b>	<b>664,065</b>	<b>622,282</b>	<b>912,886</b>	<b>2,872,739</b>	<b>107,289</b>	<b>115,336</b>	<b>0</b>	<b>0</b>	<b>1,684,240</b>
<b>Operating Income (Loss)</b>	<b>(53,730)</b>	<b>38,522</b>	<b>1,103,013</b>	<b>(881,858)</b>	<b>(102,195)</b>	<b>(109,556)</b>	<b>0</b>	<b>0</b>	<b>947,088</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>									
Interest Income			5,472	5,337					5,472
Grant Revenue	2,510,529			66,683					2,510,529
Interest and Fiscal Charges			(27,268)	(38,089)					(27,268)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>2,510,529</b>	<b>0</b>	<b>(21,796)</b>	<b>33,931</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,488,733</b>
<b>Income Before Transfers</b>	<b>2,456,799</b>	<b>38,522</b>	<b>1,081,217</b>	<b>(847,927)</b>	<b>(102,195)</b>	<b>(109,556)</b>	<b>0</b>	<b>0</b>	<b>3,435,821</b>
<b>Transfers In (Out) - Net</b>	<b>(303,270)</b>		<b>768,704</b>	<b>3,408,514</b>	<b>(4,800)</b>	<b>0</b>			<b>460,634</b>
<b>Change in Net Position</b>	<b>2,153,529</b>	<b>38,522</b>	<b>1,849,921</b>	<b>2,560,587</b>	<b>(106,995)</b>	<b>(109,556)</b>	<b>0</b>	<b>0</b>	<b>3,896,455</b>
<b>Total Net Position - Beginning - Restated</b>	<b>4,424,014</b>	<b>4,385,492</b>	<b>6,541,083</b>	<b>3,980,496</b>	<b>1,456,028</b>	<b>1,565,584</b>	<b>47,086</b>	<b>47,086</b>	<b>12,468,211</b>
<b>Total Net Position - Ending</b>	<b>\$6,577,543</b>	<b>\$4,424,014</b>	<b>\$8,391,004</b>	<b>\$6,541,083</b>	<b>\$1,349,033</b>	<b>\$1,456,028</b>	<b>\$47,086</b>	<b>\$47,086</b>	<b>\$16,364,666</b>

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

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

BUSINESS TYPE ACTIVITIES  
- ENTERPRISE FUNDS

	Water Current Year	Water Prior Year	MCSWA Current Year	MCSWA Prior Year	Airport Current Year	Airport Prior Year	Commissary Current Year	Commissary Prior Year	Totals Current Year
Cash Flows from Operating Activities									
Receipts From Customers and Users	(\$5,329)	\$652,781	\$2,272,488	\$1,687,884	\$5,094	\$5,780	(\$23,200)	(\$39,064)	2,249,053
Payments to Suppliers	45,230	17,895	(2,611,129)	1,023,583	1,265,395	77,839	0	0	(1,300,504)
Payments to Employees	(242,867)	(233,618)	(844,389)	(773,281)	(81,557)	(76,974)	0	0	(1,168,813)
Net Cash Provided (Used) By Operating Activities	(202,966)	437,058	(1,183,030)	1,938,186	1,188,932	6,645	(23,200)	(39,064)	(220,264)
Cash Flows from Non-Capital and Related Financing Activities									
Transfers In (Out) - Net	(303,270)	0	768,704	3,408,514	(4,800)	0	0	0	460,634
Federal Grant and Contributions	2,510,529	0	0	66,683					2,510,529
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	2,207,259	0	768,704	3,475,197	(4,800)	0	0	0	2,971,163
Cash Flows from Capital and Related Financing Activities									
Payment of Revenue Bonds, Notes and Capital Leases			(289,953)	(279,131)					(289,953)
Amortization of City of Eagle Pass Liability	0	0	(96,336)	(96,336)	0	0	0	0	(96,336)
Proceeds from Capital Debt	1,369,000	659,000							1,369,000
Interest and Fiscal Charges			(27,268)	(38,089)					(27,268)
Acquisition of Capital Assets	(3,911,017)	(263,255)	(1,924,392)	(1,312,107)					(5,835,409)
Net Cash Provided (Used) By Capital and Related Financing Activities	(2,542,017)	395,745	(2,337,949)	(1,725,663)	0	0	0	0	(4,879,966)
Cash Flows from Investing Activities									
Interest Received	0	0	5,472	5,337	0	0	0	0	5,472
Net Cash Provided (Used) by Investment Activities	0	0	5,472	5,337	0	0	0	0	5,472
Net Increase (Decrease) in Cash Equivalents	(537,724)	832,803	(2,746,803)	3,693,057	1,184,132	6,645	(23,200)	(39,064)	(2,123,595)
Cash and Cash Equivalents at Beginning of Year	971,240	138,437	5,440,326	1,747,269	47,362	40,717	67,417	106,481	6,526,345
Cash and Cash Equivalents at End of Year	\$433,516	\$971,240	\$2,693,523	\$5,440,326	\$1,231,494	\$47,362	\$44,217	\$67,417	\$4,402,750
Unrestricted Assets:									
Cash and Cash Equivalents	\$433,516	\$312,240	\$2,693,523	\$5,440,326	\$1,231,494	\$47,362	\$44,217	\$67,417	4,402,750
Restricted Assets:									
Cash and Cash Equivalents	0	659,000	0	0	0	0	0	0	0
Total	\$433,516	\$971,240	\$2,693,523	\$5,440,326	\$1,231,494	\$47,362	\$44,217	\$67,417	\$4,402,750

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BUSINESS TYPE ACTIVITIES  
- ENTERPRISE FUNDS

	Water Current Year	Water Prior Year	MCSWA Current Year	MCSWA Prior Year	Airport Current Year	Airport Prior Year	Commissary Current Year	Commissary Prior Year	Totals Current Year
Reconciliation of operating income to net cash provided (used) by operating activities:									
Operating Income (Loss)	(53,730)	38,522	1,103,013	(881,858)	(102,195)	(109,556)	0	0	947,088
Adjustments to Reconcile to Net Cash Flow									
Non-Cash Items Included in Net Income									
Depreciation	137,776	137,885	682,972	843,453	3,333	3,334	0	0	824,081
Closure and Post Closure Care Costs	0	0	(1,449,463)	341,510	0	0	0	0	(1,449,463)
Changes in Current Items									
Decrease (Increase) in Accounts Receivable	(555,860)	(2,015)	256,589	(302,997)	0	0	(2,869)	0	(302,140)
Decrease (Increase) in Prepaid Items	0	0	0	0	0	0	0	0	0
Decrease (Increase) in Due from Other Funds	0	0	0	0	1,280,929	110,822	0	0	1,280,929
Decrease (Increase) in Due from Others	0	0	0	0	0	0	0	0	0
<b>GASB 68</b>									
Decrease (Outcrease) Deferred Outflow of Res.-Contributions	(4,431)	(1,600)	2,413	(6,415)	(1,636)	(539)	0	0	(3,654)
Net difference between projected and actual earnings	45,583	(35,632)	146,706	(116,407)	14,141	(10,932)	0	0	206,430
Differences between expected and actual experience	1,818	(5,910)	5,909	(21,098)	570	(1,802)	0	0	8,297
Changes of assumptions	1,135	1,992	3,506	10,425	337	602	0	0	4,978
<b>GASB 75</b>									
Increase (Decrease) Deferred Inflow-									
Net difference between projected and actual earnings	69	(69)	(2,561)	2,561	1	(21)	0	0	(2,491)
Differences between expected and actual experience	(64)	0	(201)	0	0	0	0	0	(265)
Changes of assumptions	(854)	(131)	(3,166)	(957)	(277)	(41)	0	0	(4,297)
Increase (Decrease) in Accounts Payable	307,564	261,022	(1,850,297)	1,893,439	288	0	0	0	(1,542,445)
Increase (Decrease) in Accrued Wages	392	1,780	9,790	2,297	539	260	0	0	10,721
Increase (Decrease) in Accrued Interest Payable	0	0	0	0	0	0	0	0	0
Increase (Decrease) in Compensated Absences	0	0	2,116	1,177	0	0	0	0	2,116
Increase (Decrease) in Due to Other Funds	34	(6,845)	0	0	0	0	0	0	34
Increase (Decrease) in Due to Others	(59,838)	837	0	0	0	0	(20,331)	(39,064)	(80,169)
Increase (Decrease) in Net Pension Liability	(24,772)	47,521	(98,265)	151,482	(7,880)	14,591	0	0	(130,917)
Increase (Decrease) in Net OPEB Payable	2,212	(299)	7,909	21,574	782	(73)	0	0	10,903
Net Cash Provided (Used)									
By Operating Activities	(202,966)	437,058	(1,183,030)	1,938,186	1,188,932	6,645	(23,200)	(39,064)	(220,264)
Noncash Investing, Capital, and Financing Activities:									
Bond Proceeds	\$1,369,000	\$659,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,369,000
Grant Revenue	2,510,529	0	0	66,683	0	0	0	0	\$2,510,529
Capital Lease	0	0	0	0	0	0	0	0	0
Total	\$3,879,529	\$659,000	\$0	\$66,683	\$0	\$0	\$0	\$0	\$3,879,529

Note: The above funds are all Enterprise Funds.

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

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

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	<u>\$8,347,096</u>
Total Assets	<u><u>\$8,347,096</u></u>
<b>LIABILITIES</b>	
Due to Others	<u>\$8,347,096</u>
Total Liabilities	<u><u>\$8,347,096</u></u>

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

**Maverick County, Texas**  
Notes to the Financial Statements  
September 30, 2020

**I. Summary of significant accounting policies**

**A. Reporting entity/ Basis of Accounting/Measurement Focus**

Maverick County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), 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 Maverick 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 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 and Business-Type Activities for the County accompanied by a total column. Fiduciary activities of the County are not included in these statements.

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

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. 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.

### C. Governmental Fund Financial Statements

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

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

The debt service fund is used to service the County’s bonds and notes payable.

Landfill Waste/Criminal Detention Center Fund is used to collect sales tax for transferring to the Solid Waste Authority Fund (MCSWA).

#### **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 and for the nonmajor funds aggregated.

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.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating 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.

The government reports the following major proprietary funds:

The Water Utility Fund accounts for the operation of the County's water utility.

The Maverick County Solid Waste accounts for the landfill operations of the County and is accounted for using the accrual basis of accounting.

The Airport Fund operates the County Airport.

The Commissary Fund manages the Commissary for the Jail Inmates.

#### **E. 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.

## F. Blended Component Units

In 2019, the County implemented GASB Statement No. 80, *Blending Requirements for Certain Component Units- An Amendment of GASB Statements No. 14*. Using the criteria of GASB Statement No. 80 as outlined below, potential component units were evaluated for inclusion in, or exclusion from, the reporting entity, whether the organizations were financially accountable or not, and were further evaluated for financial statement presentation. It was determined that all component units of the County continued to be blended as though they are part of the County.

GASB Statement No. 80 This Statement establishes an additional blending requirement for the financial statement presentation of component units. This Statement applies to all state and local governments. This Statement applies to component units that are organized as not-for profit corporations in which the primary government is the sole corporate member. This Statement does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This Statement amends Statement No. 14, *The Financial Reporting Entity*, paragraph 53, and Implementation Guide No. 2015-1, Question 4.30.1.

A component unit should be included in the reporting entity financial statements using the blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member,<sup>1</sup> as identified in the component unit's articles of incorporation or bylaws, and the component unit is included in the financial reporting entity pursuant to the provisions in paragraphs 21–37 of Statement 14, as amended.

Predicated upon the application of the criteria outlined above, the following is a brief overview of component units included in the reporting entity.

These financial statements include two blended component units, the Child Welfare Board and the *Maverick County Solid Waste Authority, Inc.* (MCSWA), and a brief description is presented below:

### MCSWA

On August 10, 2009 the Maverick County Commissioners' Court approved creation of MCSWA (a Texas non-profit corporation) for the purpose of operating the County's type I landfill. This corporation was formed pursuant to the Texas Transportation Code which authorizes the corporation to assist and act on behalf of Maverick County to accomplish any governmental purpose of Maverick County. The bylaws of the corporation call for Maverick County Commissioners' Court appointment and approval of the corporation's five-member Board of Directors. The MCSWA was formed on August 25, 2009 and commenced its operations on October 7, 2009. MCSWA will assume the operation of the County's landfill, which began operations on October 1, 2010. The MCSWA is a major enterprise fund.

### Child Welfare Board

The governing board is appointed by the County. Funding for the board is provided by the State of Texas through the County; the County is fiscally and legally accountable to the state for the activities of the board. The Child Welfare Board is reported in the nonmajor special revenue funds.

## **G. Non-Profit Corporations**

Certain organizations established in accordance with state laws promote business development and issue industrial development bonds. These organizations include: *Maverick County Development Corporation and Maverick County Industrial Development Corporation*. Bonds issued by these organizations do not constitute indebtedness to the County and are secured solely by the organizations or individuals on whose behalf the bonds are issued. These organizations are not included in the County's reporting entity.

