

*BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION*

**COUNTY OF MENARD,
TEXAS**

Menard, Texas

**For the Year Ended
September 30, 2021**

MENARD COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2021

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

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Independent Auditors' Report	1
	Management's Discussion and Analysis	3
	 <u>Basic Financial Statements</u>	
	Government Wide Statements:	
A-1	Statement of Net Position	9
B-1	Statement of Activities	10
	Governmental Fund Financial Statements:	
C-1	Balance Sheet.....	12
C-2	Reconciliation for C-1	14
C-3	Statement of Revenues, Expenditures and Changes in Fund Balance	15
C-4	Reconciliation for C-3	17
	Fiduciary Funds:	
E-1	Statement of Fiduciary Net Position.....	18
E-2	Statement of Changes in Fiduciary Fund Net Position	19
	Notes to the Financial Statements.....	20
	 <u>Required Supplementary Information</u>	
G-1	Budgetary Comparison Schedule - General Fund	39
G-2	Budgetary Comparison Schedule - Road and Bridge Fund	40
G-3	Schedule of Changes in Net Pension Liability and Related Ratios	41
G-4	Schedule of Employer Contributions	43
G-5	Notes to the Schedule of Contributions	45
	 <u>Supplementary Information</u>	
H-1	Combining Balance Sheet - Nonmajor Governmental Funds	46
H-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	50
H-3	Combining Statement of Fiduciary Net Position-Custodial Funds.....	54
H-4	Combining Statement of Additions, Deductions and Changes in Net Position- Custodial Funds.....	56



NEFFENDORF & BLOCKER, P.C.

Independent Auditor's Report

Honorable Judge and County Commissioners
County of Menard
Menard, TX 76859

Report on the Audit of the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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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 the County of Menard, Texas, as of September 30, 2021, 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 (pages 3 through 8), budgetary comparison information (pages 38 through 39) and the schedule of changes in net pension liability and related ratios, schedule of employer contributions, and notes to the schedule of contributions (pages 40 through 44) 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.

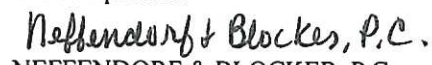
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Menard's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor 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 and individual nonmajor 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 September 12, 2022, on our consideration of County of Menard's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Menard's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Menard's internal control over financial reporting and compliance.


NEFFENDORF & BLOCKER, P.C.
Fredericksburg, Texas

September 12, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Menard County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial statements of the County for the year ended September 30, 2021. Please read it in conjunction with the independent auditors' report on page 1, and the County's Basic Financial Statements which begin on page 9.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$7,056,511 (net position). Of this amount, \$939,328 (unrestricted net position) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's net position increased by \$249,423 as a result of this year's operations.
- At September 30, 2021, the County's governmental funds reported combined ending fund balances of \$1,038,568, an increase of \$653,836 in comparison with the prior year.
- The County issued \$425,00 Limited Tax Note, Series 2021 for the purchase of vehicles and equipment for the sheriff department and road and bridge.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 9 and 10). These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (on pages 12-13 & 15-16) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the County.

The notes to the financial statements (starting on page 20) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedules (General Fund and Road and Bridge Fund) pages 39-40, the Schedule of Changes in Net Pension Liability and Related Ratios, page 41, the Schedule of Employer Contributions, page 43 and the Notes to the Schedule of Contributions, page 45 are presented as required supplementary information

The combining statements (starting on page 46) for nonmajor funds contain even more information about the County's individual funds.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the County's overall financial condition and operations begins on page 9. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who pay for the costs of some programs and grants provided by the outside parties and agencies (program revenues), and revenues provided by the taxpayers or other unrestricted sources (general revenues). All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's net position and changes in them. The County's net position (the difference between assets and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider other factors as well, such as changes in the County's customers or its property tax base and the condition of the County's facilities.

