

BOWIE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2020

BOWIE COUNTY, TEXAS

TABLE OF CONTENTS

SEPTEMBER 30, 2020

	<u>Page Number</u>
Independent Auditor’s Report.....	1 – 2
Management’s Discussion and Analysis.....	3 – 7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	12
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Fiduciary Assets and Liabilities – Agency Funds	14
Notes to Financial Statements	15 – 32
Required Supplementary Information:	
Schedule of Revenues and Expenditures – Budget and Actual – General Fund	33 – 34
Notes to the Required Supplementary Information – Budgetary Schedule	35
Schedule of Changes in Net Pension Liability and Related Ratios.....	36 – 37
Schedule of Employer Contributions - TCDRS.....	38
Notes to Schedule of Employer Contributions - TCDRS	39
Schedule of Changes in Total OPEB Liability and Related Ratios – Texas County and District Retirement System – Group Term Life Fund.....	40
Schedule of Changes in Total OPEB Liability and Related Ratios – Retiree Health Care Plan	41

Combining Fund Statements:

Nonmajor Governmental Funds:

Combining Balance Sheet	42 – 43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	44 – 45

Agency Funds:

Combining Statement of Fiduciary Assets and Liabilities	46 – 47
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INDEPENDENT AUDITOR'S REPORT

Honorable County Judge
And Members of the Commissioners' Court
Bowie County
New Boston, Texas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

OFFICE LOCATIONS

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NEW MEXICO | Albuquerque

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bowie County, Texas, as of September 30, 2020, and the respective changes in financial position 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 required supplementary information, as presented in the table of contents, 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 the County's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements 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 fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021, on our consideration of the County'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 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 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 the County's internal control over financial reporting and compliance.

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

Waco, Texas
May 11, 2021

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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Management's Discussion and Analysis

This section of the Bowie County, Texas (the "County") financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2020.

FINANCIAL HIGHLIGHTS

- The County's total net position decreased by \$4,870,125, or 15%, over the course of this year's operations.
- The total government-wide assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at September 30, 2020, by \$28,248,535 and is reported as total net position of the County. Of this amount, (\$13,542,003) represents unrestricted net position, \$27,840,881 is restricted, and \$13,949,657 is the net investment in capital assets.
- As of September 30, 2020, the County's governmental funds reported combined fund balances of \$26,898,817, as compared to \$22,709,872 at September 30, 2019. This represented an increase of \$4,188,945. This increase can be primarily attributed to the Local Provider Participation Fund and an increase of \$1,544,827 in the General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of the following three components: 1) Government-wide financial statements; 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all County assets, deferred inflows/outflows of resources and liabilities, with the difference representing net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information that indicates how net position changed during the 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). The County has no business-type activities. The governmental activities of the County include general government, public safety, public works and welfare.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal requirements. All the funds of the County can be divided into two categories: governmental funds and fiduciary funds. The County does not have any proprietary 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 the County's near-term financing requirements.

Because the focus of governmental funds is narrower than 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 County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 9 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the major governmental funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the governmental fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's compliance with its adopted budget for the General Fund, its employee pension plan and its other post-employment benefit plans to its employees. Required supplementary information can be found immediately following the notes to the financial statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Bowie County, assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources by \$28,248,535 at the close of the most recent fiscal year. The following table indicates the County's financial position as of September 30, 2020 and September 30, 2019.

STATEMENT OF NET POSITION

	Governmental Activities	
	2020	2019
Current and other assets	\$ 50,116,006	\$ 55,102,107
Capital assets	<u>14,451,250</u>	<u>14,457,693</u>
Total assets	<u>64,567,256</u>	<u>69,559,800</u>
 Total deferred outflows of resources	<u>2,042,197</u>	<u>5,363,601</u>
 Current liabilities	2,651,127	2,883,702
Noncurrent liabilities	<u>32,528,765</u>	<u>38,151,432</u>
Total liabilities	<u>35,179,892</u>	<u>41,035,134</u>
 Total deferred inflows of resources	<u>2,635,358</u>	<u>769,607</u>
 Net position:		
Net investment in capital assets	13,949,657	14,457,693
Restricted	27,840,881	36,022,869
Unrestricted	<u>(13,542,003)</u>	<u>(17,361,902)</u>
 Total net position	<u>\$ 28,248,535</u>	<u>\$ 33,118,660</u>

The first portion of the County's current fiscal year net position, \$13,949,657, reflects its investments in capital assets (e.g. land, improvements, buildings, equipment, infrastructure) less any related debt used to acquire these assets that is outstanding. The main use of these capital assets is to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the County's current fiscal year net position, (\$13,542,003) represents unrestricted net position and \$27,840,881 represents restricted net position. The restricted net position has constraints which have been placed on the use of these resources either (a) externally imposed by creditors, grantors, contributors, or by laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The following table indicates the changes in net position for governmental activities:

STATEMENT OF ACTIVITIES

	Governmental Activities	
	2020	2019
REVENUES		
Program revenues:		
Charges for services	\$ 10,857,527	\$ 18,322,573
Operating grants and contributions	4,118,063	4,063,392
General revenues:		
Property taxes, levied for general purposes	18,898,045	18,519,309
Property taxes, levied for debt service	2,181,922	2,165,222
Sales taxes	7,453,116	6,937,851
Other taxes	1,060,372	1,038,680
Investment earnings	265,049	447,172
Miscellaneous	<u>56,643</u>	<u>140,219</u>
Total revenues	<u>44,890,737</u>	<u>51,634,418</u>
EXPENSES		
General government	11,034,373	10,498,172
Public safety	22,864,451	23,203,530
Public works	4,752,139	5,913,584
Health and welfare	10,369,482	23,009,545
Interest on long-term debt	<u>740,417</u>	<u>784,102</u>
Total expenses	<u>49,760,862</u>	<u>63,408,933</u>
CHANGE IN NET POSITION	(4,870,125)	(11,774,515)
NET POSITION, BEGINNING	<u>33,118,660</u>	<u>44,893,175</u>
NET POSITION, ENDING	<u>\$ 28,248,535</u>	<u>\$ 33,118,660</u>

Property taxes are collected to support governmental activities through the General and Debt Service funds. Property taxes increased by \$395,436 or 2% for the fiscal year. This increase was primarily due to an increase in the appraised value of taxable property. Income from charges for services decreased by \$7,465,046. These revenues decreased mainly due to 1) the Local Participation Provider program and 2) an increase in sales tax. Grants and contributions decreased by \$54,671 during the fiscal year as significant state funding for indigent inmate representation ended in the prior year. Expenses for the County decreased by \$13,648,071 mainly due to fluctuation of activity for the Local Participation Provider program and the end of the County's participation in a community development block grant.

FINANCIAL ANALYSIS OF MAJOR FUNDS

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

At September 30, 2020, the County's governmental funds reported combined fund balances of \$26,898,817 as compared to \$22,709,872 at September 30, 2019.

The General Fund is the chief operating fund of the County. At September 30, 2020, the General Fund reported revenues of \$39,518,121 and expenditures of \$40,269,664 as compared to revenues of \$39,464,863 and expenditures of \$39,982,553 at September 30, 2019. Unassigned fund balance for the General Fund at year-end was \$15,748,316.

The Local Provider Participation Fund had an increase in fund balance during the current year of \$2,735,195. The decrease was due to a timing difference between mandatory collections received being less than payments made to the state.

The Debt Service Fund had a decrease in fund balance during the year of \$91,578. The decrease was due to transfers of excess reserves from a completed highway expansion project.