## **H. interlocal Agreements**

Maverick County Solid Waste Authority

During the fiscal year, the Solid Waste Authority entered into an Interlocal Governmental Agreement with the County whereby the Solid Waste Authority agreed to pledge monetary funds from tipping fees and the County has agreed to accept the monetary funds pledged by the Solid Waste Authority.

Per terms of the agreement, the Solid Waste Authority agreed to transfer \$1,903,208 during the year.

## **I. 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 to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as fair value of the pool shares.

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.

### **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 trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 1 percent of current outstanding property taxes at September 30, 2020, and 10 percent of delinquent outstanding property taxes at September 30, 2020. Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

### **3. Inventories and prepaid items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

Maverick County had no restricted assets at September 30, 2020.

#### 5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years.

As the government constructs or acquires additional capital assets each period, they are capitalized and reported at acquisition value. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Water Fund had a water expansion project during the 2020 year. There was also had road improvement projects during the 2020 year. The Solid Waste Authority has executed a constructed cell 3.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Public Domain infrastructure	40
System infrastructure	40
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, comp. time, 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, governmental funds and proprietary 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 equity

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

*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.

*Unassigned*— all other spendable amounts.

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

Fund Balances:	
Restricted	
Construction	\$601,179
Debt Service	1,063,185
General Administration	294,039
Health and Welfare	772,594
Judicial	666,462
Public Safety - Sheriff	592,879
Public Transportation	877,689
Records Management	160,650
Unassigned	<u>4,931,649</u>
Total Fund Balance	<u>\$9,960,326</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions. In fiscal year 2011, the Commissioners' Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least equal to 25 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 has two items that qualify for reporting in this category. They are deferred under GASB 68 and GASB 75.

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 has two items that qualify for reporting in this category. They are deferred under GASB 68 and GASB 75.

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

## **11. Net position flow assumption**

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

## II. Reconciliation of government-wide and fund financial statements

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

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 \$29,878,448 difference are as follows:

Tax Notes Payable	\$2,120,342
Bonds Payable	23,310,000
Capital Lease Payable	683,438
Compensated Absences	716,178
Accrued Interest Payable	122,196
Net Pension Liability	2,306,765
Net OPEB Payable	619,529
	<u>\$29,878,448</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net 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 \$16,377,715 difference are as follows:

Capital assets not being depreciated	\$6,241,082
Capital assets being depreciated	27,110,372
Depreciation expense	(16,973,739)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in Net Position of governmental activities	<u>\$16,377,715</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 \$2,607,154 difference are as follows:

Property Taxes Receivable	\$2,808,870
Allowance for Doubtful Accounts	<u>(201,716)</u>
Net	<u>\$2,607,154</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 "Justice's of the Peace fines and fees receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles") and amounts deferred pursuant to GASB 68 and GASB 75. The details of this \$1,643,221 difference are as follows:

Fines Receivable	\$2,632,459
Allowance for Doubtful Accounts	(2,219,295)
<b>GASB 68</b>	
Deferred Outflow of Resources-Contributions (after 12/31/19)	1,660,115
Net difference between projected and actual earnings	(876,893)
Differences between expected and actual experience	(71,565)
Changes of assumptions	69,323
<b>GASB 75</b>	
Differences between expected and actual experience	4,246
Changes of assumptions	87,331
Bond Issuance Premium	<u>357,500</u>
Net	<u>\$1,643,221</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 \$3,711,789 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$2,963,950
Capital Outlay - Additions - Being Depreciated (Net)	1,952,394
Capital Outlay - Deletions	0
Depreciation Expense	(1,204,555)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$3,711,789</u>

### **III. Stewardship, compliance, and accountability**

#### **A. Budgetary information**

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

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court. The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash. When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the line item. Budgets were adopted in conformity with generally accepted accounting principles (GAAP). A budget for the 2020 fiscal year was adopted for the General Fund, the Road and Bridge fund, and the Debt Service fund.

#### **B. Excess of expenditures over appropriations**

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

#### **C. Deficit fund equity**

The county had no deficit fund balances as of September 30, 2020 except for the following: the D.A. Border Prosecution fund - \$205, the Stone Garden 2009 fund - \$44,157, DA Border Prosecution - \$205, and the CDBG fund 7217299 - \$5. This deficit is expected to be liquidated by future resources of the fund.

#### IV. Detailed notes on all funds

##### A. Deposits and investments

Legal and Contractual Provisions Governing Deposits and Investments:

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

Policies Governing Deposits and Investments:

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy.

*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 does have a deposit policy for custodial credit risk. As of September 30, 2020, the government's depository bank balance of \$23,064,668 was not exposed to custodial credit risk because it was fully insured and collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$24,539,203 and the FDIC coverage is \$250,000.

At September 30, 2020, the Solid Waste Authority had cash and cash equivalents totaling \$2,367,190. The Solid Waste Authority's deposits at September 30, 2020, were entirely covered by FDIC insurance or by pledged collateral held by the Solid Waste Authority's depository banks in their name.

The total book amount of cash was \$22,821,695 at September 30, 2020.

## B. Receivables

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

	General	Road and Bridge	Debt Service	Other Governmental Funds	Water	MCSWA	Commissary	Total
<u>Receivables</u>								
Taxes	\$2,017,959		\$790,911					\$2,808,870
Accounts	111,374			21,212	11,186	224,333		368,105
Fines	2,632,459							2,632,459
Sales Tax	443,860							443,860
Intergovernmental	28,893			438,326	573,202			1,040,421
Other	345,538	25					2,869	348,432
Gross Receivables	5,580,083	25	790,911	459,538	584,388	224,333	2,869	7,642,147
Less: Allowance for Uncollectibles	2,367,940	0	53,071					2,421,011
Net Total Receivables	\$3,212,143	\$25	\$737,840	\$459,538	\$584,388	\$224,333	\$2,869	\$5,221,136

### C. Capital assets

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

Governmental Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	4,075,344	\$76,609		\$4,151,953
Construction in Progress	537,226	2,887,341	1,335,438	2,089,129
Total capital assets not being depreciated:	4,612,570	2,963,950	1,335,438	6,241,082

Capital assets being depreciated:				
Building and Improvements	10,117,536	718,210		10,835,746
Machinery and Equipment	10,840,747	1,234,184	610,074	11,464,857
Infrastructure	3,191,163	1,335,438		4,526,601
Intangible	283,168			283,168
Total capital assets being depreciated:	24,432,614	3,287,832	610,074	27,110,372

Less: Accumulated Depreciation for:				
Building and Improvements	4,492,101	268,688		4,760,789
Machinery and Equipment	9,044,641	861,650	610,074	9,296,217
Infrastructure	2,687,448	45,900		2,733,348
Intangible	155,068	28,317		183,385
Total Accumulated Depreciation	16,379,258	1,204,555	610,074	16,973,739
Total Capital Assets Depreciated, Net	8,053,356	2,083,277	0	10,136,633
Governmental Activities capital assets, Net	\$12,665,926	\$5,047,227	\$1,335,438	\$16,377,715

Business-type Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$380,128	\$0	\$0	\$380,128
Construction in Progress	1,884,724	3,911,017	1,321,699	4,474,042
Total capital assets not being depreciated:	2,264,852	3,911,017	1,321,699	4,854,170

Capital assets being depreciated:				
Building and Improvements	5,385,378	0	0	5,385,378
Landfill Cell One and Two	5,482,492	2,961,059	0	8,443,551
Machinery and Equipment	5,210,651	285,030	0	5,495,681
Infrastructure	1,935,484	0	0	1,935,484
Landfill Permit	2,175,360	0	0	2,175,360
Water Rights	761,400	0	0	761,400
Total capital assets being depreciated:	20,950,765	3,246,089	0	24,196,854

Less: Accumulated Depreciation for:				
Building and Improvements	1,495,514	122,074	0	1,617,588
Machinery and Equipment	1,304,892	0	0	1,304,892
Water Rights	203,040	19,035	0	222,075
MCSWA	8,586,782	682,972	0	9,269,754
Total Accumulated Depreciation	11,590,228	824,081	0	12,414,309
Total Capital Assets Depreciated, Net	9,360,537	2,422,008	0	11,782,545
Business-type Activities capital assets, Net	\$11,625,389	\$6,333,025	\$1,321,699	\$16,636,715

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

Governmental Activities	
General Administration	\$83,271
Judicial	16,023
Financial Administration	45,054
Public Facilities	82,794
Public Safety	456,715
Public Transportation	438,072
Culture and Recreation	34,284
Health and Welfare	48,342
Total Depreciation Expense - Governmental Activities	<u>\$1,204,555</u>
Business-Type Activities	
Water	\$137,776
MCSWA	682,972
Airport	3,333
Total Depreciation Expense - Business-Type Activities	<u>\$824,081</u>

**Construction commitments:**

The Water Fund had a water expansion project during the 2020 year. There was also had road improvement projects during the 2020 year. The Solid Waste Authority has executed a constructed cell 3.

**D. Interfund receivables, payables, and transfers**

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

Due to/from other funds:

DUE TO	DUE FROM			TOTAL
	General Fund	Road and Bridge Fund	Other Governmental Funds	
General Fund		\$42	\$11,894	\$11,936
Landfill Waste/Criminal Detention Ctr. Fund	2,840,580			2,840,580
Other Governmental Funds	490,382		54,975	545,357
TOTALS	<u>\$3,330,962</u>	<u>\$42</u>	<u>\$66,869</u>	<u>\$3,397,873</u>

DUE TO	DUE FROM	
	Water Fund	TOTAL
General Fund	\$268	\$268
TOTALS	<u>\$268</u>	<u>\$268</u>

The above amounts are not expected to be paid within the year.

The amounts due from the general fund, the water fund, and the road and bridge fund to the various respective funds were for operating expenses.

Transfers:

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, and 3) to provide operating capital to the general fund.

In the year ended September 30, 2020, the government made the following recurring transfers:

TRANSFER OUT	TRANSFER IN				TOTAL
	General Fund	Road and Bridge Fund	Debt Service Fund	Other Governmental Funds	
General Fund	\$95,122	\$2,691,673	\$40,714	\$814,958	\$3,642,467
Other Governmental Funds	104,201				104,201
TOTALS	\$199,323	\$2,691,673	\$40,714	\$814,958	\$3,746,668

TRANSFER OUT	TRANSFER IN		TOTAL
	General Fund	MCSWA Fund	
Landfill Waste/Criminal Detention Ctr. Fund		\$2,756,905	\$2,756,905
Airport Fund	(4,800)		(4,800)
Utility Fund	(303,270)		(303,270)
MCSWA Fund	(1,988,201)		(1,988,201)
TOTALS	(\$2,296,271)	\$2,756,905	\$460,634

The transfers into the general fund and the MCSWA fund are for operations.

## E. Leases

### Operating Leases

The government leases equipment under non-cancellable operating leases. Total costs for such leases were \$8,880 for the year ended September 30, 2020. The future minimum lease payments for these leases are as follows:

Year Ending Sep. 30	<u>Amount</u>
2021	\$ 7,219
2022	5,340
2023	5,340
2024	5,340
2025	<u>0</u>
Total	<u>\$23,239</u>

Rent expenditures were \$47,199 for the year ended September 30, 2020. Rental income was \$52,000 for the year ended September 30, 2020.

## F. Long-term debt

### Certificates of Obligation Bonds

The government issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation bonds have been issued for governmental activities.

Certificates of Obligation bonds currently outstanding are as follows:

PURPOSE	RATE	ORIGINAL AMOUNTS	CURRENT AMOUNTS	SERIES	MATURITY DATE	COVENANTS	SECURITY
Governmental activities	7.00%	\$18,690,000	\$17,330,000	2016	2034	Sinking Fund	Ad Valorem Tax
Governmental activities	3.82%	2,845,000	2,330,000	2019A	2024	Sinking Fund	Ad Valorem Tax and Utility Fees
Governmental activities	4.50%	4,100,000	3,650,000	2019	2026	Sinking Fund	Ad Valorem Tax
Business-type activities	2.75%	2,028,000	<u>2,028,000</u>	FEMA 2019	2059	Sinking Fund	Ad Valorem Tax and Utility Fees
			<u>\$25,338,000</u>				

Annual debt service requirements to maturity for bonds are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$1,850,000	\$1,417,101	\$0	\$55,770
2022	1,950,000	1,315,722	31,000	55,340
2023	2,060,000	1,208,395	32,000	54,474
2024	2,165,000	1,094,946	33,000	53,581
2025	1,650,000	987,075	34,000	52,659
2026-2030	6,865,000	3,528,075	181,000	248,732
2031-2035	6,770,000	989,100	209,000	222,026
2036-2040			238,000	191,322
2041-2045			274,000	156,171
2046-2050			313,000	115,866
2051-2055			360,000	69,675
2056-2059			323,000	17,965
<b>TOTALS</b>	<u>\$23,310,000</u>	<u>\$10,540,414</u>	<u>\$2,028,000</u>	<u>\$1,293,581</u>

## Capital Leases

The Solid Waste Authority had two lease purchase agreements for the acquisition of machinery and equipment. Lease principal payments for the fiscal year ended September 30, 2020, totaled \$289,953. The effective interest rate was 3.2% for the first lease and 4.55% for the second lease. Total cost of the assets acquired under these two capital leases is \$1,445,881 with accumulated depreciation of \$627,886.