In the Statement of Net Position and the Statement of Activities, the County has one kind of activity:

➤ Governmental activity - Most of the County's basic services are reported here, including public safety, roads and bridges, health and human services, culture and recreation, county courts and general administration. Property taxes, user charges, sales tax and grants finance most of these activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements on pages 12-13 & 15-16 provide detailed information about the most significant funds - not the County as a whole. Laws and contracts require the County to establish some funds, such as grants received from a government agency. The County's administration establishes many other funds to help it control and manage money for particular purposes.

➤ Governmental funds - Most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation schedules following each of the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the County's governmental activities.

Net position of the County's governmental activities increased from \$6,807,088 to \$7,056,511. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$939,328 at September 30, 2021. This increase in governmental net position was the result of several factors. First, the County's expenditures exceeded the revenues by \$653,386. Second, the County paid principal on long-term debt in the amount of \$160,462. Third, the County recorded depreciation in the amounts of \$310,108. Fourth, the County acquired capital assets in the amount of \$132,458. Fifth, the County received bond proceeds in the amount of \$425,000.

Table I
Menard County, Texas

NET POSITION in thousands

	Governmental Activities	
	2021	2020
Current and Other Assets	\$ 1,655	\$ 1,194
Capital Assets	6,571	6,749
Net Pension Asset	143	139
Total Assets	\$ 8,369	\$ 8,082
Deferred Outflow of Resources		
Deferred Outflow Related to Pension	\$ 306	\$ 171
Deferred Charge on Refunding	1	2
Total Deferred Outflows of Resources	\$ 307	\$ 173
Long-Term Liabilities	\$ 772	\$ 524
Other Liabilities	561	741
Total Liabilities	\$ 1,333	\$ 1,265
Deferred Inflows of Resources		
Deferred Inflow Related to Pension	\$ 287	\$ 181
Net Position:		
Net Investment in		
Capital Assets	\$ 6,025	\$ 6,065
Restricted	495	189
Unrestricted	536	553
Total Net Position	\$ 7,056	\$ 6,807

Table II
Menard County, Texas

CHANGES IN NET POSITION
in thousands

	Governmental Activities	
	2021	2020
Revenues:		
Charges for Services	\$ 1,281	\$ 1,385
Property Taxes	1,746	1,697
Sales Tax	116	207
Contributions/Grants	5	4
Investment Earnings	-	7
Miscellaneous	34	66
Grants & Contributions - Operating	425	278
Grants & Contributions - Capital	93	1,127
Total Revenue	\$ 3,700	\$ 4,771
Expenses:		
General Administration	\$ 754	\$ 823
Financial Administration	94	77
Tax Administration	92	58
Facilities Management	60	67
Law Enforcement	787	731
Corrections	233	252
Emergency Management Services	15	34
Roads and Bridges	442	325
Sanitation	26	22
Administration of Justice	429	452
Juvenile Services	102	90
Health and Human Services	153	172
Recreation	8	20
Parks	71	97
Museums	2	2
Libraries	44	41
Conservation and Development	96	89
Bond and Other Interest	43	25
Capital Outlay	0	58
Total Expenses	\$ 3,451	\$ 3,435
Increase (Decrease) in Net Position	\$ 249	\$ 1,336
Net Position, Beginning	6,807	5,471
Net Position, Ending	\$ 7,056	\$ 6,807

The cost of all governmental activities this year was \$3,450,084. However, as shown in the Statement of Activities on page 10, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$1,746,023 because the other costs were paid by sales tax (\$115,236), operating and capital grants (\$518,135), user charges (\$1,280,675) and other miscellaneous (\$39,438).

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$1,038,568, which is more than last year's total of \$384,732. Included in this year's total change in fund balance is an increase of \$57,112 in the County's General Fund. The primary reason for the General Fund's increase is due to revenues exceeding expenditures.

The Commissioners' Court adopted the General and Road and Bridge Fund Budgets. The County amended the original budget; actual revenues were more than budgeted amounts in the General Fund and less than budgeted amounts in the Road and Bridge Fund. Actual expenditures were less than the budgeted amounts in the General Fund and less than budgeted amounts in the Road and Bridge Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of September 30, 2021, the County had \$6,571,513 invested in a broad range of capital assets, including land, buildings, vehicles and equipment and other improvements.