GENERAL FUND BUDGETARY HIGHLIGHTS

Tax revenues were under-budgeted by approximately \$1,988,246. Total General Fund appropriations exceeded expenditures by \$823,653.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's investment in capital assets for its governmental activities as of September 30, 2020, amounted to \$14,451,250 (net of accumulated depreciation) as compared to \$14,457,693 at September 30, 2019. This investment in capital assets includes land, buildings and improvements, structures, equipment, vehicles, machinery, and other tangible and intangible assets.

For further information regarding capital assets, see page 21 of this report.

Long-term Debt. At September 30, 2020, the County had total long-term liabilities outstanding of \$22,176,772. Total long-term liabilities outstanding at September 30, 2019, were \$23,312,127.

The primary cause of the decrease in long-term debt was the scheduled debt service payments for the various notes and bonds outstanding.

For further information regarding long-term debt, see Note 2 on pages 22-23 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2020-2021 Budget has the same overall tax rate as the 2019-2020 Budget of \$0.424322. The total rate consists of \$0.048523 for debt service and \$0.375799 for maintenance and operations. Budgeted revenues for the General Fund total \$41,616,383 and budgeted expenses total \$41,606,383.

The 2020-2021 Budget has faced many challenges including the continued Covid 19 pandemic, the takeover of the Bowie County Correctional Center, a cyberattack and a historical winter storm. The county has received federal and state assistance for many of the additional expenditures incurred during the Covid 19 pandemic. Sales tax revenue has continued to remain steady despite the limitations of the pandemic. The county's revenue stream is holding steady with a slight decrease in overall revenue.

The cyberattack of December 2020 slowed county operations for several weeks. Fortunately, the county had a cyber security policy in place.

In February 2021, the county took over operations of the Bowie County Correctional Center after LaSalle terminated their contract with the county. The county has incurred some unexpected expenditures regarding the operation of Bowie County Correctional Center. The county remains hopeful to stay within the budget for the housing of inmates. The county currently contracts with the US Marshall Service for housing federal inmates. This contract helps offset the cost of inmate housing.

The county plans to refinance some of the Series 2018 bonds with a potential savings of \$757,000 over the life of the bonds.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County Auditor's Office, P. O. Box 248, New Boston, Texas 75570.

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**BASIC
FINANCIAL STATEMENTS**

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

	Governmental Activities
ASSETS	
Cash and investments	\$ 27,751,451
Receivables, net of allowance for uncollectibles:	
Accounts	603,426
Adjudicated fines	557,340
Property taxes	1,656,105
Sales taxes	1,303,180
Intergovernmental	17,544,159
Prepaid expenses	134,187
Investment in joint venture	566,158
Capital assets:	
Land	984,044
Buildings	20,314,756
Machinery and equipment	10,720,971
Infrastructure	36,191,231
Less: accumulated depreciation	(53,759,752)
Total capital assets	14,451,250
Total assets	64,567,256
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,528,726
Deferred outflows related to OPEB	513,471
Total deferred outflows of resources	2,042,197
LIABILITIES	
Accounts payable	1,778,261
Accrued liabilities	260,468
Due to other governments	438,100
Accrued interest	174,298
Unearned revenue	154,749
Noncurrent liabilities:	
Due within one year:	
Short-term note	390,919
Long-term debt	1,616,103
Total OPEB liability	263,116
Due in more than one year:	
Long-term debt	20,560,669
Net pension liability	4,816,476
Total OPEB liability	5,272,401
Total liabilities	35,725,560
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	1,984,273
Deferred inflows related to OPEB	335,615
Deferred gain on bond refunding	315,470
Total deferred inflows of resources	2,635,358
NET POSITION	
Net investment in capital assets	13,949,657
Restricted for:	
Debt service	16,726,477
Road improvements	398,200
Inmate benefit	179,074
Law library	16,426
District Attorney	291,426
Public safety	395,803
Records management and preservation	769,592
Court security	42,387
Justice court technology	167,019
Voting and election services	25,025
Health and welfare	8,767,928
Foster care	26,791
Drug Court	34,733
Unrestricted	(13,542,003)
Total net position	\$ 28,248,535

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

BOWIE COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government	\$ 11,034,373	\$ 2,320,091	\$ 1,468	\$(8,712,814)
Public safety	22,864,451	7,671,129	1,720,354	(13,472,968)
Public works	4,752,139	866,307	193,084	(3,692,748)
Health and welfare	10,369,482	-	2,203,157	(8,166,325)
Interest on long-term debt	<u>740,417</u>	<u>-</u>	<u>-</u>	<u>(740,417)</u>
Total governmental activities	\$ <u>49,760,862</u>	\$ <u>10,857,527</u>	\$ <u>4,118,063</u>	<u>(34,785,272)</u>
General revenues:				
Taxes:				
				18,898,045
Property, levied for general purposes				2,181,922
Property, levied for debt service				7,453,116
Sales				1,060,372
Other				265,049
Investment earnings				<u>56,643</u>
Miscellaneous				<u>29,915,147</u>
Total general revenues				
				(4,870,125)
				<u>33,118,660</u>
				\$ <u>28,248,535</u>

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

BOWIE COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	<u>General</u>	<u>Local Provider Participation Fund</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 18,382,950	\$ 8,742,067	\$ -	\$ 626,434	\$ 27,751,451
Receivables, net					
Ad valorem taxes	1,391,143	-	264,962	-	1,656,105
Sales taxes	1,303,180	-	-	-	1,303,180
Accounts	603,426	-	-	-	603,426
Fines	557,340	-	-	-	557,340
Due from other funds	-	-	-	31,482	31,482
Due from other governments	1,082,644	-	16,461,515	-	17,544,159
Prepaid items	17,316	-	-	-	17,316
Total assets	<u>23,337,999</u>	<u>8,742,067</u>	<u>16,726,477</u>	<u>657,916</u>	<u>49,464,459</u>
LIABILITIES					
Accounts payable	1,775,569	-	-	2,692	1,778,261
Accrued liabilities	260,468	-	-	-	260,468
Unearned revenue	154,749	-	-	-	154,749
Due to other funds	31,482	-	-	-	31,482
Short-term note	390,919	-	-	-	390,919
Due to other governments	438,100	-	-	-	438,100
Total liabilities	<u>3,051,287</u>	<u>-</u>	<u>-</u>	<u>2,692</u>	<u>3,053,979</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>2,803,967</u>	<u>-</u>	<u>16,707,696</u>	<u>-</u>	<u>19,511,663</u>
Total deferred inflows of resources	<u>2,803,967</u>	<u>-</u>	<u>16,707,696</u>	<u>-</u>	<u>19,511,663</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	17,316	-	-	-	17,316
Restricted:					
Road improvements	-	-	-	398,200	398,200
District Attorney	291,426	-	-	-	291,426
Public safety	395,803	-	-	-	395,803
Records management and preservation	769,592	-	-	-	769,592
Court security	42,387	-	-	-	42,387
Justice court technology	167,019	-	-	-	167,019
Voting and election services	25,025	-	-	-	25,025
Health and welfare	25,861	8,742,067	-	-	8,767,928
Inmate benefit	-	-	-	179,074	179,074
Law library	-	-	-	16,426	16,426
Foster care	-	-	-	26,791	26,791
Drug Court	-	-	-	34,733	34,733
Debt service	-	-	18,781	-	18,781
Unassigned	<u>15,748,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,748,316</u>
Total fund balances	<u>17,482,745</u>	<u>8,742,067</u>	<u>18,781</u>	<u>655,224</u>	<u>26,898,817</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 23,337,999</u>	<u>\$ 8,742,067</u>	<u>\$ 16,726,477</u>	<u>\$ 657,916</u>	<u>\$ 49,464,459</u>