In 2020, Maverick County entered into a lease purchase agreement for the acquisition of various equipment. The effective interest rate is 5.05% for the lease. Total cost of the asset acquired under this capital leases is \$798,290 with accumulated depreciation of \$478,974. The security for the equipment is the equipment financed.

In 2020, Maverick County entered into a lease purchase agreement for the acquisition of two Peterbilt Trucks. The effective interest rate is 5.05% for the lease. Total cost of the asset acquired under this capital leases is \$287,151 with accumulated depreciation of \$172,291. The security for the equipment is the equipment financed.

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

YEAR	Governmental	Business-Type	Total
	Activities	Activities	
	Amount	Amount	Amount
2021	248,363	221,904	470,267
2022	248,363	153,820	402,183
2023	248,363	141,002	389,365
Total Minimum Lease Payments	745,089	516,726	1,261,815
Less: Amount Representing Interest	61,651	29,778	91,429
Present Value of Net Minimum Lease Payments	\$683,438	\$486,948	\$1,170,386

## Closure and Post Closure Costs

The Solid Waste Authority at year-end operated two active cells and one inactive cell at the landfill site. State and federal laws and regulations require the Solid Waste Authority to place a cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years (30) after closure. The Solid Waste Authority accounts for and discloses closure and post closure care costs in accordance with GASB Statement No. 18 *Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Cost* (the "Statement").

The Statement requires, among other matters: (1) that the liability for closure and post closure care costs be estimated based on applicable federal, state or local regulations that were in existence as of the date of the Statements of Net Position (2) that the cost estimates be reevaluated and adjusted on an annual basis for changes due to inflation or deflation, or for changes due to advancements in technology (3) that a portion of these estimated closure and post closure costs be recognized in each operating period that the landfill is active, based on the amount of waste received during the period (included in the capacity used to date), even though the majority of the costs will not be paid until after the landfill cells are closed, and (4) that changes in the estimated costs for closure and post closure care which will occur after the landfill stops accepting waste be recognized entirely in the period of the change.

In addition to operating expenses related to current activities of the landfill, an expense (recovery) provision and related liability are being recognized based on the landfill capacity used as of each statement of net position date. The Solid Waste Authority estimates a total combined cost for the closure and post closure of Cells 1, 2 and 3 to be \$4,843,001. These future closure and post closure care costs will be paid only near or after the date the landfill no longer accepts waste. The \$2,017,969 reported as accrued landfill closure and post closure care costs at September 30, 2020, represents the cumulative amount reported to date based on the use of 41.67% of the estimated capacity of the landfill. The addition of the Solid Waste Authority’s Cell 3 has increased the capacity of the landfill to 2,762,764 cubic yards. The increased capacity generated a closure and post closure care cost recovery of \$1,449,463 for the year ended September 30, 2020. The Solid Waste Authority estimates the useful life as of September 30, 2020, to be approximately 5 years. The estimated total current cost of the accrued landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of September 30, 2020. However, the actual cost of closure and post closure care may change due to inflation, changes in technology, or changes in landfill laws and regulations. The above estimated capacity usage is based on a study conducted by SCS Engineers and presented in a report dated November 29, 2020.

**Texas Commission on Environmental Quality (TCEQ) Financial Assurance**

The Solid Waste Authority is required under the provision of the Administrative Code to provide financial assurance to the Texas Commission on Environmental Quality (TCEQ), formerly known as the Texas Natural Resource Conservation Commission, related to the closure of municipal solid waste operations including, but not limited to, storage, collection, handling, transportation, processing, and disposal of municipal solid waste. As such, financial assurance is required to ensure that funds are available, when needed, to meet costs associated with the closure of the County’s landfill. The Solid Waste Authority pledged to the TCEQ an Insurance Performance Bond effective on May 2, 2020 in the amount of \$4,002,251.

Tax Notes Payable

Tax Notes, Series 2019, Issued June 24, 2019, Interest Rate: 2%, Maturity Year: 2034, Amount Issued: \$2,310,317, Amount Outstanding: \$2,120,342. The security for the Tax Notes is Ad Valorem Taxes.

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

Year Ending	Governmental Activities	
	Principal	Interest
September 30,		
2020	\$666,847	\$86,234
2021	155,354	41,527
2022	158,484	38,396
2023	161,678	35,203
2024	164,936	31,945
2025-2029	875,892	108,512
2030-2034	602,654	21,846
TOTALS	<u>\$2,785,845</u>	<u>\$363,663</u>

The annual requirements for the above general long-term debt outstanding at September 30, 2020 are as follows:

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
General Obligation Bonds	\$25,700,000		\$2,390,000	\$23,310,000	\$1,820,000	\$21,490,000
Add Deferred Amounts:						
For Issuance Premium	275,910		275,910	0		0
Tax Notes	2,785,844		665,502	2,120,342	153,676	1,966,666
Less Deferred Amounts:						
For Tax Note Discount	(27,810)	27,810		0		0
Total Bonds Payable	28,733,944	27,810	3,331,412	25,430,342	1,973,676	23,456,666
Capital Lease Payable	889,451		206,013	683,438	216,547	466,891
Net Pension Liability	3,954,891		1,648,126	2,306,765		2,306,765
Net OPEB Payable	451,699	167,830		619,529		619,529
Compensated Absences	574,957	716,178	574,957	716,178	716,178	0
Total Governmental Activities	34,604,942	911,818	5,760,508	29,756,252	2,906,401	26,849,851
<u>Business-Type Activities:</u>						
General Obligation Bonds	659,000	1,369,000		2,028,000		2,028,000
Capital Lease Obligation	776,901		289,953	486,948	205,125	281,823
Compensated Absences	47,464	49,579	47,464	49,579	4,722	44,857
Net Pension Liability	298,548		130,917	167,631		167,631
Net OPEB Payable	30,854	10,903		41,757		41,757
Compromise and Settlement Note Payable	96,336		96,336	0		0
Accrued Landfill Closure and Postclosure Care Costs	3,467,431		1,449,462	2,017,969		2,017,969
Total Business-Type Activities	5,376,534	1,429,482	2,014,132	4,791,884	209,847	4,582,037
Grand Total	\$39,981,476	\$2,341,300	\$7,774,640	\$34,548,136	\$3,116,248	\$31,431,888

The government-wide statement of net assets includes \$3,116,248 as "noncurrent liabilities, due within one year".

Note: Compensated absences are considered to be short term liabilities with the exception of \$4,722 or 10% in the MCSWA fund in the Business-Type Activities. The governmental activities bonds, capital leases, and compensated absences are serviced by the general fund. The Business-type activities bonds, capital leases, and compensated absences are serviced by the both the water fund.

## V. Other information

### A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Claim liabilities are estimated considering the effects of inflation, recent claim settlement trends (including frequency and amounts of payouts) and other economic and social factors (including the effects of specific, incremental claim adjustment expense, salvage and subrogation).

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

#### 1. General Liability Insurance

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

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

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

#### 2. Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Political Subdivision.

3. Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Political Subdivision.

4. Group Health and Life Insurance

The County maintains a self-funded stop/loss health insurance plan for active employees and their eligible dependents. The stop/loss amounts for the year 2020 were \$50,000 per individual and \$2,071,499 aggregate. The stop/loss amounts for the year 2021 are \$50,000 per individual and \$1,866,901 aggregate. Costs are recorded in the fund from which the employees' compensation is paid.

5. Unemployment Compensation Insurance

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

**B. Related party transaction**

The Sheriff Grant Administrator – He belongs to TPS which provides P&C and Workmen's Comp Insurance.

County Judge – His brother is the Sheriff Grant Administrator.

County Treasurer – His family owns Memorial Funeral Home. The amount paid to the home for the year ended September 30, 2020 was \$6,175. There were no amounts owed to either party at September 30, 2020.

Commissioner Pct. No. 1 – His brother owns Morales Enterprises which sells tortillas to the Maverick County Nutrition Center. The amount paid to Morales Enterprises for the year ended September 30, 2020 was \$1,013. There were no amounts owed to either party at September 30, 2020.

**C. Subsequent Events**

The County issued \$16,190,000 in Series 2020A refunding bonds dated October 7, 2020.

On October 13, 2020, the County accepted a grant in the amount of \$47,075.00 from the Center for Tech and Civic Life (CTCL) COVID 19.

On October 29, 2020, the County entered into a contract with Texas Department of State Health Services for the SNAP-Ed Healthy Communities Initiative, which will provide \$317,243.00 for expenses related to the health and wellness of Maverick County.

On November 30, 2020, the County approved the final contract with Cobalt Construction for the construction of the Amphitheater, in the amount of \$2,600,428.17. The County also received \$143,802.91 from Gerber Life Insurance; the money was sent back to the County because they were charged incorrectly.

On February 8, 2021, the County executed all agreements and contracts for the 21ALEPASS project from TXDOT Aviation seeking an estimated \$250,000 grant from TXDOT aviation for airport planning and development requiring a 10% match from the County.

#### **D. Contingent liabilities**

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

Daniel Cruz, et al. v. Maverick County, et al. Civil Action No. 2:14-CV-50-AM-CW S & W File No. 5872 – On August 1, 2014, Plaintiffs Daniel Cruz ("Cruz") and Armando Sanchez ("Sanchez") filed a lawsuit against Maverick County and the Maverick County Sheriffs Department claiming that they and several yet to be identified employees were wrongfully denied overtime compensation in the preceding three-year period. They filed a request that the Court permit them to identify other employee who they allege may have been deprived of overtime compensation. On April 1, 2015, the Court granted Plaintiffs' Motion for Conditional Certification as to the applicable class of employees. In doing so, the Court awarded Plaintiffs the opportunity to contact as many of 253 current and former employees and offer them the opportunity to join the conditionally certified class. The Court has identified an additional twenty-seven (27) employees as Plaintiffs. The Parties had a trial before the Federal Judge. The Federal Court issued a Final Order of Judgment on March 30, 2018. The Judgment awarded the Plaintiff for actual damages in the amount of \$569,669.59 plus attorney fees in the amount of \$196,600.00 and costs in the amount of \$2,287.50. This judgment earns interest at the rate of 2.06% and the attorney fees and costs of court earns interest at a rate of 2.55% until the all fees, expenses and costs are paid. The County has settled this litigation for a payment of \$700,000.00. The Plaintiffs executed a release for all their claims. This concludes this matter and it is no longer pending.

Gricelda Saucedo v. Maverick County EEOC 451-2017-02517 S&W File No.:6279 - Gricelda Saucedo filed charge of discrimination with the EEOC based upon retaliation and disability. Ms. Saucedo claims the county terminated her due to her physical limitations. She believes that she has been discriminated in violation of the Americans with Disabilities Act of 1990. The EEOC has not issued a finding as of the date of this correspondence. The possible exposure to the County, if she is successful, is not in excess of \$20,000.

Maverick County and the Maverick County Solid Waste entered into a memorandum of understanding regarding funds that were transferred from the Solid Waste to the Maverick County General Fund in the amount of \$2,840,580.19. The Parties entered into an agreement for the County to repay the amount transferred with the first payment due in 2021 in the amount of \$440,580.19 and to pay \$400,000.00 per year until it is paid in full.

E. Prior Period Adjustments

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

The County had a prior period adjustment whereby governmental activities and the Funds were increased by \$654,754. The restatement was a result of items in the payroll fund being closed out to the general fund.

The County also had a prior period adjustment whereby business-type activities Net Position were decreased by \$348,521 and governmental activities and the Funds were increased by \$648,521. The restatement was a result of the forgiveness of a loan from the airport fund to the general fund.