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

BOWIE COUNTY, TEXAS

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

Total fund balances - governmental funds balance sheet	\$	26,898,817
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		14,451,250
Deferred gains on refundings of debt are not recognized and, therefore, are not reported in the funds.	(	315,470)
Interest payable on long-term debt does not require current financial resources, and, therefore, is not reported as a liability in the funds.	(	174,298)
The investment in joint venture is not an available resource and, therefore, is not reported in the funds.		566,158
Deferred outflows and inflows of resources related to pensions and OPEB are not reported in the funds.	(	277,691)
Bond insurance premiums are reported in the governmental funds as an expenditure and the costs (net of amortization) are deferred and amortized in the government-wide financial statements.		116,871
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable resources in the funds.		19,511,663
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(	21,942,809)
Compensated absences, other post-employment benefits, and net pension liability are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability	(	4,816,476)
Total OPEB liability	(	5,535,517)
Compensated absences	(	<u>233,963</u>)
Net position of governmental activities	\$	<u>28,248,535</u>

BOWIE COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General	Local Provider Participation Fund	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 27,430,962	\$ -	\$ 2,181,922	\$ 44,545	\$ 29,657,429
Charges for services	10,289,985	-	-	134,324	10,424,309
Intergovernmental	1,085,483	-	2,128,150	8,855	3,222,488
Investment earnings	264,054	-	-	864	264,918
Rental income	390,994	-	-	-	390,994
Contributions	-	10,569,785	-	-	10,569,785
Miscellaneous	56,643	-	-	-	56,643
Total revenues	<u>39,518,121</u>	<u>10,569,785</u>	<u>4,310,072</u>	<u>188,588</u>	<u>54,586,566</u>
EXPENDITURES					
Current:					
General government	10,923,298	-	-	-	10,923,298
Public safety	22,585,553	-	-	188,087	22,773,640
Public works	4,256,106	-	-	-	4,256,106
Health and welfare	2,447,125	7,834,590	-	-	10,281,715
Debt service:					
Principal	52,226	-	1,320,000	-	1,372,226
Interest and other charges	5,356	-	953,500	-	958,856
Total expenditures	<u>40,269,664</u>	<u>7,834,590</u>	<u>2,273,500</u>	<u>188,087</u>	<u>50,565,841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(751,543)</u>	<u>2,735,195</u>	<u>2,036,572</u>	<u>501</u>	<u>4,020,725</u>
OTHER FINANCING SOURCES					
Transfers in	2,128,150	-	-	-	2,128,150
Transfers out	-	-	(2,128,150)	-	(2,128,150)
Issuance of capital lease	162,900	-	-	-	162,900
Insurance recoveries	3,645	-	-	-	3,645
Sale of capital assets	1,675	-	-	-	1,675
Total other financing sources	<u>2,296,370</u>	<u>-</u>	<u>(2,128,150)</u>	<u>-</u>	<u>168,220</u>
NET CHANGE IN FUND BALANCES	1,544,827	2,735,195	(91,578)	501	4,188,945
FUND BALANCES, BEGINNING	<u>15,937,918</u>	<u>6,006,872</u>	<u>110,359</u>	<u>654,723</u>	<u>22,709,872</u>
FUND BALANCES, ENDING	<u>\$ 17,482,745</u>	<u>\$ 8,742,067</u>	<u>\$ 18,781</u>	<u>\$ 655,224</u>	<u>\$ 26,898,817</u>

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

BOWIE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Net change in fund balances - total governmental funds: \$ 4,188,945

Amounts reported for governmental activities in the Statement of Activities 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 depreciation exceeded capital outlays in the current period.

Capital outlay	1,948,910
Depreciation	(1,035,759)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. (9,462,445)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

Payment of principal on long-term debt	1,320,000
Amortization of premium on bonds	212,717
Amortization of prepaid bond insurance premium	(6,875)
Gain on bond refundings	31,547
Issuance of capital leases	(162,900)
Payment of principal on capital leases	52,226
Payment of delinquent TIRZ obligation	(233,515)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position. (919,594)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Interest	(18,950)
Pension cost	(531,782)
Other postemployment benefits cost	(199,608)
Compensated absences	(53,173)

The effect of the change in the County's equity interest in the Bi-State Justice Center does not require the use of current financial resources and, therefore, is not reported as (expenditures)/revenue in governmental funds. 131

Change in net position of governmental activities \$(4,870,125)

BOWIE COUNTY, TEXAS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2020

ASSETS

Cash and investments	\$ <u>6,319,972</u>
Total assets	\$ <u>6,319,972</u>

LIABILITIES

Due to others	\$ <u>6,319,972</u>
Total liabilities	\$ <u>6,319,972</u>

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BOWIE COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Bowie County, Texas (the "County") was formed in 1841 and operates using a commission form of government under the laws and statutes of the Constitution of the State of Texas. The County provides various services to advance the welfare, health, comfort, safety and convenience of the County and its inhabitants.

The accounting and reporting policies of the County conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As required by generally accepted accounting principles, these financial statements present Bowie County, Texas (the primary government) and its component units. There are no component units which meet the criteria for inclusion in the County's reporting entity.

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The Commissioners' Court or specific committees of the Commissioners' Court appoint members of the following organizations: Bowie County Child Protective Services, Community Healthcore, TexAmericas Center and Ark-Tex Council of Governments.

Joint Venture

Bi-State Justice Center – the County is a participant in a joint venture in the Bi-State Justice Center with the City of Texarkana, Arkansas and the City of Texarkana, Texas. The Bi-State Justice Center is jointly occupied by law enforcement and criminal justice agencies of Bowie County, Texas; the City of Texarkana, Texas; and the City of Texarkana, Arkansas. The facility is located on the state line, half in Texarkana, Texas and half in Texarkana, Arkansas. The Intergovernmental Advisory Committee is responsible for the operations of the Center. This seven-member committee is comprised of the Bowie County Judge, one Bowie County Commissioner, two members from the City of Texarkana, Texas City Council, two members from the Texarkana, Arkansas Board of Directors, and one independent member. The Center accounts only for the operations of its own law enforcement and criminal justice agencies. The annual budget is underwritten by the participating entities based on a formula which uses floor space occupied, number of 911 calls received by the Building Information Center and the number of prisoners in the detention facility for each entity.

Bowie County, Texas' net investment, which consists of net position in the Bi-State Justice Center, is reported in the County's government-wide financial statements. The County's equity interest at September 30, 2020, was \$566,158 based on the Bi-state Justice Center's audited financial statements at December 31, 2019 (the latest available). Complete financial statements for the Bi-State Justice Center can be obtained from the City of Texarkana, Arkansas Finance Department.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

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

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

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

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

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

The County reports the following major governmental funds:

General Fund – This fund is established to account for resources devoted to financing the general services that the County performs for its citizens. General tax revenue and other sources of revenue used to finance the fundamental operations of the County are included in this fund. The fund is charged with all costs of operating the County for which a separate fund has not been established.

The **Local Provider Participation Fund** is used to account for the revenues from mandatory payments that may be required by the County from an institutional healthcare provider to fund certain intergovernmental transfers and indigent care programs.

The **Debt Service Fund** is used to account for the accumulation of resources for and the payment of debt principal and interest.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital assets and infrastructure.

Agency Funds account for resources held for others in a custodial capacity.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

The County’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 County to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, money market mutual funds, direct obligations of the State of Texas, and local government investment pools.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” There were no “advances to/from other funds” at September 30, 2020.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 48% of the current year tax levy. Trade collectability is defined by the following schedule:

0 – 30 days.....	85% Probability of Collection
31 – 60 days	65% Probability of Collection
61 – 90 days	45% Probability of Collection
91 – 120 days	25% Probability of Collection
121 – 180 days	10% Probability of Collection
181 + days	1% Probability of Collection

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements	5-50
Equipment	5-20
Infrastructure (streets and drainage)	35-50

Deferred Inflows/Outflows of Resources

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

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions – These effects on the total pension and OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active and inactive employees).
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a four-year period.