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

	<b>Net Position, as Previously Reported</b>	<b>Due to Airport Fund</b>	<b>Payroll Fund Transfer</b>	<b>Payroll Fund Adjustment</b>	<b>Various Other</b>	<b>Net Position As Restated</b>
<b>Governmental Activities:</b>						
Net Position	(\$2,710,431)	\$348,521	\$500,000	\$154,764	\$15,756	(\$1,691,390)
<b>Total Governmental Activities</b>	<b>(\$2,710,431)</b>	<b>\$348,521</b>	<b>\$500,000</b>	<b>\$154,764</b>	<b>\$15,756</b>	<b>(\$1,691,390)</b>

	<b>Net Position, as Previously Reported</b>	<b>Due to Airport Fund</b>	<b>Various Other</b>	<b>Net Position As Restated</b>
<b>Business-Type Activities:</b>				
Net Position	\$12,881,258	(\$348,521)	(\$64,526)	\$12,468,211
<b>Total Business-Type Activities</b>	<b>\$12,881,258</b>	<b>(\$348,521)</b>	<b>(\$64,526)</b>	<b>\$12,468,211</b>

	<b>Fund Balance as Previously Reported</b>	<b>Due to Airport Fund</b>	<b>Payroll Fund Transfer</b>	<b>Payroll Fund Adjustment</b>	<b>Various Other</b>	<b>Fund Balance as Restated</b>
<b>Governmental Funds:</b>						
Fund Balance	\$12,338,892	\$348,521	\$500,000	\$154,764	\$15,756	\$13,357,933
<b>Total Governmental Funds</b>	<b>\$12,338,892</b>	<b>\$348,521</b>	<b>\$500,000</b>	<b>\$154,764</b>	<b>\$15,756</b>	<b>\$13,357,933</b>

## F. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)	Net Pension Liability / (Asset)	
	December 31, 2018	December 31, 2019
Total pension liability	\$38,086,762	\$42,006,974
Fiduciary net position	33,840,859	39,523,446
Net pension liability/(asset)	4,245,904	2,483,528
Fiduciary net position as a % of total pension liability	88.85%	94.09%
Pensionable covered payroll	\$11,129,647	\$11,900,605
Net Pension liability as a % of covered payroll	38.15%	20.87%

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

### Other Key Actuarial Assumptions

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

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

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

	Beginning Date	Ending Date
Valuation date	December 31, 2017	December 31, 2018
Measurement date	December 31, 2017	December 31, 2018
Employer's fiscal year	October 1, 2018	September 30, 2019

**Projection of Fiduciary Net Position**

Calendar Year Ending	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
2020	\$39,523,446	\$2,182,222	\$2,650,218	\$39,523	\$3,181,245	\$42,197,171
2021	42,197,171	2,087,932	2,094,528	42,197	3,416,033	45,564,412
2022	45,564,412	2,028,536	2,227,010	45,564	3,681,026	49,001,400
2023	49,001,400	1,979,786	2,355,703	49,001	3,952,239	52,528,720
2024	52,528,720	1,941,574	2,522,940	52,529	4,229,653	56,124,479
2025	56,124,479	1,899,946	2,643,991	56,124	4,514,307	59,838,616
2026	59,838,616	1,847,602	2,811,772	59,839	4,806,263	63,620,871
2027	63,620,871	1,734,003	3,024,402	63,621	5,099,520	67,366,371
2028	67,366,371	1,677,781	3,230,641	67,366	5,392,334	71,138,479
2029	71,138,479	1,639,354	3,487,716	71,138	5,685,991	74,904,969
2030	74,904,969	1,361,911	3,736,683	74,905	5,970,022	78,425,314
2031	78,425,314	1,358,193	3,991,335	78,425	6,244,770	81,958,516
2032	81,958,516	1,261,553	4,271,535	81,959	6,515,854	85,382,430
2033	85,382,430	1,243,084	4,597,557	85,382	6,779,375	88,721,949
2034	88,721,949	1,227,354	4,952,357	88,722	7,035,029	91,943,253
2035	91,943,253	1,251,640	5,235,416	91,943	7,285,551	95,153,084
2036	95,153,084	1,236,191	5,519,770	95,153	7,533,514	98,307,865
2037	98,307,865	1,082,958	5,814,310	98,308	7,771,144	101,249,348
2038	101,249,348	954,914	6,172,713	101,249	7,989,970	103,920,269
2039	103,920,269	855,728	6,529,888	103,920	8,188,086	106,330,275
2040	106,330,275	687,048	6,870,618	106,330	8,362,971	108,403,345
2041	108,403,345	662,014	7,176,138	108,403	8,517,680	110,298,498
2042	110,298,498	608,062	7,436,603	110,298	8,658,627	112,018,286
2043	112,018,286	554,156	7,720,200	112,018	8,784,458	113,524,682
2044	113,524,682	499,826	8,004,256	113,525	8,892,975	114,799,602
2045	114,799,602	456,075	8,261,738	114,800	8,984,234	115,863,374
2046	115,863,374	413,152	8,529,040	115,863	9,058,038	116,689,660
2047	116,689,660	373,054	8,718,304	116,690	9,115,826	117,343,546
2048	117,343,546	334,759	9,006,999	117,344	9,155,780	117,709,743
2049	117,709,743	298,889	9,241,957	117,710	9,174,672	117,823,637
2050	117,823,637	266,104	9,440,798	117,824	9,174,695	117,705,814
2051	117,705,814	235,917	9,625,807	117,706	9,156,610	117,354,828
2052	117,354,828	208,453	9,701,050	117,355	9,124,115	116,868,992
2053	116,868,992	181,224	9,797,696	116,869	9,079,863	116,215,514
2054	116,215,514	156,469	9,888,384	116,216	9,022,373	115,389,757
2055	115,389,757	133,796	9,938,687	115,390	8,952,621	114,422,096
2056	114,422,096	113,893	9,902,433	114,422	8,874,928	113,394,063
2057	113,394,063	96,911	9,818,796	113,394	8,794,345	112,353,129
2058	112,353,129	82,319	9,763,190	112,353	8,711,700	111,271,604

2059	111,271,604	69,026	9,652,816	111,272	8,627,995	110,204,538
2060	110,204,538	57,111	9,527,033	110,205	8,546,126	109,170,538
2061	109,170,538	46,180	9,358,399	109,171	8,468,676	108,217,825
2062	108,217,825	38,103	9,142,018	108,218	8,399,816	107,405,509
2063	107,405,509	29,723	8,926,916	107,406	8,342,260	106,743,171
2064	106,743,171	23,010	8,682,256	106,743	8,298,086	106,275,268
2065	106,275,268	17,529	8,417,166	106,275	8,270,514	106,039,870
2066	106,039,870	12,908	8,138,131	106,040	8,262,354	106,070,961
2067	106,070,961	10,089	7,828,323	106,071	8,277,062	106,423,718
2068	106,423,718	7,447	7,518,507	106,424	8,317,819	107,124,053
2069	107,124,053	5,117	7,204,695	107,124	8,386,888	108,204,239
2070	108,204,239	3,551	6,880,854	108,204	8,487,138	109,705,870
2071	109,705,870	2,677	6,545,756	109,706	8,621,983	111,675,069
2072	111,675,069	1,995	6,210,341	111,675	8,794,703	114,149,751
2073	114,149,751	1,027	5,886,086	114,150	9,007,892	117,158,435
2074	117,158,435	558	5,557,034	117,158	9,264,525	120,749,325
2075	120,749,325	180	5,231,636	120,749	9,568,151	124,965,271
2076	124,965,271	55	4,905,887	124,965	9,922,406	129,856,881
2077	129,856,881	0	4,585,086	129,857	10,331,170	135,473,107
2078	135,473,107	0	4,269,785	135,473	10,798,382	141,866,232
2079	141,866,232	0	3,962,067	141,866	11,328,191	149,090,490
2080	149,090,490	0	3,662,452	149,090	11,924,968	157,203,915
2081	157,203,915	0	3,371,519	157,204	12,593,386	166,268,579
2082	166,268,579	0	3,089,811	166,269	13,338,451	176,350,950
2083	176,350,950	0	2,818,075	176,351	14,165,514	187,522,038
2084	187,522,038	0	2,556,710	187,522	15,080,308	199,858,113
2085	199,858,113	0	2,306,095	199,858	16,088,992	213,441,152
2086	213,441,152	0	2,066,722	213,441	17,198,185	228,359,173
2087	228,359,173	0	1,839,146	228,359	18,414,989	244,706,657
2088	244,706,657	0	1,624,206	244,707	19,747,022	262,584,767
2089	262,584,767	0	1,422,690	262,585	21,202,441	282,101,933
2090	282,101,933	0	1,235,229	282,102	22,790,001	303,374,603
2091	303,374,603	0	1,062,344	303,375	24,519,108	326,527,993
2092	326,527,993	0	904,521	326,528	26,399,881	351,696,825
2093	351,696,825	0	762,089	351,697	28,443,213	379,026,252
2094	379,026,252	0	635,025	379,026	30,660,857	408,673,058
2095	408,673,058	0	522,976	408,673	33,065,521	440,806,929
2096	440,806,929	0	425,261	440,807	35,670,968	475,611,830
2097	475,611,830	0	341,104	475,612	38,492,125	513,287,239
2098	513,287,239	0	269,663	513,287	41,545,174	554,049,463
2099	554,049,463	0	209,929	554,049	44,847,668	598,133,152

### Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2018	\$38,086,762	\$33,840,859	\$4,245,904
Changes of the year:			
Service cost	1,455,382		1,455,382
Interest on total pension liability	3,134,902		3,134,902
Effect of plan changes	1,225,723		1,225,723
Effect of economic/demographic gains or losses	(183,149)		(183,149)
Effect of assumptions changes or inputs	0		0
Refund of contributions	(182,694)	(182,694)	0
Benefit payments	(1,529,952)	(1,529,952)	0
Administrative expenses		(30,118)	30,118
Member contributions		714,036	(714,036)
Net investment income		5,557,196	(5,557,196)
Employer contributions		1,143,648	(1,143,648)
Other	0	10,472	(10,472)
Balances as of December 31, 2019	\$42,006,974	\$39,523,446	\$2,483,528

#### Sensitivity Analysis

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$48,011,300	\$42,006,974	\$37,027,930
Fiduciary net position	39,523,446	39,523,446	39,523,446
Net pension liability/(asset)	\$8,487,854	\$2,483,528	(\$2,495,516)

**Pension Expense / (Income)**

<b>Pension Expense / (Income)</b>	<b>January 1, 2019 to December 31, 2019</b>
Service cost	\$1,455,382
Interest on total pension liability	3,134,902
Effect of plan changes	1,225,723
Administrative expenses	30,118
Member contributions	(714,036)
Expected investment return net of investment expenses	(2,746,089)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(56,057)
Recognition of assumption changes or inputs	74,129
Recognition of investment gains or losses	333,623
Other	(10,472)
Pension expense	\$2,727,223

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

<b>Deferred Inflows/Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$158,021	\$81,495
Changes of assumptions	0	74,129
Net difference between projected and actual earnings	937,680	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:	
2020	(\$179,990)
2021	(273,087)
2022	75,223
2023	(562,223)
2024	0
Thereafter	0

**Schedule of Deferred Inflows and Outflows of Resources**

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2019	
Original Amount	Date Established	Original Recognition Period	Amount Recognized for 2018	Inflows	Outflows
(a)	(b)	(c)	(a) / (c)		
<b>Investment (gains) or losses</b>					
(\$2,811,107)	12/31/2019	5.0	(\$562,221)	\$2,248,886	\$0
3,416,160	12/31/2018	5.0	683,232	0	2,049,696
(1,945,282)	12/31/2017	5.0	(389,056)	778,114	0
198,116	12/31/2016	5.0	39,623	0	39,624
2,810,228	12/31/2015	5.0	562,046	0	0
<b>Economic/demographic (gains) or losses</b>					
(183,149)	12/31/2019	4.0	(45,787)	137,362	0
162,991	12/31/2018	4.0	40,748	0	81,495
(82,633)	12/31/2017	4.0	(20,658)	20,659	0
(121,441)	12/31/2016	4.0	(30,360)	0	0
(1,054,153)	12/31/2015	4.0	0	0	0
<b>Assumption changes or inputs</b>					
0	12/31/2019	4.0	0	0	0
0	12/31/2018	4.0	0	0	0
296,516	12/31/2017	4.0	74,129	0	74,129
0	12/31/2016	4.0	0	0	0
303,058	12/31/2015	4.0	0	0	0

**Schedule of Changes in Net Pension Liability and Related Ratios**

	Year Ended December 31						2013 - 2010
	2019	2018	2017	2016	2015	2014	
<b>Total Pension Liability</b>							
Service cost	\$1,455,382	\$1,287,251	\$1,322,517	\$1,355,260	\$1,510,500	\$1,543,919	N/A
Interest on total pension liability	3,134,902	2,898,449	2,684,791	2,455,239	2,357,675	2,170,666	N/A
Effect of plan changes	1,225,723	0	0	0	(301,064)	0	N/A
Effect of assumption changes or inputs	0	0	296,516	0	303,058	0	N/A
Effect of economic/demographic (gains) or losses	(183,149)	162,991	(82,633)	(121,441)	(1,054,153)	82,964	N/A
Benefit payments/refunds of contributions	<u>(1,712,646)</u>	<u>(1,487,055)</u>	<u>1,606,940</u>	<u>(1,422,968)</u>	<u>(1,641,645)</u>	<u>(1,311,566)</u>	<u>N/A</u>
Net change in total pension liability	3,920,211	2,861,636	2,614,251	2,266,090	1,174,371	2,485,983	<u>N/A</u>
Total pension liability, beginning	<u>38,086,762</u>	<u>35,225,126</u>	<u>32,610,875</u>	<u>30,344,785</u>	<u>29,170,414</u>	<u>26,684,432</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$42,006,974</u>	<u>\$38,086,762</u>	<u>\$35,225,126</u>	<u>\$32,610,875</u>	<u>\$30,344,785</u>	<u>\$29,170,414</u>	<u>N/A</u>
<b>Fiduciary Net Position</b>							
Employer contributions	\$1,143,648	\$1,094,044	\$952,080	\$858,985	\$965,176	\$1,166,148	N/A
Member contributions	714,036	667,779	614,245	596,941	667,172	711,066	N/A
Investment income net of investment expenses	5,557,196	(634,369)	4,365,798	2,054,541	(500,733)	1,733,967	N/A
Benefit payments/refunds of contributions	(1,712,646)	(1,487,055)	(1,606,940)	(1,422,968)	(1,641,645)	(1,311,566)	N/A
Administrative expenses	(30,118)	(27,181)	(22,755)	(22,360)	(20,188)	(20,913)	N/A
Other	<u>10,472</u>	<u>11,623</u>	<u>(759)</u>	<u>85,979</u>	<u>31,275</u>	<u>36,492</u>	<u>N/A</u>
Net change in fiduciary net position	5,682,587	(375,159)	4,301,669	2,151,116	(498,942)	2,315,193	N/A
Fiduciary net position, beginning	<u>33,840,859</u>	<u>34,216,018</u>	<u>29,914,349</u>	<u>27,763,233</u>	<u>28,262,175</u>	<u>25,946,981</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$39,523,446</u>	<u>\$33,840,859</u>	<u>\$34,216,018</u>	<u>\$29,914,349</u>	<u>\$27,763,233</u>	<u>\$28,262,175</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$2,483,528</u>	<u>\$4,245,904</u>	<u>\$1,009,109</u>	<u>\$2,696,527</u>	<u>\$2,581,553</u>	<u>\$908,239</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	94.09%	88.85%	97.14%	91.73%	91.49%	96.89%	N/A
Pensionable covered payroll	\$11,900,605	\$11,129,647	\$10,237,419	\$9,949,012	\$11,119,540	\$11,851,093	N/A
Net pension liability/(asset) as % of covered payroll	20.87%	38.15%	9.86%	27.10%	23.22%	7.66%	N/A