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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has the following items that qualify for reporting in this category.

- Under the modified accrual basis of accounting, unavailable revenue is reported in the governmental funds balance sheet as a deferred inflow of resources.
- In the statement of net position, the difference in expected and actual pension and OPEB experience is deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active and inactive employees).
- Changes in actuarial assumptions – These effects on the total OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plans (active and inactive employees).

Compensated Absences

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

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the current year.

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.

Fund Balance Classification

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the Commissioners' Court, the County's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes any negative residual fund balances of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

Net Position

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

Pensions

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

Other Post-Employment Benefits

For purposes of measuring the total OPEB liability under the TCDRS Group Term Life Fund (GTLF), related deferred outflows and inflows of resources, and total OPEB expense, information about the plan is obtained from TCDRS through a report prepared for the County by TCDRS consulting actuary, Milliman. Similarly, information concerning the total OPEB liability, related deferred outflows and inflows of resources, and total OPEB expense, under the Retiree Health Care Plan (RHCP), is provided through a report prepared for the County by the County's actuary, CapRisk Consulting Group.

2. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

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

<u>Investment Type</u>	<u>Net Asset Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 10,723	38
TexSTAR	<u>3,473,641</u>	105
Total portfolio	<u>\$ 3,484,364</u>	
Portfolio weighted average		105

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

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

Credit Risk. It is the County's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. Both of the County's investment pools were rated AAAM by Standard & Poor's Investors Service.

TexPool and TexStar each have a redemption notice period of one day and may redeem daily. The investment pools' authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Receivables

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

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Receivables:			
Ad valorem taxes	\$ 2,536,891	\$ 483,185	\$ 3,020,076
Sales tax	1,303,180	-	1,303,180
Adjudicated fines	11,146,776	-	11,146,776
Accounts	603,426	-	603,426
Intergovernmental	<u>1,082,644</u>	<u>16,461,515</u>	<u>17,544,159</u>
Gross receivables	16,672,917	16,944,700	33,617,617
Less: allowance for uncollectibles	<u>11,735,184</u>	<u>218,223</u>	<u>11,953,407</u>
Net total receivables	<u>\$ 4,937,733</u>	<u>\$ 16,726,477</u>	<u>\$ 21,664,210</u>

Interfund Receivables and Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental	General	\$ 31,482
Total		<u>\$ 31,482</u>

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures, 2) transactions are recorded in the accounting system, and 3) payment between funds are made.

Interfund Transfers:

The composition of interfund transfers for the year ended September 30, 2020 is as follows:

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>
Debt service	General	\$ 2,128,150
Total		<u>\$ 2,128,150</u>

During the year, transfers were used to move Texas Department of Transportation annual payments from the debt service fund to the general fund (see Long-term Debt note disclosure).

Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 484,044	\$ 500,000	\$ -	\$ 984,044
Total capital assets not being depreciated	<u>484,044</u>	<u>500,000</u>	<u>-</u>	<u>984,044</u>
Capital assets, being depreciated:				
Buildings and improvements	20,302,056	12,700	-	20,314,756
Machinery and equipment	10,853,786	1,436,210	(1,569,025)	10,720,971
Infrastructure	36,191,231	-	-	36,191,231
Total capital assets being depreciated	<u>67,347,073</u>	<u>1,448,910</u>	<u>(1,569,025)</u>	<u>67,226,958</u>
Less accumulated depreciation:				
Buildings and improvements	11,527,996	309,420	-	11,837,416
Machinery and equipment	6,207,481	307,546	(649,431)	5,865,596
Infrastructure	35,637,947	418,793	-	36,056,740
Total accumulated depreciation	<u>53,373,424</u>	<u>1,035,759</u>	<u>(649,431)</u>	<u>53,759,752</u>
Total capital assets, being depreciated, net	<u>13,973,649</u>	<u>413,151</u>	<u>(919,594)</u>	<u>13,467,206</u>
Governmental activities capital assets, net	<u>\$ 14,457,693</u>	<u>\$ 913,151</u>	<u>\$ (919,594)</u>	<u>\$ 14,451,250</u>

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

Governmental activities:	
General government	\$ 309,420
Public safety	307,546
Public works	<u>418,793</u>
Total depreciation expense - governmental activities	<u>\$ 1,035,759</u>

Short-term Debt

In the current year, the County entered into a short-term note for the purchase of heavy equipment in the amount of \$390,919. The note bears an interest rate of 2.41% and comes due in fiscal year 2021.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Short-term note	\$ -	\$ 390,919	\$ -	\$ 390,919	\$ 390,919
Governmental activities					
long-term liabilities	\$ -	\$ 390,919	\$ -	\$ 390,919	\$ 390,919

Long-term Debt

A summary of the outstanding bonds as of September 30, 2020 is as follows:

Debt Security	Interest Rates	Amount
Pass-through Toll Revenue and Unlimited Tax Bonds, Series 2012	2.0 - 4.0%	\$ 4,000,000
Unlimited Tax Refunding Bonds, Series 2018	5%	15,200,000
Total		\$ 19,200,000

On September 15, 2012, the County issued Pass-through Toll Revenue and Unlimited Tax Bonds, Series 2012 in the amount of \$34,910,000. These bond proceeds were used for the purpose of constructing, improving, extending, expanding, and upgrading U.S. Highway 82 between FM 1840 and State Highway 98. The bonds are payable from and secured by the payments to be received by the County from the Texas Department of Transportation, which shall be available to pay principal and interest on the bonds as long as the bonds are outstanding (see Pass-through Toll Agreement note disclosure). The County shall deposit such Pass-through Toll Revenues to the credit of the Interest and Sinking Fund to the extent necessary to pay the principal and interest on the bonds. If the County elects to levy a tax for the payment of the bonds, it will not be necessary to deposit the revenues in the Interest and Sinking Fund.

On January 10, 2018, the County issued \$19,295,000 of Unlimited Tax Refunding Bonds, Series 2018 to partially refund the Pass-through Toll Revenue and Unlimited Tax Bonds, Series 2012. The Unlimited Tax Refunding Bonds, Series 2018 bear an interest rate of 5 percent with a final maturity date of August 1, 2030.

Should the County default on its outstanding bonds, any registered owner of the bonds is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring specific performance from the County.

Annual debt service requirements to maturity for the revenue and unlimited tax bonds are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2021	\$ 1,385,000	\$ 886,800
2022	1,450,000	817,550
2023	1,525,000	745,050
2024	1,600,000	668,800
2025	1,685,000	588,800
2026-2030	8,755,000	1,639,250
2031-2035	2,000,000	364,000
2036-2040	800,000	45,000
Totals	\$ 19,200,000	\$ 5,755,250

Compensated Absences

County employees earn annual leave up to a maximum of 15 days per year based on months of service. Full-time regular employees earn 10 days of sick leave per year. Employees who have been employed for six or more months are eligible to be paid for all unused annual leave at their regular rate of pay upon termination of employment. Unused sick leave is not paid upon termination of employment.

Tax Increment Reinvestment Zone Obligation

On February 8th, 2016, the County and the City of Texarkana entered into a long-term arrangement to meet the balance outstanding on its Tax Increment Reinvestment Zone ("TIRZ") agreement in accordance with the provisions of Chapter 311-Tax Increment Financing Act of the Texas Tax Code. Since 2011, the County had deferred TIRZ and other outstanding payments to the City of Texarkana. The County is paying the balance with fixed annual payments, with each payment due no later than January 31st each year.