**Schedule of Employer Contributions**

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$886,137	\$886,137	\$0	\$11,958,661	7.4%
2011	818,693	818,693	0	10,974,032	7.5%
2012	857,707	857,707	0	9,363,609	9.2%
2013	892,836	892,836	0	9,408,177	9.5%
2014	1,166,148	1,166,148	0	11,851,093	98.0%
2015	965,176	965,176	0	11,119,540	8.7%
2016	857,605	858,985	(1,380)	9,949,012	8.6%
2017	952,080	952,080	0	10,237,419	9.3%
2018	1,094,044	1,094,044	0	11,129,647	9.8%
2019	1,143,648	1,143,648	0	11,900,605	9.6%

## Notes to Schedule

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

### Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.1 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule.
	2016: No changes in plan provisions were reflected in the Schedule.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: No changes in plan provisions were reflected in the Schedule.
	2019: No changes in plan provisions were reflected in the Schedule.

### Appendix A - GASB 68 Plan Description for Maverick County

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

- a. Maverick 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 250%) 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 Maverick 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 6%. Contributions to the pension plan from the county for 2018 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, [www.tcdrs.org](http://www.tcdrs.org).

#### **Membership Information**

Members	Dec. 31, 2018	Dec. 31, 2019
Number of inactive employees entitled to but not yet receiving benefits:	405	457
Number of active employees:	370	373
Average monthly salary:	\$2,644	\$2,652
Average age:	42.49	42.86
Average length of service in years:	7.46	7.36
<b>Inactive Employees (or their Beneficiaries) Receiving Benefits</b>		
Number of benefit recipients:	118	124
Average monthly benefit:	\$1,041	\$1,087

**Appendix B - Actuarial Methods and Assumptions Used for GASB Calculations**

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

The following are key assumptions and methods used in the 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	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation: See Appendix C
Salary Increases	Same as funding valuation: See Appendix C
Investment Rate of Return	8.10% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Lavaca 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, 2019 financial reporting metrics are the same as those used in the December 31, 2019 actuarial valuation analysis for Maverick County.

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

### Economic Assumptions

#### **TCDRS system-wide economic assumptions:**

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

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

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

#### **Employer-specific economic assumptions:**

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

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

## **Appendix D-Contributions Made Subsequent to Measurement Date**

GASB Statement No. 71 ("GASB 71"), Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68, requires employer contributions made between the measurement date, which is the date used to determine an employer's net pension liability ("NPL"), and the employer's fiscal year end be reported as a deferred outflow of resources ("DOoR"). The statement "requires a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability."

For GASB valuation purposes, TCDRS' consulting actuary will compute each participating employer's NPL as of Dec. 31 of each year. Employers will need to account for pension contributions (employer; not employee contributions or group term life premiums) made between the measurement date and the employer's fiscal year end as a DOoR. These contributions will not be reported to you as part of this GASB report; employers can access their monthly employer activity statements, which display employer contributions to the retirement plan via the TCDRS Employer Portal.

## **Appendix E-Summary of TCDRS Funding Policy**

### **Texas County & District Retirement System Funding Policy**

#### **In Effect for the Dec. 31, 2019 Actuarial Valuation**

##### **Introduction**

The funding policy governs how the Texas County & District Retirement System (TCDRS) determines the employer contributions required to ensure that benefits provided to TCDRS members are funded in a reasonable and equitable manner. The goals of TCDRS' funding policy are to fully fund benefits over the course of employees' careers to ensure intergenerational equity, and to balance rate and benefit stability with the need for the plan funding to be reflective of current plan conditions.

This policy documents the current funding policies in effect for the Dec. 31, 2019 actuarial valuation as established by state law, administrative rule and action by the TCDRS Board of Trustees (the board). The policy serves as a comprehensive funding overview and complies with the GASB reporting requirements for an agent multiple-employer plan.

##### **TCDRS funding overview**

TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system funds its plan independently. A combination of three elements funds each employer's plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

##### **Methodology for determining employer contribution rates**

The board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following:

- Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments.
- Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits.
- Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy.

The valuation of each employer plan is based on the system funding policy and the assets, benefits and participant profile of each participating employer plan. The four key components in the determination of employer contribution rates are: the actuarial cost method, amortization policy, the asset valuation method and the actuarial assumptions.

#### **Actuarial cost method**

TCDRS has adopted the replacement life entry age cost method, a conservative cost method and an industry standard. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach, benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year.

#### **Amortization policy**

The portion of the contribution rate that funds any remaining unfunded amounts for benefits that are not covered by the normal cost is called the unfunded actuarial accrued liability (UAAL) rate. UAAL amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and losses). UAAL amounts are amortized on a level-percentage-of-covered-payroll basis over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains or losses, as well as any plan benefit changes elected by an employer for that year.

Benefit enhancements are amortized over a 15-year closed period. All other changes in the UAAL are amortized over 20-year closed periods. These amortization periods are generally more conservative than those of most other public retirement plans and are stricter than the minimum amortization period required under state law.

For newly participating districts that have five or fewer employees who are all within five years of retirement eligibility, any initial UAAL and any subsequent adoption of prior service credits are amortized over a five-year closed amortization period. This ensures that benefits are appropriately funded over the current generation of employees.

Notwithstanding the layered approach, the total UAAL payment may not be less than the required payment obtained by amortizing the entire UAAL over a 20-year period.

If a plan is overfunded, the overfunded actuarial accrued liability (OAAL) is calculated annually using a 30-year open amortization period.

#### **Asset valuation method**

When determining the actuarial value of assets used for measuring a plan's funded status, TCDRS smooths each year's actuarial investment gains and losses and recognizes them over a five-year period to better reflect the system's long-term investment horizons and to keep employer contribution rates more stable. As actuarial asset investment gains and losses are recognized, they become part of the actuarial gains and losses for the year and are funded according to the amortization policy. The five-year period helps stabilize employer rates while still ensuring that rates are reflective of current market conditions.

In addition, the board has the ability to set aside reserves from investment earnings that are used to help offset future negative economic cycles. These reserves are held separately and are not counted as part of a participating employer's plan assets until they are passed through to employers when determined necessary by the board. Reserves help maintain rate stability for employers. In addition, reserves ensure that employers do not adopt benefit increases based on a temporarily lower plan cost at a high point in a market cycle and, conversely, are not as pressured to immediately reduce benefit levels during a low point in a market cycle.

#### **Actuarial assumptions**

Demographic and economic assumptions are used to estimate employer liabilities and to determine the amount of funding required from employer contributions as opposed to investment earnings. These assumptions reflect a long-term perspective of 30 years or more. Examples of key economic assumptions include long-term investment return, long-term inflation and annual payroll increase.

Demographic assumptions are the actuary's best estimate of what will happen to TCDRS members and retirees. Examples of demographic assumptions are employment termination rates, retirement rates and retiree mortality rates. A complete listing of all actuarial assumptions can be found in the annual system-wide valuation report.

### **Oversight**

The board has established review policies to ensure that actuarial assumptions are appropriate and that the methodology for determining employer contribution rates is being correctly applied.

### **Review of actuarial assumptions**

TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience. TCDRS assumptions are compared to plan experience and future expectations, and changes to the assumptions are recommended as needed. The board adopts actuarial assumptions to be used in the valuation based on the results of this study.

An actuarial audit of every investigation of experience is required and must be performed by an independent auditing actuary to review the consulting actuary's analysis, conclusions and recommendations for accuracy, appropriateness and reasonableness. These audits alternate between a peer review and a full replication audit of the investigation of experience. In a peer review audit of the investigation, the reviewing actuary uses the raw results of the investigation for demographic assumptions as calculated by the consulting actuary to test the conclusions and recommendations. In addition, the reviewing actuary independently analyzes economic assumptions to test the results and recommendations of the consulting actuary. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the investigation, in addition to performing all of the steps of a peer review, the auditing actuary fully replicates the calculation of the investigation's raw results.

### **Review of employer contribution rates**

In order to test accuracy and ensure that the actuarial methods and assumptions are being correctly applied, an audit of the valuation is required every four years. These audits are conducted by an independent reviewing actuary and alternate between a peer review and a full replication audit of the valuation. In the peer review audit of the valuation, the actuary uses a sample of participant data and TCDRS plans to test the results of the valuation. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the valuation, the auditing actuary performs all the steps of a peer review audit but instead of analyzing sample data and plans, the auditing actuary fully replicates the original actuarial valuation.

### **Review and modification of funding policy**

The board will review this policy on a regular basis and may modify this policy at its discretion. Modifications to the policy may be submitted for consideration to the board by staff and/or outside consulting actuaries as circumstances warrant.

## **G. Summary of GASB 75 Group-Term Funding Policy**

### **Overview of GASB 74 and GASB 75**

The Governmental Accounting Standards Board (GASB) released new accounting standards for public postemployment benefit plans other than pension (OPEB) and participating employers in 2016. These standards, GASB Statements No. 74 and 75, have substantially revised the accounting requirements previously mandated under GASB Statements No. 43 and 45.

For the Texas County & District Retirement System (TCDRS), the retiree death benefit paid from the Group Term Life (GTL) program is an OPEB benefit. The OPEB program is treated as an unfunded trust, because the GTL trust covers both actives and retirees and is not segregated.

GASB 74 applies to financial reporting for the TCDRS and does not impact participating employers. GASB 75 governs the specifics of reporting public OPEB plan obligations for employers. Note that in general the requirements of GASB 75 are parallel to those of GASB 68 which relates to pensions.

GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers and is required to be implemented for employer fiscal years beginning after June 15, 2017. GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating employers. Changes in the Net OPEB Liability (Total OPEB Liability for unfunded plans) will be immediately recognized as OPEB Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

The TCDRS Group Term Life program has been determined to be an unfunded OPEB plan as the GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, because the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan. For GASB 75 purposes, the OPEB plan is not a cost sharing plan, so the annual benefit payments are treated as being equal to the employer's actual retiree GTL contributions for the year.

Please refer to the Glossary shown in Appendix D of this report for more information on the relevant accounting terminology.

## Total OPEB Liability

Total OPEB Liability	<u>December 31, 2018</u>	<u>December 31, 2019</u>
Total OPEB liability	\$460,979	\$631,803

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

### Discount Rate

Discount rate	4.10%	2.74%
Long-term expected rate of return, net of investment expense	Does not apply	Does not apply
Municipal bond rate	4.10%	2.74%

### Other Key Actuarial Assumptions

All actuarial assumptions that determined the total OPEB liability as of December 31, 2019 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

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 OPEB liability and other GASB 75 metrics.

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

## **GASB Discount Rate**

The TCDRS GTL program is treated as an unfunded OPEB plan because the GTL trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.74% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2019.

## Employer OPEB Contributions to the Plan

Employers in the TCDRS Group Term Life (GTL) Program make a combined contribution for both the active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only the contributions associated with retiree coverage are included under GASB 75. For GASB 75 purposes, the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions.

### 2019 Employer OPEB Contributions and Benefit Payments

The following table shows a breakdown of the employer's contributions to the GTL program for the calendar year 2019. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown on the exhibit on the next page. The contributions for active coverage are not considered an OPEB benefit under GASB 75.