Capital Leases

In the current year, the City entered into three capital leases in the amounts of \$52,900, \$52,500, and \$57,500 for three motor graders. The leases each carry an interest rate of 3.85% and mature in fiscal year 2022. Future minimum payments for the leases are as follows:

Year ending September 30	Governmental Activities
2021	\$ 57,582
2022	<u>57,582</u>
Total minimum lease payments	115,164
Less: amounts representing interest	<u>(4,490)</u>
Present value of minimum lease payments	<u>\$ 110,674</u>

Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
TIRZ payable	\$ 271,450	\$ 768,619	\$(535,104)	\$ 504,965	\$ 130,702
Revenue and unlimited tax bonds	20,520,000	-	(1,320,000)	19,200,000	1,385,000
Premium on bonds	2,339,887	-	(212,717)	2,127,170	-
Capital lease	-	162,900	(52,226)	110,674	53,608
Compensated absences	<u>180,790</u>	<u>214,084</u>	<u>(160,911)</u>	<u>233,963</u>	<u>46,793</u>
Governmental activities long-term liabilities	<u>\$ 23,312,127</u>	<u>\$ 1,145,603</u>	<u>\$(2,280,958)</u>	<u>\$ 22,176,772</u>	<u>\$ 1,616,103</u>

Compensated absences and capital leases are generally liquidated by the General Fund.

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County participates in a risk management program through Texas Association of Counties for workers' compensation coverage.

The County has not had any significant reductions in insurance coverage from coverage in the prior year. The amount of settlements has not exceeded insurance coverage in any of the previous three years.

Commitments and Contingencies

On February 11, 2013, the County entered into a contract with LaSalle Corrections, LLC (the "contractor") for the operation and management of the bi-state jail and detention center. The agreement allows for cancellation only upon material breach. On February 13, 2020, the County signed a new agreement for

three consecutive years. At the expiration of this term, the parties may mutually agree to up to three one-year renewals.

Under the agreement, the County is responsible for payment to the contractor a per diem rate of \$39.25 per day/per inmate at the Bi-State Justice Center and \$57.17 per day/per inmate at the Bowie County Correctional Center. The per diem increased by 3% on February 14, 2014 and will increase 3% annually thereafter. The contractor is responsible for providing basic medical and emergency health services, optical, dental care and all food, beverage, commissary, and related support services. The contractor is responsible for providing monthly financial information to the County as support for payment requested or remitted.

The County is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2020, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Defined Benefit Pension Plan

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

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

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

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

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

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

Inactive employees or beneficiaries currently receiving benefits	211
Inactive employees entitled to but not yet receiving benefits	235
Active employees	<u>333</u>
Total	<u><u>779</u></u>

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

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 11.96% and 12.42% in calendar years 2020 and 2019, respectively. The County’s contributions to TCDRS for the year ended September 30, 2019, were \$1,594,881, and were equal to the required contributions.

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

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

Inflation	2.75% per year
Overall payroll growth	3.25% per year
Investment rate of return	8.0%, net of pension plan investment expense, including inflation

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

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

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

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

The long-term expected rate of return on pension plan investments is 8.1%. The pension plan’s policy regarding the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on April 2020 information for a 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in 2017.

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

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

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

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

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

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

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

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2018	\$ 73,098,039	\$ 63,376,789	\$ 9,721,250
Changes for the year:			
Service cost	1,620,409	-	1,620,409
Interest on total pension liability ⁽¹⁾	5,872,425	-	5,872,425
Effect of economic/demographic gains or losses	320,476	-	320,476
Refund of contributions	(161,899)	(161,899)	-
Benefit payments	(4,364,986)	(4,364,986)	-
Administrative expenses	-	(54,538)	54,538
Member contributions	-	895,217	(895,217)
Net investment income	-	10,409,867	(10,409,867)
Employer contributions	-	1,529,539	(1,529,539)
Other ⁽²⁾	-	(62,001)	62,001
Balances at 12/31/2019	<u>\$ 76,384,464</u>	<u>\$ 71,567,988</u>	<u>\$ 4,816,476</u>

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

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

In prior years, the net pension liability for governmental activities has been primarily liquidated by the general fund.

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-higher (9.1%) than the current rate:

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$ 85,247,791	\$ 76,384,464	\$ 68,871,757
Fiduciary net position	<u>71,567,988</u>	<u>71,567,988</u>	<u>71,567,988</u>
Net pension liability/(asset)	<u>\$ 13,679,803</u>	<u>\$ 4,816,476</u>	<u>\$ (2,696,231)</u>

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2020, the County recognized pension expense of \$2,126,663.

At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ 132,506	\$ 240,357
Changes in actuarial assumptions	-	85,529
Difference between projected and actual investment earnings	1,851,767	-
Contributions subsequent to the measurement date	<u>-</u>	<u>1,202,840</u>
Total	<u>\$ 1,984,273</u>	<u>\$ 1,528,726</u>

\$1,202,840 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ended September 30</u>	
2021	\$(403,909)
2022	(505,661)
2023	324,072
2024	(1,072,889)

Other Postemployment Benefits

Plan Description

Group Term Life Fund. The County voluntarily participates in the Texas County & District Group Term Life Fund (TCDRS GTLF). The GTLF is a single-employer defined Other Post-Employment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. It is established and administered in accordance with the TCRS Act. The GTLF covers both active and retiree benefits with no segregation of assets, and therefore does not meet the definition of a trust under paragraph 4 of GASB Statement No. 75.

Retiree Health Care Plan. The County provides certain health care benefits through a single-employer defined benefit OPEB plan, under county policy, known as the Retiree Health Care Plan (RHCP). This plan is administered by the County. Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioners Court. No separate audited financial statements are available. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Group Term Life Fund. The GTLF provides group-term life insurance to County employees who are active members in TCDRS, including retirees. The County opted into this program by Commissioners Court, and may terminate coverage under, and discontinue participation in, the GTLF by opting out by Commissioners Court.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's most recent regular annualized salary. The death benefit for retirees is considered an other post-employment benefit (OPEB) and is a fixed amount of \$5,000.

Retiree Health Care Plan. The County provides health insurance to retirees. Retirees are eligible for medical and prescription insurance at no cost to the retiree until they reach Medicare eligibility. An employee's spouse and dependents may also participate in the plan at the cost of the retiree. Upon reaching Medicare eligibility, the retiree will no longer receive medical insurance at no cost. At this time, the retiree will be responsible for full cost of the coverage.

Eligible individuals include retired employees who have satisfied the requirements as defined by the Texas County & District Retirement System and their spouse and dependents that were covered prior to retirement. Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more.

Employees covered by benefit terms

As of the measurement date for each OPEB plan, the following employees were covered by the benefit terms:

	<u>GTLF</u>	<u>RHCP</u>
Inactive employees receiving benefits	173	18
Inactive employees entitled to but not yet receiving benefits	43	1
Active employees	<u>333</u>	<u>181</u>
Total	<u><u>549</u></u>	<u><u>200</u></u>

Contributions

Group Term Life Fund. The County contributes to the GTLF at a contractually required rate as determined by an annual actuarial valuation, which was 0.24% for 2020 and 0.23% for 2019, of which 0.18% and 0.20%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the GTLF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The County's contributions to the GTLF for the year ended September 30, 2020 were \$54,771, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Retiree Health Care Plan. Local Government Code Section 157.102 assigns to Commissioners Court the authority to establish and amend contribution requirements of plan members and participating employers. The County reviews the plan annually with the approved contribution rates becoming effective January 1st of each calendar year. For the year ended September 30, 2020, the County's contributions to the RHCP were \$237,538.