Coverage Type	2019 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.16%	\$19,041	No change from prior year
Retiree GTL Benefit	0.12%	14,281	GASB 75

### Employer OPEB Contributions made Subsequent to Measurement Date

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2019 should be reflected as a deferred outflow as outlined in Appendix C of this report. As previously noted, only contributions to the GTL program for retiree coverage should be included under GASB 75. Therefore, once the total GTL contributions made subsequent to the measurement date have been determined, this amount should be multiplied by the portion attributable to retiree coverage to determine the OPEB contributions made subsequent to the measurement date that should be reported under GASB 75. This proportion is 42.30769%, allocated as follows:

Coverage Type	2020 GTL Rate	Proportion	Financial Reporting
Active Member GTL Benefit	0.15%	57.69231%	No change from prior year
Retiree GTL Benefit	0.11%	42.30769%	GASB 75

### Changes in Total OPEB Liability

	Changes in Total OPEB Liability
Balances as of December 31, 2018	\$460,979
Changes for the year:	
Service cost	18,585
Interest on total OPEB liability	19,372
Changes of benefit terms	0
Effect of economic/demographic experience	9,765
Effect of assumptions changes or inputs	137,383
Benefit payments	(14,281)
Other	0
	\$631,803

#### Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 2.74%, as well as what the Maverick County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.74%) or 1 percentage point higher (3.74%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease	Current Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Total OPEB Liability	\$770,913	\$631,803	\$526,139

## OPEB Expense / (Income)

OPEB Expense / (Income)	January 1, 2019 to December 31, 2019
Service cost	\$18,585
Interest on total OPEB liability	19,372
Effect of plan changes	0
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	948
Recognition of assumption changes or inputs Other	18,548
	0
OPEB expense / (income)	\$57,453

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

<b>Deferred Inflows / Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$5,453	\$9,783
Changes of assumptions	40,146	129,207
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 OPEB benefits, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year ended December 31:	
2020	\$19,496
2021	19,496
2022	19,496
2023	19,496
2024	19,496
Thereafter	0

## Schedule of Deferred Inflows and Outflows of Resources

Schedule of Deferred Inflows and Outflows of Resources					Balances of Deferred Inflows and Outflows as of 12/31/2019	
Original Amount	Expense / (Income) Calculation			Amount Recognized for 2019	Inflows	Outflows
	Date Established	Original Recognition Period	Amount Recognized for 2019			
(a)	(b)	(c)	(a) / (c)			
<i>Economic/demographic (gains) or losses</i>						
9,765	12/31/2019	6.0	1,628	0	8,137	
(7,635)	12/31/2018	7.0	(1,091)	6,544	0	
2,880	12/31/2017	7.0	411	0	2,057	
<i>Assumption changes or inputs</i>						
137,383	12/31/2019	6.0	22,897	0	114,486	
(56,204)	12/31/2018	7.0	(8,029)	48,175	0	
25,761	12/31/2017	7.0	3,680	0	18,401	

**Schedule of Changes in Total OPEB Liability and Related Ratios**

	Year Ended December 31			
	2019	2018	2017	2016 - 2010
Total OPEB Liability				
Service cost	\$18,585	\$21,047	\$19,649	N/A
Interest on total OPEB liability	19,372	17,659	17,315	N/A
Effect of plan changes	0	0	0	N/A
Effect of assumption changes or inputs	137,383	(56,204)	25,761	N/A
Effect of economic/demographic (gains) or losses	9,765	(7,635)	2,880	N/A
Benefit payments	<u>(14,281)</u>	<u>(12,243)</u>	<u>(11,261)</u>	<u>N/A</u>
Net change in total OPEB liability	170,824	(37,376)	54,344	<u>N/A</u>
Total OPEB liability, beginning	<u>460,979</u>	<u>498,355</u>	<u>444,011</u>	<u>N/A</u>
Total OPEB liability, ending (a)	<u>\$631,803</u>	<u>\$460,979</u>	<u>\$498,355</u>	<u>N/A</u>
Pensionable covered payroll	\$11,900,605	\$11,129,647	\$10,237,419	N/A
Net OPEB liability/(asset) as % of covered payroll	5.31%	4.14%	4.87%	N/A

## Appendix A - GASB 75 Plan Description for Maverick County

A description of the OPEB plan pursuant to Paragraph 50 of GASB Statement No. 75 is as follows:

- a. Maverick County participates in the retiree Group Term Life program for the Texas County & District Retirement System (TCDRS), which is a statewide, 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 and are eligible for the TCERS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the OPEB plan.
  - 2) The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program.
  - 3) The OPEB benefit is a fixed \$5,000 lump-sum benefit.
  - 4) No future increases are assumed in the \$5,000 benefit amount.
  - 5) Benefit terms are established under the TCERS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year.
- c. Membership information is shown in the chart below.
- d. Contributions made to the retiree GTL Program are held in the GTL Fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.
- e. Benefit terms are established under the TCERS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year. The county's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000.

### Membership Information

Members	Dec. 31, 2018	Dec. 31, 2019
Number of inactive employees entitled to but not yet receiving benefits	51	63
Number of active employees:	370	373
Average age of active employees:	42.49	42.86
Average length of service in years for active employees:	7.46	7
<b>Inactive Employees Receiving Benefits</b>		
Number of benefit recipients	91	97

## Appendix B - Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2019 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

<b>Valuation Timing</b>	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.
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	
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
<b>Asset Valuation Method</b>	Does not apply
<b>Inflation</b>	Does not apply
<b>Salary Increases</b>	Does not apply
<b>Investment Rate of Return (Discount Rate)</b>	2.74%
	20 Year Bond GO Index published by bondbuyer.com as of December 26, 2019.
<b>Cost-of-Living Adjustment</b>	Does not apply
<b>Disability</b>	See Table 1
<b>Mortality</b>	See Table 2
<b>Retirement</b>	See Table 3
<b>Other Termination of Employment</b>	See Table 4

## **Appendix C - Contributions Made Subsequent to Measurement Date**

GASB Statement No. 75 requires employer contributions made between the measurement date, which is the date used to determine an employer's Total OPEB Liability (TOL) and the employer's fiscal year end be reported as a deferred outflow of resources ("DOoR"). The statement requires a beginning deferred outflow of resources for "amounts paid by the employer for OPEB as the benefits come due subsequent to the measurement date of the total OPEB liability and before the end of the reporting period."

For GASB valuation purposes, TCDRS' consulting actuary will compute each participating employer's TOL as of Dec. 31 of each year. Employers will need to account for OPEB contributions made between the measurement date and the employer's fiscal year end as a DOoR. These contributions will not be reported to you as part of this GASB report; employers can access their monthly employer activity statements, which display employer contributions to the GTL plan via the TCDRS Employer Portal. Note that only contributions for the retiree GTL benefit should be included in reporting under GASB 75. There should be no change in the financial reporting for the active GTL benefit. To determine the portion of the contribution related to retiree coverage, refer to the section of this report titled "Employer OPEB Contributions to the Plan."

REQUIRED SUPPLEMENTARY INFORMATION

**Schedule of Changes in Net Pension Liability and Related Ratios**

	Year Ended December 31						2013 - 2010
	2019	2018	2017	2016	2015	2014	
<b>Total Pension Liability</b>							
Service cost	\$1,455,382	\$1,287,251	\$1,322,517	\$1,355,260	\$1,510,500	\$1,543,919	N/A
Interest on total pension liability	3,134,902	2,898,449	2,684,791	2,455,239	2,357,675	2,170,666	N/A
Effect of plan changes	1,225,723	0	0	0	(301,064)	0	N/A
Effect of assumption changes or inputs	0	0	296,516	0	303,058	0	N/A
Effect of economic/demographic (gains) or losses	(183,149)	162,991	(82,633)	(121,441)	(1,054,153)	82,964	N/A
Benefit payments/refunds of contributions	<u>(1,712,646)</u>	<u>(1,487,055)</u>	<u>1,606,940</u>	<u>(1,422,968)</u>	<u>(1,641,645)</u>	<u>(1,311,566)</u>	<u>N/A</u>
Net change in total pension liability	3,920,211	2,861,636	2,614,251	2,266,090	1,174,371	2,485,983	<u>N/A</u>
Total pension liability, beginning	<u>38,086,762</u>	<u>35,225,126</u>	<u>32,610,875</u>	<u>30,344,785</u>	<u>29,170,414</u>	<u>26,684,432</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$42,006,974</u>	<u>\$38,086,762</u>	<u>\$35,225,126</u>	<u>\$32,610,875</u>	<u>\$30,344,785</u>	<u>\$29,170,414</u>	<u>N/A</u>
<b>Fiduciary Net Position</b>							
Employer contributions	\$1,143,648	\$1,094,044	\$952,080	\$858,985	\$965,176	\$1,166,148	N/A
Member contributions	714,036	667,779	614,245	596,941	667,172	711,066	N/A
Investment income net of investment expenses	5,557,196	(634,369)	4,365,798	2,054,541	(500,733)	1,733,967	N/A
Benefit payments/refunds of contributions	(1,712,646)	(1,487,055)	(1,606,940)	(1,422,968)	(1,641,645)	(1,311,566)	N/A
Administrative expenses	(30,118)	(27,181)	(22,755)	(22,360)	(20,188)	(20,913)	N/A
Other	<u>10,472</u>	<u>11,623</u>	<u>(759)</u>	<u>85,979</u>	<u>31,275</u>	<u>36,492</u>	<u>N/A</u>
Net change in fiduciary net position	5,682,587	(375,159)	4,301,669	2,151,116	(498,942)	2,315,193	N/A
Fiduciary net position, beginning	<u>33,840,859</u>	<u>34,216,018</u>	<u>29,914,349</u>	<u>27,763,233</u>	<u>28,262,175</u>	<u>25,946,981</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$39,523,446</u>	<u>\$33,840,859</u>	<u>\$34,216,018</u>	<u>\$29,914,349</u>	<u>\$27,763,233</u>	<u>\$28,262,175</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$2,483,528</u>	<u>\$4,245,904</u>	<u>\$1,009,109</u>	<u>\$2,696,527</u>	<u>\$2,581,553</u>	<u>\$908,239</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	94.09%	88.85%	97.14%	91.73%	91.49%	96.89%	N/A
Pensionable covered payroll	\$11,900,605	\$11,129,647	\$10,237,419	\$9,949,012	\$11,119,540	\$11,851,093	N/A
Net pension liability/(asset) as % of covered payroll	20.87%	38.15%	9.86%	27.10%	23.22%	7.66%	N/A

**Schedule of Employer Contributions**

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$886,137	\$886,137	\$0	\$11,958,661	7.4%
2011	818,693	818,693	0	10,974,032	7.5%
2012	857,707	857,707	0	9,363,609	9.2%
2013	892,836	892,836	0	9,408,177	9.5%
2014	1,166,148	1,166,148	0	11,851,093	9.8%
2015	965,176	965,176	0	11,119,540	8.7%
2016	857,605	858,985	(1,380)	9,949,012	8.6%
2017	952,080	952,080	0	10,237,419	9.3%
2018	1,094,044	1,094,044	0	11,129,647	9.8%
2019	1,143,648	1,143,648	0	11,900,605	9.6%

## Notes to Schedule

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

### Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.1 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected.  2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule.  2016: No changes in plan provisions were reflected in the Schedule.  2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.  2018: No changes in plan provisions were reflected in the Schedule.  2019: No changes in plan provisions were reflected in the Schedule.