Total OPEB Liability

The Total OPEB Liability (TOL) of \$5,535,517, comprised of \$875,339 and \$4,660,178 for GTLF and RHCP, was measured as of December 31, 2019 and September 30, 2020, respectively, and was determined by an actuarial valuation as of the respective dates.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>GTLF</u>	<u>RHCP</u>
Actuarial Valuation Date	December 31, 2019	September 30, 2020
Actuarial Cost Method	Individual Entry-Age	Individual Entry-Age
Discount Rate	2.74%	2.25%
Inflation	None	2.50%
Salary Increase	None	3.50%
Health Care Trend Rates	None	4.50%

The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates for depositing members were based on the RP-2014 Active Employee Mortality Table for males and females as appropriate, with adjustments. Mortality rates for service retirees, beneficiaries, and non-depositing members were based on the RP-2014 Healthy Annuitant Mortality Table for males and females as appropriate, with adjustments. Mortality rates for disabled retirees were based on the RP-2014 Disabled Annuitant Mortality Table for males and females as appropriate, with adjustments.

The actuarial assumptions used in the valuation 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.

Changes in the Total OPEB Liability

	<u>GTLF</u>	<u>RHCP</u>	<u>Total</u>
Total OPEB liability			
Service Cost	\$ 21,996	\$ 193,191	\$ 215,187
Interest on total OPEB liability	27,630	183,833	211,463
Differences between expected and actual experience	11,926	(335,042)	(323,116)
Changes in assumptions or other inputs	174,786	402,258	577,044
Benefit Payments	<u>(25,578)</u>	<u>(237,538)</u>	<u>(263,116)</u>
Net Changes	210,760	206,702	417,462
Total OPEB liability - Beginning	<u>664,579</u>	<u>4,453,476</u>	<u>5,118,055</u>
Total OPEB liability - Ending	<u>\$ 875,339</u>	<u>\$ 4,660,178</u>	<u>\$ 5,535,517</u>

Note: There are no assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 to pay related benefits.

In prior years, the liability for OPEB in governmental activities has been primarily liquidated by the general fund.

Changes of assumptions and other inputs for the Group Term Life Fund reflect a change in the discount rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019.

Group Term Life Fund. The following presents the total OPEB liability of the County, as well as what the County's 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 discount rate:

	<u>1% Decrease in Discount Rate (1.74%)</u>	<u>Current Discount Rate (2.74%)</u>	<u>1% Increase in Discount Rate (3.74%)</u>
Total OPEB Liability	\$ 1,048,858	\$ 875,339	\$ 741,267

Retiree Health Care Plan. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate:

	<u>1% Decrease in Discount Rate (1.25%)</u>	<u>Current Discount Rate (2.25%)</u>	<u>1% Increase in Discount Rate (3.25%)</u>
Total OPEB Liability	\$ 5,030,328	\$ 4,660,178	\$ 4,317,803

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be, if it were calculated using health care cost trend rates that are 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current health care cost trend rates:

	<u>1% Decrease (3.50%)</u>	<u>Health Care Cost Trend Rates (4.50%)</u>	<u>1% Increase (5.50%)</u>
Total OPEB Liability	\$ 5,206,027	\$ 4,660,178	\$ 4,193,927

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

Group Term Life Fund. For the year ended September 30, 2020, the County recognized OPEB expense of \$72,212. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 15,159	\$ 9,541
Changes of assumptions or other inputs	44,713	155,436
Contributions subsequent to the measurement date	-	<u>17,431</u>
Totals	<u>\$ 59,872</u>	<u>\$ 182,408</u>

Deferred outflows of resources related to OPEB of \$17,431, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	
2021	\$ 22,587
2022	22,587
2023	22,587
2024	37,344

**REQUIRED SUPPLEMENTARY
INFORMATION**

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BOWIE COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad valorem	\$ 17,330,824	\$ 17,330,824	\$ 18,962,019	\$ 1,631,195
Sales	7,021,892	7,021,892	7,453,116	431,224
Other	<u>1,090,000</u>	<u>1,090,000</u>	<u>1,015,827</u>	(74,173)
Total taxes	<u>25,442,716</u>	<u>25,442,716</u>	<u>27,430,962</u>	<u>1,988,246</u>
Intergovernmental	174,700	174,700	237,856	63,156
Charges for services:				
General government	2,206,150	2,206,150	1,790,919	(415,231)
Public safety	6,951,720	6,951,720	7,396,658	444,938
Public works	<u>900,000</u>	<u>900,000</u>	<u>866,307</u>	(33,693)
Total charges for services	<u>10,057,870</u>	<u>10,057,870</u>	<u>10,053,884</u>	(3,986)
Investment earnings	336,050	336,050	234,646	(101,404)
Miscellaneous	<u>78,500</u>	<u>78,500</u>	<u>56,643</u>	(21,857)
Total revenues	<u>\$ 36,089,836</u>	<u>\$ 36,089,836</u>	38,013,991	<u>\$ 1,924,155</u>
Revenues in sub-funds of the General Fund that are not budgeted			<u>1,504,130</u>	
Total revenues in the Statement of Revenues, Expenditures and				
Changes in Fund Balance			<u>\$ 39,518,121</u>	
OTHER FINANCING SOURCES				
Transfers in	\$ -	\$ 77,535	\$ 2,128,150	\$ 2,050,615
Issuance of capital lease	-	-	162,900	162,900
Sale of capital assets	12,000	12,000	1,675	(10,325)
Insurance recoveries	<u>-</u>	<u>-</u>	<u>3,645</u>	<u>3,645</u>
Total other financing sources	<u>\$ 12,000</u>	<u>\$ 89,535</u>	<u>\$ 2,296,370</u>	<u>\$ 2,206,835</u>

The accompanying notes are an integral part of this schedule.

BOWIE COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES				
General government:				
Personnel services	\$ 2,445,245	\$ 2,292,321	\$ 2,221,736	\$ 70,585
Supplies and materials	220,863	379,496	496,272	(116,776)
Contractual services	5,865,778	7,964,567	7,970,618	(6,051)
Miscellaneous	<u>28,775</u>	<u>25,885</u>	<u>24,337</u>	<u>1,548</u>
Total general government	<u>8,560,661</u>	<u>10,662,269</u>	<u>10,712,963</u>	<u>(50,694)</u>
Public safety:				
Personnel services	9,221,141	8,639,658	7,631,592	1,008,066
Supplies and materials	629,471	933,262	913,993	19,269
Contractual services	12,308,164	12,436,929	12,201,735	235,194
Miscellaneous	<u>40,755</u>	<u>44,875</u>	<u>38,798</u>	<u>6,077</u>
Total public safety	<u>22,199,531</u>	<u>22,054,724</u>	<u>20,786,118</u>	<u>1,268,606</u>
Public works:				
Personnel services	2,252,751	2,131,106	2,114,729	16,377
Supplies and materials	1,063,828	1,013,302	1,434,967	(421,665)
Contractual services	498,299	526,486	463,643	62,843
Miscellaneous	<u>86,040</u>	<u>90,116</u>	<u>87,720</u>	<u>2,396</u>
Total public works	<u>3,900,918</u>	<u>3,761,010</u>	<u>4,101,059</u>	<u>(340,049)</u>
Health and welfare:				
Indigent medical	<u>1,369,666</u>	<u>2,450,497</u>	<u>2,447,125</u>	<u>3,372</u>
Total health and welfare	<u>1,369,666</u>	<u>2,450,497</u>	<u>2,447,125</u>	<u>3,372</u>
Debt service:				
Principal	-	-	52,226	(52,226)
Interest	<u>-</u>	<u>-</u>	<u>5,356</u>	<u>(5,356)</u>
Total debt service	<u>-</u>	<u>-</u>	<u>57,582</u>	<u>(57,582)</u>
Total expenditures	<u>\$ 36,030,776</u>	<u>\$ 38,928,500</u>	38,104,847	<u>\$ 823,653</u>
Expenditures in sub-funds of the General Fund that are not budgeted			<u>2,164,817</u>	
Total expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 40,269,664</u>	
Net change in fund balance (budgeted subfunds only)	<u>\$ 71,060</u>	<u>\$ (2,749,129)</u>	<u>\$ 2,205,514</u>	<u>\$ 4,954,643</u>

The accompanying notes are an integral part of this schedule.