### Appendix B - Actuarial Methods and Assumptions Used for GASB Calculations

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

The following are key assumptions and methods used in the 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	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation: See Appendix C
Salary Increases	Same as funding valuation: See Appendix C
Investment Rate of Return	8.10% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Maverick 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

**Schedule of Changes in Total OPEB Liability and Related Ratios**

	Year Ended December 31			
	2019	2018	2017	2016 - 2010
Total OPEB Liability				
Service cost	\$18,585	\$21,047	\$19,649	N/A
Interest on total OPEB liability	19,372	17,659	17,315	N/A
Effect of plan changes	0	0	0	N/A
Effect of assumption changes or inputs	137,383	(56,204)	25,761	N/A
Effect of economic/demographic (gains) or losses	9,765	(7,635)	2,880	N/A
Benefit payments	<u>(14,281)</u>	<u>(12,243)</u>	<u>(11,261)</u>	<u>N/A</u>
Net change in total OPEB liability	170,824	(37,376)	54,344	<u>N/A</u>
Total OPEB liability, beginning	<u>460,979</u>	<u>498,355</u>	<u>444,011</u>	<u>N/A</u>
Total OPEB liability, ending (a)	<u>\$631,803</u>	<u>\$460,979</u>	<u>\$498,355</u>	<u>N/A</u>
Pensionable covered payroll	\$11,900,605	\$11,129,647	\$10,237,419	N/A
Net OPEB liability/(asset) as % of covered payroll	5.31%	4.14%	4.87%	N/A

## Appendix B - Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2019 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

<b>Valuation Timing</b>	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.
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	
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
<b>Asset Valuation Method</b>	Does not apply
<b>Inflation</b>	Does not apply
<b>Salary Increases</b>	Does not apply
<b>Investment Rate of Return (Discount Rate)</b>	2.74% 20 Year Bond GO Index published by bondbuyer.com as of December 26, 2019.
<b>Cost-of-Living Adjustment</b>	Does not apply
<b>Disability</b>	See Table 1
<b>Mortality</b>	See Table 2
<b>Retirement</b>	See Table 3
<b>Other Termination of Employment</b>	See Table 4

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

	SPECIAL REVENUE										
	911 RESTITU- TION	ALCOHOL AND DRUG ABUSE GRANT	ARCHIVE FEE - COUNTY CLERK	ARCHIVE FEE - DISTRICT CLERK	BORDER STAR NO. 1983102	CESF G#4153401	CHILD ABUSE PREVENTION	CHILD WELFARE	CO. CLERK RECORDS MGMT & PRESER.	CONTINUING EDUCATION JUDGE & STAFF	CORONA- VIRUS RELIEF FUND
ASSETS											
Cash and Cash Equivalents	\$36,863	\$692	\$2,184	\$40,419				\$2,532	\$181,464	\$1,907	\$159,113
Receivables (net of allowance for uncollectibles)			90			61,133			3,834	30	3,427
Due from Other Funds											41,260
<b>TOTAL ASSETS</b>	<b>\$36,863</b>	<b>\$692</b>	<b>\$2,274</b>	<b>\$40,419</b>	<b>\$0</b>	<b>\$61,133</b>	<b>\$0</b>	<b>\$2,532</b>	<b>\$185,298</b>	<b>\$1,937</b>	<b>\$203,800</b>
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts Payable						\$10,660					\$17,799
Due to Other Funds						50,473					400
Accrued Wages											19,600
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>61,133</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,799</b>
Fund Balances											
Restricted											
Construction			2,274						185,298		
General Administration											
Health and Welfare		692									166,001
Judicial				40,419			2,532			1,937	
Public Safety - Sheriff	36,863										
Records Management											
Unassigned											
<b>Total Fund Balances</b>	<b>36,863</b>	<b>692</b>	<b>2,274</b>	<b>40,419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,532</b>	<b>185,298</b>	<b>1,937</b>	<b>166,001</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$36,863</b>	<b>\$692</b>	<b>\$2,274</b>	<b>\$40,419</b>	<b>\$0</b>	<b>\$61,133</b>	<b>\$0</b>	<b>\$2,532</b>	<b>\$185,298</b>	<b>\$1,937</b>	<b>\$203,800</b>

(continued)

SPECIAL REVENUE

COUNTY & DISTRICT TECHNOLOGY	COUNTY FAMILY PROTECTION	COUNTY RECORDS PRESERVATION	COURT INITIATED GUARDIANSHIP	COURT-HOUSE SECURITY	D.A. BORDER PROSECUTION	DISTRICT REC. MGMT. & PRESERVATION	E-FILE RECOVERY DISTRICT CLERK #2	ELDERLY NUTRITION	ER SRVCS HELP COLONIA	JUDICIAL EFFICIENCY OF COURTS	JURY FUND	LAW LIBRARY	LBSP 2014	LOCAL TRAFFIC FINE	LOCAL TRUANCY PREV & DIVERSION
\$2,168	\$12,220	\$72,634	\$3,427	\$148,812	\$20,317	\$39,503	\$28,708	\$290,731	\$10,000	\$1,111	\$32	\$254,257	\$9,955	\$387	\$2,070
		110	60	1,014	58,104			103,426			5	385	14,335	178	167
4				150,978		3				18		241,971			
<u>\$2,172</u>	<u>\$12,220</u>	<u>\$72,744</u>	<u>\$3,487</u>	<u>\$300,804</u>	<u>\$78,421</u>	<u>\$39,506</u>	<u>\$28,708</u>	<u>\$394,157</u>	<u>\$10,000</u>	<u>\$1,129</u>	<u>\$37</u>	<u>\$496,613</u>	<u>\$24,290</u>	<u>\$565</u>	<u>\$2,237</u>
					\$71,457		\$21,660								
					7,169		9,823						1,042		
0	0	0	0	0	78,626	0	0	31,483	0	0	0	0	1,042	0	0
		72,744						362,674	10,000						
2,172	12,220		3,487	300,804	(205)	39,506	28,708			1,129	37	496,613	23,248	565	2,237
					(205)										
<u>2,172</u>	<u>12,220</u>	<u>72,744</u>	<u>3,487</u>	<u>300,804</u>	<u>(205)</u>	<u>39,506</u>	<u>28,708</u>	<u>362,674</u>	<u>10,000</u>	<u>1,129</u>	<u>37</u>	<u>496,613</u>	<u>23,248</u>	<u>565</u>	<u>2,237</u>
<u>\$2,172</u>	<u>\$12,220</u>	<u>\$72,744</u>	<u>\$3,487</u>	<u>\$300,804</u>	<u>\$78,421</u>	<u>\$39,506</u>	<u>\$28,708</u>	<u>\$394,157</u>	<u>\$10,000</u>	<u>\$1,129</u>	<u>\$37</u>	<u>\$496,613</u>	<u>\$24,290</u>	<u>\$565</u>	<u>\$2,237</u>

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

	SPECIAL REVENUE										
	MC JUVENILE PROBATION SERVICE	PARKLAND FEES	PUBLIC ASSIST- ANCE PROGRAM	RECORDS MANAGE- MENT	SHERIFF CONFISCATED FUNDS	STONE GARDEN 2009	STONE GARDEN 2011	STONE GARDEN 2018	TECH- NOLOGY	TIME PAYMENT	TOBACCO GRANT CONSTR- UCTION
ASSETS											
Cash and Cash Equivalents		\$565	\$93,214	\$58,922	\$24,062		\$41,113	\$129,193	\$56,576	\$2,920	\$1,875
Receivables (net of allowance for uncollectibles)	16,091	575		55				158,424	282	58	
Due from Other Funds				104,646				1,977			
<b>TOTAL ASSETS</b>	<b>\$16,091</b>	<b>\$1,140</b>	<b>\$93,214</b>	<b>\$163,623</b>	<b>\$24,062</b>	<b>\$0</b>	<b>\$41,113</b>	<b>\$289,594</b>	<b>\$56,858</b>	<b>\$2,978</b>	<b>\$1,875</b>
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts Payable			\$10,131			\$44,157	\$39,324	\$110,000	\$6,936		\$1,875
Due to Other Funds			1,197								
Accrued Wages			11,506	2,973				4,594			
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>22,834</b>	<b>2,973</b>	<b>0</b>	<b>44,157</b>	<b>39,324</b>	<b>114,594</b>	<b>6,936</b>	<b>0</b>	<b>1,875</b>
Fund Balances											
Restricted											
Construction											
General Administration		1,140								2,978	
Health and Welfare			70,380								
Judicial								49,922			
Public Safety - Sheriff	16,091				24,062		1,789	175,000			
Records Management				160,650							
Unassigned						(44,157)					
<b>Total Fund Balances</b>	<b>16,091</b>	<b>1,140</b>	<b>70,380</b>	<b>160,650</b>	<b>24,062</b>	<b>(44,157)</b>	<b>1,789</b>	<b>175,000</b>	<b>49,922</b>	<b>2,978</b>	<b>0</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$16,091</b>	<b>\$1,140</b>	<b>\$93,214</b>	<b>\$163,623</b>	<b>\$24,062</b>	<b>\$0</b>	<b>\$41,113</b>	<b>\$289,594</b>	<b>\$56,858</b>	<b>\$2,978</b>	<b>\$1,875</b>

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

SPECIAL REVENUE			CAPITAL PROJECTS				NON-MAJOR GOVERN- MENTAL FUNDS
TOWER LEASE	VITAL STATISTICS	ZIKA PROJECT	CDBG NO. 7217299	CDBG NO. 7218065	CDBG NO. 7218115	TAX NOTES 2019	
\$20,006	\$29,571	\$133,739	\$4,495	\$126,079	\$63,740	\$572,260	\$2,679,836
	34	19,401		18,320			459,538
				4,500			545,357
<u>\$20,006</u>	<u>\$29,605</u>	<u>\$153,140</u>	<u>\$4,495</u>	<u>\$148,899</u>	<u>\$63,740</u>	<u>\$572,260</u>	<u>\$3,684,731</u>
		10,299	4,500	\$25,070	\$1,980	\$156,670	\$517,719
							66,869
0	0	10,299	4,500	25,070	1,980	156,670	56,707
							641,295
	29,605	142,841		123,829	61,760	415,590	601,179
20,006							294,039
							772,594
							666,462
							592,879
							160,650
			(5)				(44,367)
20,006	29,605	142,841	(5)	123,829	61,760	415,590	3,043,436
<u>\$20,006</u>	<u>\$29,605</u>	<u>\$153,140</u>	<u>\$4,495</u>	<u>\$148,899</u>	<u>\$63,740</u>	<u>\$572,260</u>	<u>\$3,684,731</u>
			0	0	0	0	

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

	SPECIAL REVENUE									
	911 RESTITU- TION	ALCOHOL AND DRUG ABUSE GRANT	ARCHIVE FEE - COUNTY CLERK	ARCHIVE FEE - DISTRICT CLERK	BORDER STAR NO. 1983102	CESF G#4153401	CHILD ABUSE PREVENTION	CHILD WELFARE	CO. CLERK RECORDS MGMT & PRESER.	CONTINUING EDUCATION JUDGE & STAFF
<b>REVENUES</b>										
Intergovernmental										
Charges for Services			710	13,610		\$61,133		\$2,776	65,604	330
Interest										
Miscellaneous	35,939									
Total Revenues	35,939	0	710	13,610	0	61,133	0	2,776	65,604	330
<b>EXPENDITURES</b>										
Current:										
General Administration										
General Administration										
Records Management								106		
Judicial										
Judicial				70			35			
Public Safety										
Public Safety					35					
Probation										
Sheriff										
Health and Welfare										
Health		30				61,133		4,492		163,361
Capital Projects -										
Capital Outlay and Other										
Debt Service										
Bond Issuance Cost										
Total Expenditures	0	30	0	70	35	61,133	35	4,492	106	0
Excess (Deficiency) of Revenues Over (Under)	35,939	(30)	710	13,540	(35)	0	(35)	(1,716)	65,498	330
Expenditures										166,001
<b>OTHER FINANCING SOURCES (USES):</b>										
Debt Issuance Proceeds										
Operating Transfers In										
Operating Transfers Out					(11,349)		(240)			
Total Other Financing Sources (Uses)	0	0	0	0	(11,349)	0	(240)	0	0	0
Net Changes in Fund Balances	35,939	(30)	710	13,540	(11,384)	0	(275)	(1,716)	65,498	330
Fund Balances - Beginning - Restated	924	722	1,564	26,879	11,384	0	275	4,248	119,800	1,607
Fund Balances - Ending	\$36,863	\$692	\$2,274	\$40,419	\$0	\$0	\$0	\$2,532	\$185,298	\$1,937

(continued)

SPECIAL REVENUE															
COUNTY & DISTRICT TECHNOLOGY	COUNTY FAMILY PROTECTION	COUNTY RECORDS PRESERVATION	COURT INITIATED GUARDIANSHIP	COURT-HOUSE SECURITY	D.A. BORDER PROSECUTION	DISTRICT REC. MGMT. & PRESERVATION	E-FILE RECOVERY DISTRICT CLERK #2	ELDERLY NUTRITION	ER SRVCS HELP COLONIA	JUDICIAL EFFICIENCY OF COURTS	JURY FUND	LAW LIBRARY	LBSP 2014	LOCAL TRAFFIC FINE	LOCAL TRUANCY PREV & DIVERSION
240	2,431	18,011	740	41,028	\$293,207	9,925	6,416	\$444,408 13,420	\$134,866	375	51	57,995 686	\$20,083	579	2,251
240	2,431	18,011	740	41,028	293,207	9,925	6,416	457,828	134,866	375	51	58,681	20,083	579	2,251
			70												
					293,207		20			70	14	106			
													35,884	14	14
	67			100,854											
								624,697	134,866						
0	67	70	0	100,854	293,207	0	20	624,697	134,866	70	14	106	35,884	14	14
240	2,364	17,941	740	(59,826)	0	9,925	6,396	(166,869)	0	305	37	58,575	(15,801)	565	2,237
								342,547	10,000				7,150		
0	0	0	0	0	0	0	0	342,547	10,000	0	0	0	7,150	0	0
240	2,364	17,941	740	(59,826)	0	9,925	6,396	175,678	10,000	305	37	58,575	(8,651)	565	2,237
1,932	9,856	54,803	2,747	360,630	(205)	29,581	22,312	186,996	0	824	0	438,038	31,899	0	0
\$2,172	\$12,220	\$72,744	\$3,487	\$300,804	(\$205)	\$39,506	\$28,708	\$362,674	\$10,000	\$1,129	\$37	\$496,613	\$23,248	\$565	\$2,237

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

	SPECIAL REVENUE									
	MC JUVENILE PROBATION SERVICE	PARKLAND FEES	PUBLIC ASSIST- ANCE PROGRAM	RECORDS MANAGE- MENT	SHERIFF CONFISCATED FUNDS	STONE GARDEN 2009	STONE GARDEN 2011	STONE GARDEN 2018	TECH- NOLOGY	TIME PAYMENT
<i>REVENUES</i>										
Intergovernmental	\$16,091							\$332,554		\$22,250
Charges for Services				84,632					8,012	3,007
Interest										
Miscellaneous					43,183					
Total Revenues	16,091	0	0	84,632	43,183	0	0	332,554	8,012	22,250
<i>EXPENDITURES</i>										
Current:										
General Administration										
General Administration		40								29
Records Management				139,726						22,250
Judicial									26,661	
Public Safety										
Public Safety						30				
Probation										
Sheriff					44,938		35	332,554		
Health and Welfare										
Health			92,751							
Capital Projects -										
Capital Outlay and Other										
Debt Service										
Bond Issuance Cost										
Total Expenditures	0	40	92,751	139,726	44,938	30	35	332,554	26,661	29
Excess (Deficiency) of Revenues Over (Under)	16,091	(40)	(92,751)	(55,094)	(1,755)	(30)	(35)	0	(18,649)	2,978
Expenditures										0
<i>OTHER FINANCING SOURCES (USES):</i>										
Debt Issuance Proceeds										
Operating Transfers In			163,131	91,971						
Operating Transfers Out						(657)				
Total Other Financing Sources (Uses)	0	0	163,131	91,971	0	(657)	0	0	0	0
Net Changes in Fund Balances	16,091	(40)	70,380	36,877	(1,755)	(687)	(35)	0	(18,649)	2,978
Fund Balances - Beginning - Restated	0	1,180	0	123,773	25,817	(43,470)	1,824	175,000	68,571	0
Fund Balances - Ending	\$16,091	\$1,140	\$70,380	\$160,650	\$24,062	(\$44,157)	\$1,789	\$175,000	\$49,922	\$2,978

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

SPECIAL REVENUE			CAPITAL PROJECTS				NON-MAJOR GOVERNMENTAL FUNDS
TOWER LEASE	VITAL STATISTICS	ZIKA PROJECT	CDBG NO. 7217299	CDBG NO. 7218065	CDBG NO. 7218115	TAX NOTES 2019	
		\$98,557	\$7,700				\$1,762,987
							329,367
							686
	4,629						83,751
0	4,629	98,557	7,700	0	0	0	2,176,791
40	137	98,556				21	121,143
							139,832
							320,183
							35,977
							0
							478,448
			35,155	6,750	38,240		1,161,475
						2,724,728	2,724,728
							0
40	137	98,556	35,155	6,750	38,240	2,724,749	4,981,786
(40)	4,492	1	(27,455)	(6,750)	(38,240)	(2,724,749)	(2,804,995)
				100,159	100,000		0
			(91,955)				814,958
			(91,955)	100,159	100,000	0	(104,201)
0	0	0	(91,955)	100,159	100,000	0	710,757
(40)	4,492	1	(119,410)	93,409	61,760	(2,724,749)	(2,094,238)
20,046	25,113	142,840	119,405	30,420	0	3,140,339	5,137,674
\$20,006	\$29,605	\$142,841	(\$5)	\$123,829	\$61,760	\$415,590	\$3,043,436
			0	0	0	0	

SINGLE AUDIT SECTION

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

SOURCE AND TITLE OF GRANT	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS- THROUGH TO SUB- RECIPIENTS	TOTAL FEDERAL EXPENDI- TURES
<b>FEDERAL ASSISTANCE</b>				
<b><u>U.S. Department of Justice</u></b>				
Passed-Through:				
Criminal Justice Division - Office of the Governor				
Violence Against Women Formula Grants	16.588			
Violent Crimes against Women Justice-Maverick County Project		2930005	None	\$36,885
Violent Crimes against Women Justice-Maverick County Project		2930006	None	3,960
				<u>40,845</u>
Passed Through				
Texas Division of Emergency Management (TDEM)				
Coronavirus Emergency Supplemental Funding Program - Decontamination Equipment	16.034	4153401	NONE	<u>61,133</u>
<i>Total U.S. Department of Justice</i>				<u>101,978</u>
<b><u>U.S. Department of the Treasury</u></b>				
Passed Through				
Texas Division of Emergency Management (TDEM)				
Coronavirus Relief Fund	21.019		None	204,621
<i>Total U.S. Department of the Treasury (TREAS)</i>				<u>204,621</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed-Through:				
Middle Rio Grande Development Council:				
Special Programs for the Aging - Title III, Part B				
Grants for Supportive Services and Senior Centers	93.044	AAA-2011-024-03	None	191,265
Special Programs for the Aging - Title III, Part C - Nutrition Services				
TITLE III-C	93.045		None	104,168
Passed-Through:				
Texas Health and Human Services Commission				
Maternal and Child Health Services Block Grant to the States	93.994	HHS000156800001	None	98,557
Passed-Through:				
Texas Department of Human Services				
Social Services Block Grant Title XX/XIX	93.667	1001465	None	113,406
<i>Total U.S. Department of Health and Human Services</i>				<u>507,396</u>
<b><u>Executive Office of the President</u></b>				
Passed-Through:				
District Attorney				
High Intensity Drug Trafficking Areas Program	95.001			
Eagle Pass HIDTA Task Force		G18SS0013A	None	13,715
Eagle Pass HIDTA Task Force		G19SS0013A	None	53,414
				<u>67,129</u>
<i>Total Executive Office of the President</i>				<u>67,129</u>
<b><u>United States Department of Homeland Security (DHS)</u></b>				
Direct				
Homeland Security Grant Program				
Maverick-2018 OPFG	97.067	3594002	None	131,168
Maverick-2019 OPFG		3594003	None	201,387
Passed Through				
Texas Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	271-99271-00	NONE	92,750
				<u>425,305</u>
<i>Total United States Department of Homeland Security</i>				<u>425,305</u>
<b><u>United States Department of Housing and Urban Development (HUD)</u></b>				
Passed-Through:				
Texas Department of Agriculture				
Community Development Block Grants/State's program				
Ranchito Road from Pioneer Rd to FM 2030	14.228	7217299	None	7,700
Sanitary Sewer & Lift Station Improvements		7218065	None	0
Ranchito Road from Pioneer Rd to FM 2030		7218115	None	0
Sanitary Sewer & Lift Station Improvements		7219143	None	134,866
				<u>142,566</u>
<i>Total United States Department of Housing and Urban Development (HUD)</i>				<u>142,566</u>
<b><u>United States Department of Agriculture (USDA)</u></b>				
Passed-Through:				
Texas Department of Agriculture				
Water & Waste Disposal Systems for Rural Communities - Grant				
Water & Waste Disposal Systems for Rural Communities - Grant	10.760			
Water & Waste Disposal Systems for Rural Communities - Loan (See Note Below)		None	None	1,400,488
Water & Waste Disposal Systems for Rural Communities - Grant		None	None	1,403,529
Water & Waste Disposal Systems for Rural Communities - Grant		None	None	1,107,000
				<u>3,911,017</u>
<i>Total United States Department of Agriculture (USDA)</i>				<u>3,911,017</u>
<b>TOTAL FEDERAL ASSISTANCE:</b>				<u><u>\$5,360,012</u></u>

Note: The balance of the Water & Waste Disposal Systems for Rural Communities - Loan at September 30, 2020 is \$2,028,000.  
The balance at September 30, 2020 was \$659,000.

See Accompanying Notes to Schedule of Federal Financial Assistance

MAVERICK 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: 7217299  
 Contract Period: December I, 2017 to November 30, 2019

	BUDGET	FEDERAL		VARIANCE
		PRIOR YEAR	CURRENT YEAR	
REVENUE				
Federal	\$450,000	\$441,613	\$7,700	\$687
Local	90,000	62,550	27,450	0
TOTAL REVENUE:	540,000	504,163	35,150	687
EXPENSES				
Federal				
Sewer Improvements-Construction	450,000	441,613	7,700	687
Local				
Sewer Improvements-Engineering	45,000	33,300	11,700	0
General Program Administration	45,000	29,250	15,750	0
TOTAL EXPENSES	540,000	504,163	35,150	687
Excess Revenue over Expenditures	\$0	\$0	\$0	\$0

MAVERICK 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: 7218065  
 Contract Period: April 23, 2018 to April 22, 2020

	FEDERAL		VARIANCE
	PRIOR	CURRENT	
	BUDGET	YEAR	YEAR
<b>REVENUE</b>			
Federal	\$437,292	\$183,199	\$0
Local	100,000	69,550	30,450
TOTAL REVENUE:	537,292	252,749	0
<b>EXPENSES</b>			
Federal			
Sewer Improvements-Construction	384,142	183,199	200,943
Rehab: Single-Unit Sewer Service-Construction	53,150		53,150
Local			
Sewer Improvements-Engineering	55,000	40,300	14,700
General Program Administration	45,000	29,250	15,750
TOTAL EXPENSES	537,292	252,749	0
Excess Revenue over Expenditures	\$0	\$0	\$0

MAVERICK 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: 7218115  
 Contract Period: February 15, 2019 to February 10, 2021

	FEDERAL		VARIANCE
	PRIOR YEAR	CURRENT YEAR	
BUDGET			
REVENUE			
Federal	\$500,000	\$0	\$500,000
Local	100,000		100,000
TOTAL REVENUE:	600,000	0	600,000
EXPENSES			
Federal			
Sewer Improvements-Construction	463,800		463,800
Rehab: Single-Unit Sewer Service-Construction	36,200		36,200
Local			
Sewer Improvements-Engineering	55,000		55,000
General Program Administration	45,000		45,000
TOTAL EXPENSES	600,000	0	600,000
Excess Revenue over Expenditures	\$0	\$0	\$0

MAVERICK 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: 7219143  
 Contract Period: July 16, 2020 to January 15, 2021

	FEDERAL		VARIANCE
	PRIOR	CURRENT	
	BUDGET	YEAR	YEAR
REVENUE			
Federal	\$269,732	\$0	\$134,866
TOTAL REVENUE:	269,732	0	134,866
EXPENSES			
Federal			
Econ DevOSQ	249,732		124,866
General Program Administration	20,000		10,000
TOTAL EXPENSES	269,732	0	134,866
Excess Revenue over Expenditures	\$0	\$0	\$0

**BEYER & Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Wayne R. Beyer, C.P.A.

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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 Commissioner's Court  
Maverick, 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, business-type activities, each major fund, and the aggregate remaining fund information of Maverick County, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Maverick County, Texas's basic financial statements, and have issued our report thereon dated March 28, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Maverick County, Texas's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Maverick County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of Maverick County, Texas's 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 Maverick County, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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  
March 28, 2021

**BEYER & Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Wayne R. Beyer, C.P.A.

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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  
Maverick County, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Maverick 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 Maverick County, Texas' major federal programs for the year ended September 30, 2020. Maverick 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 Maverick 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 Maverick 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 Maverick County, Texas' compliance.

***Opinion on Each Major Federal Program***

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

## Other Matters

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

### Report on Internal Control over Compliance

Management of Maverick 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 Maverick 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 Maverick 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 & Co.*

BEYER & COMPANY  
Certified Public Accountants  
March 28, 2021

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

NOTE A-BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Maverick County, Texas under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Maverick County, Texas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Maverick 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

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

NOTE D- LOAN BALANCE

The balance of the Water & Waste Disposal Systems for Rural Communities – Loan at September 30, 2020 is \$2,028,000. The balance at September 30, 2020 was \$659,000.

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

District Clerk – We noted a few issues with the bank accounts. There is an unknown excess amount of \$23,550.65 in the Refund Account, we were not provided a list that makes up the unknown balance. The list that was provided for the Trust Account is incorrect, it shows the account is short in the amount of \$70,427.02. The list that was provided for the Bond Account shows the account is over in the amount of \$3,341.18. ***This condition has been corrected.***

Motor Vehicle – We noted that the County is making late payments to the State for titles and Monday registration. ***This condition has been corrected.***

Ad Valorem – We were unable to determine what makes up the balance of \$163,230.12. ***This condition has been corrected.***

Segregation of Duties – Due to the limited number of people working in the office, many critical duties are combined and given to the available employees. ***This condition has been corrected.***

County Clerk – We noted in the test month, according to the computer reports, that the amount of cash remitted to the Treasurer was short in the amount of \$242.00. ***This condition has been corrected.***

Minutes - We noted that the minutes do not provide pertinent details for many of the items approved. ***This condition has been corrected.***

Hot Check Fund – We noted old outstanding checks and old merchant checks were returned, as the merchants went out of business prior to receiving monies from the County. We also noted unknown excess monies in the trust account. ***This condition has been corrected.***

Hot Check Fund – We noted an excess balance of \$4,860.10 in the hot check account. ***This condition has been corrected.***

Vendor list – We noticed that several vendors were listed twice and that several did not have addresses. ***This condition has been corrected.***

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

**Section I Summary of Auditors Results**

*Financial Statements Section*

1. The auditor's report expresses an unmodified opinion on the financial statements of the Maverick 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 Maverick 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 Maverick 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: Water & Waste Disposal Systems for Rural Communities - Grant - CFDA 10.760.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Maverick County did not qualify as a low-risk auditee.