BOWIE COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Budgetary Information

The Commissioners' Court follows the general provisions outlined below in establishing the budgetary data reflected in the accompanying budgetary schedule.

1. The County Judge, serving as the budget officer, submits to the Commissioners' Court a proposed budget for the fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them for governmental fund types.
2. Public hearings are conducted, at which all interested persons' comments concerning the budget are heard.
3. The budget is legally enacted by the Commissioners' Court, usually by the end of September.
4. The budget, as compared to actual, is reviewed on a monthly basis, and periodically, budget amendments are made.
5. Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Commissioners' Court. A budget is not adopted for the Local Provider Participation Fund.
6. Appropriations lapse at year-end. Since the County intends to honor all commitments, subsequent year's appropriations provide authority to complete any transactions not completed in any year.
7. The estimated revenues and appropriations presented in the accompanying budgetary schedule are those of the County's General Fund. This includes several sub-funds that are aggregated with and reported in the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balances. Certain other sub-funds that are aggregated with and reported in the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balances are not budgeted, and are therefore excluded from this schedule. A reconciliation is provided to reconcile the budgetary schedule with the Statement of Revenues, Expenditures and Changes in Fund Balances.
8. Overall appropriations exceeded total expenditures in the General Fund by \$823,653. Additionally, the County recognized greater than anticipated revenues of \$1,924,155.

BOWIE COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Measurement Year Ended December 31	<u>2019</u>	<u>2018</u>
Total Pension Liability		
Service Cost	\$ 1,620,409	\$ 1,535,731
Interest total pension liability	5,872,425	5,652,645
Effect of plan changes	-	-
Effect of assumption changes or inputs	-	-
Effect of economic/demographic (gains) or losses	320,476	(162,944)
Benefit payments/refunds of contributions	(4,526,885)	(4,271,630)
Net change in total pension liability	3,286,425	2,753,802
Total pension liability - beginning	<u>73,098,039</u>	<u>70,344,237</u>
Total pension liability - ending (a)	\$ <u>76,384,464</u>	\$ <u>73,098,039</u>
Plan Fiduciary Net Position		
Employer contributions	\$ 1,529,539	\$ 1,473,473
Member contributions	895,217	857,384
Investment income net of investment expenses	10,409,867	(1,263,978)
Benefit payments and refunds of contributions	(4,526,885)	(4,271,630)
Administrative expenses	(54,538)	(50,905)
Other	(62,001)	(51,123)
Net change in plan fiduciary net position	8,191,199	(3,306,779)
Plan fiduciary net position - beginning	<u>63,376,789</u>	<u>66,683,568</u>
Plan fiduciary net position - ending (b)	\$ <u>71,567,988</u>	\$ <u>63,376,789</u>
Net pension liability - ending (a) - (b)	\$ <u>4,816,476</u>	\$ <u>9,721,250</u>
Fiduciary net position as a percentage of total pension liability	94%	87%
Covered payroll	\$ 12,788,814	\$ 12,248,342
Net pension liability as a percentage of covered payroll	38%	79%

Note: GASB 68 requires 10 years of data be included in this schedule. Additional years will be added as they become available.

2017		2016		2015		2014	
\$	1,545,355	\$	1,503,676	\$	1,453,099	\$	1,601,617
	5,418,464		5,168,892		4,972,790		4,759,118
	-		-	(	248,135)		-
	342,115		-		721,843		-
(	204,134)	(	473,942)	(	581,363)	(	343,785)
(	4,133,173)	(	3,726,059)	(	3,654,867)	(	3,426,501)
	2,968,627		2,472,567		2,663,367		2,590,449
	<u>67,375,610</u>		<u>64,903,043</u>		<u>62,239,676</u>		<u>59,649,227</u>
\$	<u>70,344,237</u>	\$	<u>67,375,610</u>	\$	<u>64,903,043</u>	\$	<u>62,239,676</u>
\$	1,376,678	\$	1,266,936	\$	1,126,614	\$	1,218,355
	813,233		802,218		728,870		804,120
	8,722,954		4,260,479	(	103,154)		3,850,885
(	4,133,173)	(	3,726,059)	(	3,654,867)	(	3,426,501)
(	44,346)	(	46,384)	(	42,162)	(	44,882)
(	26,461)	(	328,962)		135,481		155,189
	6,708,885		2,228,229	(	1,809,220)		2,557,166
	<u>59,974,683</u>		<u>57,746,454</u>		<u>59,555,674</u>		<u>56,998,508</u>
\$	<u>66,683,568</u>	\$	<u>59,974,683</u>	\$	<u>57,746,454</u>	\$	<u>59,555,674</u>
\$	<u>3,660,669</u>	\$	<u>7,400,927</u>	\$	<u>7,156,589</u>	\$	<u>2,684,002</u>
	95%		89%		89%		96%
\$	11,617,610	\$	11,393,363	\$	10,412,424	\$	11,487,428
	32%		65%		69%		23%

BOWIE COUNTY, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 1,218,063	\$ 1,218,063	\$ -	\$ 11,727,962	10.4%
2015	1,130,721	1,130,721	-	10,505,446	10.8%
2016	1,230,199	1,230,199	-	11,133,639	11.0%
2017	1,347,984	1,347,984	-	11,552,744	11.7%
2018	1,428,301	1,428,301	-	11,916,846	12.0%
2019	1,520,280	1,520,280	-	12,692,782	12.0%
2020	1,594,881	1,594,881	-	12,962,644	12.3%

Note: GASB 68 requires 10 years of data be included in this schedule. Additional years will be added as they become available.

BOWIE COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2020

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.
Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	12.4 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Other information:	
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	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.

BOWIE COUNTY, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
GROUP TERM LIFE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Measurement Year Ended December 31	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability			
Service Cost	\$ 21,996	\$ 25,926	\$ 22,277
Interest on total OPEB liability	27,630	25,697	26,117
Changes in assumptions or other inputs	174,786	(74,523)	31,214
Differences between expected and actual experience	11,926	(22,486)	(3,335)
Benefit payments	<u>(25,578)</u>	<u>(22,047)</u>	<u>(25,559)</u>
Net change in total OPEB liability	210,760	(67,433)	50,714
Total OPEB liability - beginning	<u>664,579</u>	<u>732,012</u>	<u>681,298</u>
Total OPEB liability - ending	\$ <u>875,339</u>	\$ <u>664,579</u>	\$ <u>732,012</u>
Covered-employee payroll	\$ 12,788,814	\$ 12,248,342	\$ 11,617,610
Total OPEB liability as a percentage of covered-employee payroll	6.84%	5.43%	6.30%

Notes to Schedule:

- No assets are accumulated in a trust for the plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- The changes in assumptions or other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	2.74%
2018	4.10%
2017	3.44%
2016	3.78%

BOWIE COUNTY, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

RETIREE HEALTH CARE PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Measurement Year Ended September 30	2020	2019	2018
Total OPEB liability			
Service Cost	\$ 193,191	\$ 193,191	\$ 185,653
Interest on total OPEB liability	183,833	171,374	174,683
Difference between expected and actual experience	(335,042)	-	-
Changes in assumptions	402,258	-	-
Benefit payments	(237,538)	(264,238)	(248,141)
Net change in total OPEB liability	206,702	100,327	112,195
Total OPEB liability - beginning	<u>4,453,476</u>	<u>4,353,149</u>	<u>4,240,954</u>
Total OPEB liability - ending	<u>\$ 4,660,178</u>	<u>\$ 4,453,476</u>	<u>\$ 4,353,149</u>
Covered-employee payroll	\$ 7,572,538	\$ 8,559,200	\$ 7,761,920
Total OPEB liability as a percentage of covered-employee payroll	61.54%	52.03%	56.08%

Notes to Schedule:

- No assets are accumulated in a trust for the plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- This schedule is required to have 10 years of information, but the information prior to 2018 is not available.

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**COMBINING
FUND STATEMENTS**

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NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for restricted revenue sources which by law or contract are designated to finance particular functions or activities of the County and which, therefore, cannot be diverted to other uses.

Inmate Benefit – This fund is used to account for the County’s share of commissary proceeds which may be used to develop a program addressing the social needs of the County prisoners; supply prisoners with certain supplies; establish, staff and equip the commissary operations; or fund, staff and equip a library for the educational use of County prisoners.

Road and Bridge Lateral – This fund is used to account for receipts of state gasoline taxes allocated by the State of Texas. The monies are transferred to the General Fund as costs are accumulated for the maintenance of certain County roads.

Law Library – This fund is used to account for the cost of maintaining the County’s law library for public use. Financing is provided through fees charged as a part of court costs for cases processed through the Justice and District Courts.

Title IV-E – This fund is used to account for grant monies received associated with administering Title IV-E child support payments.

Drug Court Program – This fund is used to account for the Drug Court costs including the salary of the Drug Court Judge.

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by trust funds.

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital assets and infrastructure.

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

	Special Revenue		
	Inmate Benefit	Road and Bridge Lateral	Law Library
ASSETS			
Cash and investments	\$ 179,074	\$ 267,417	\$ 19,118
Due from other funds	-	-	-
Total assets	179,074	267,417	19,118
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	-	-	2,692
Total liabilities	-	-	2,692
Fund balances:			
Restricted:			
Road improvements	-	267,417	-
Law library	-	-	16,426
Inmate benefit	179,074	-	-
Foster care	-	-	-
Drug Court	-	-	-
Total fund balances	179,074	267,417	16,426
Total liabilities and fund balances	\$ 179,074	\$ 267,417	\$ 19,118

Special Revenue		Capital Projects		Total Governmental Funds
Title IV-E	Drug Court Program	Capital Projects		
\$ 26,791	\$ 34,733	\$ 99,301	\$ 626,434	
-	-	31,482	31,482	
<u>26,791</u>	<u>34,733</u>	<u>130,783</u>	<u>657,916</u>	
-	-	-	2,692	
-	-	-	<u>2,692</u>	
-	-	130,783	398,200	
-	-	-	16,426	
-	-	-	179,074	
26,791	-	-	26,791	
-	34,733	-	34,733	
<u>26,791</u>	<u>34,733</u>	<u>130,783</u>	<u>655,224</u>	
\$ <u>26,791</u>	\$ <u>34,733</u>	\$ <u>130,783</u>	\$ <u>657,916</u>	

BOWIE COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue		
	Inmate Benefit	Road and Bridge Lateral	Law Library
REVENUES			
Taxes	\$ -	\$ 44,545	\$ -
Charges for services	105,199	-	29,125
Intergovernmental	-	-	-
Investment earnings	-	-	-
Total revenues	<u>105,199</u>	<u>44,545</u>	<u>29,125</u>
EXPENDITURES			
Current:			
Public safety	<u>139,401</u>	<u>-</u>	<u>46,317</u>
Total expenditures	<u>139,401</u>	<u>-</u>	<u>46,317</u>
NET CHANGE IN FUND BALANCES	(34,202)	44,545	(17,192)
FUND BALANCES, BEGINNING	<u>213,276</u>	<u>222,872</u>	<u>33,618</u>
FUND BALANCES, ENDING	\$ <u>179,074</u>	\$ <u>267,417</u>	\$ <u>16,426</u>

Special Revenue		Capital Projects		Total Governmental Funds
Title IV-E	Drug Court Program	Capital Projects		
\$ -	\$ -	\$ -	\$	44,545
-	-	-		134,324
48	8,807	-		8,855
-	-	864		864
<u>48</u>	<u>8,807</u>	<u>864</u>		<u>188,588</u>
-	128	2,241		188,087
-	128	2,241		188,087
48	8,679	(1,377)		501
<u>26,743</u>	<u>26,054</u>	<u>132,160</u>		<u>654,723</u>
<u>\$ 26,791</u>	<u>\$ 34,733</u>	<u>\$ 130,783</u>	<u>\$</u>	<u>655,224</u>

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AGENCY FUNDS

State of Texas – This fund is used to account for the collection and payment of auto registration fees, sales taxes on automobiles, and court costs included in the collection of fines assessed by the courts for misdemeanors and felonies on behalf of the State of Texas.

Tax Office – This fund is used to account for funds held by the Tax Office as an agent for other taxing entities.

District Attorney Evidence – This fund is used to account for evidence money obtained by the County and held until disposition as directed by the Courts.

Inmate Escrow – This fund is used to account for monies of County inmates held in escrow on their behalf. The monies are disbursed to the jail commissary and other parties upon direction from the inmates.

County Clerk Guardianship – This fund is used to account for interest earnings and principal cash established by the Court for various minors within the Court's jurisdiction. Upon attainment of the age of majority, the funds are remitted to the individuals.

District Clerk – These funds are used to account for monies of various individuals or firms held by the County in connection with litigation in progress in the District Courts.

Other Agency – This fund is used to account for various monies collected or deposited with the County associated with activities such as bail bonds of individuals, restitution and attorneys' fees awarded by the Courts, and miscellaneous fees collected by the County Sheriff for various other local governments. The monies are disbursed to the parties for whom the assets are held by order of the Courts.

Levee and Drainage – This fund is used to account for earnings on a time deposit of the Bowie County Levee and Drainage Fund and to periodically pay expenses authorized by the Levee and Drainage Board.

Adult Probation – This fund is used to account for monies held by the County as an agent for the Bowie County Community Supervision and Corrections Department.

Juvenile Probation – This fund is used to account for monies held by the County as an agent for the Bowie County Juvenile Probation Department.

BOWIE COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

SEPTEMBER 30, 2020

	Agency Funds				
	State of Texas	Tax Office	District Attorney Evidence	Inmate Escrow	County Clerk Guardianship
ASSETS					
Cash and investments	\$ <u>259,832</u>	\$ <u>791,715</u>	\$ <u>114,606</u>	\$ <u>140,190</u>	\$ <u>884,262</u>
Total assets	\$ <u>259,832</u>	\$ <u>791,715</u>	\$ <u>114,606</u>	\$ <u>140,190</u>	\$ <u>884,262</u>
LIABILITIES					
Due to others	\$ <u>259,832</u>	\$ <u>791,715</u>	\$ <u>114,606</u>	\$ <u>140,190</u>	\$ <u>884,262</u>
Total liabilities	\$ <u>259,832</u>	\$ <u>791,715</u>	\$ <u>114,606</u>	\$ <u>140,190</u>	\$ <u>884,262</u>

Agency Funds					
District Clerk	Other Agency	Levee & Drainage	Adult Probation	Juvenile Probation	Totals
\$ 1,516,465	\$ 264,283	\$ 115,512	\$ 2,000,545	\$ 232,562	\$ 6,319,972
<u>\$ 1,516,465</u>	<u>\$ 264,283</u>	<u>\$ 115,512</u>	<u>\$ 2,000,545</u>	<u>\$ 232,562</u>	<u>\$ 6,319,972</u>
\$ 1,516,465	\$ 264,283	\$ 115,512	\$ 2,000,545	\$ 232,562	\$ 6,319,972
<u>\$ 1,516,465</u>	<u>\$ 264,283</u>	<u>\$ 115,512</u>	<u>\$ 2,000,545</u>	<u>\$ 232,562</u>	<u>\$ 6,319,972</u>

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