CAPITAL ASSETS

in thousands

	Governmental Activities	
	2021	2020
Land	\$ 106	\$ 106
Buildings	7,003	5,297
Improvements	2,144	2,023
Machinery & Equipment	2,773	2,756
Construction in Progress	-	1,711
Total Capital Assets	\$ 12,026	\$ 11,893
Less: Accumulated Depreciation	5,454	5,144
Capital Assets, Net	\$ 6,572	\$ 6,749

More detailed information about the County's capital assets is presented in Note 3.E. to the financial statements.

DEBT

At September 30, 2021, the County had the following outstanding debt:

OUTSTANDING DEBT

in thousands

	Governmental Activities	
	2021	2020
Bonds Payable	\$ 900	\$ 605
Notes Payable	-	-
Capital Leases Payable	49	79
Total Outstanding Debt	\$ 949	\$ 684

At year-end, the County had \$900,000 in tax notes outstanding and \$48,618 in capital lease payable. During the year, the County issued \$425,000 in limited tax notes and paid \$160,462 in principal on the outstanding long-term debt.

More detailed information about the County's long-term liabilities is presented in Note 3.F., 3.G., 3.H. and 3.I. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2022 budget and tax rates. The major factors are the economy and assessed property valuation. These indicators were taken into account when adopting the budget for 2022. Amounts available for appropriation in the budget are \$4,409,278 and expenditures are estimated to be \$4,409,278.

If these estimates are realized, the County's budgetary fund balances are expected to remain the same by the close of 2022.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Treasurer's office, at Menard County, Texas, Menard, Texas.

BASIC FINANCIAL STATEMENTS

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

EXHIBIT A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 201,708
Investments - Current	843,241
Taxes Receivable, Net	121,014
Accounts Receivable Net	278,236
Due from Other Governments	113,491
Prepaid Items	31,754
Capital Assets:	
Land Purchase and Improvements	106,000
Buildings, Net	4,707,095
Improvements other than Buildings, Net	1,535,609
Furniture and Equipment, Net	222,810
Net Pension Asset	142,687
Total Assets	8,303,645
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge for Refunding	1,190
Deferred Outflow Related to Pension Plan	305,659
Total Deferred Outflows of Resources	306,849
LIABILITIES	
Accounts Payable	32,721
Intergovernmental Payable	98,413
Accrued Interest Payable	2,604
Unearned Revenues	184,992
Bonds Payable - Current	145,000
Capital Leases Payable - Current	31,377
Noncurrent Liabilities:	
Due in More Than One Year:	
Bonds Payable - Noncurrent	772,240
Total Liabilities	1,267,347
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	286,636
Total Deferred Inflows of Resources	286,636
NET POSITION	
Net Investment in Capital Assets	6,025,097
Restricted:	
Restricted for Special Revenue	485,255
Restricted for Debt Service	10,072
Unrestricted	536,087
Total Net Position	\$ 7,056,511

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

		Net (Expense) Revenue and Changes in Net Position	
Capital Grants and Contributions		Primary Government Governmental	
\$	93,181	\$	(439,441)
	-		(94,283)
	-		(91,445)
	-		(49,400)
	-		(710,155)
	-		583,898
	-		22,714
	-		(145,996)
	-		(25,094)
	-		(421,136)
	-		(23,814)
	-		(101,156)
	-		(7,641)
	-		35,597
	-		(1,975)
	-		(43,742)
	-		(94,721)
	-		(20,773)
	-		(22,534)
	-		(177)
\$	93,181		(1,651,274)

1,561,375
154,422
115,236
492
30,226
4,448
34,202
296
1,900,697
249,423
6,807,088
\$ 7,056,511

Capital Projects	Debt Service Fund	Other Funds	Total Governmental Funds
\$ -	\$ 8,913	\$ 69,016	\$ 201,708
403,241	-	140,000	843,241
-	11,091	1,529	124,757
-	(333)	(46)	(3,743)
-	1,159	4,984	164,500
-	-	1,528	113,491
101,303	-	8,494	211,440
-	-	470	31,754
<u>\$ 504,544</u>	<u>\$ 20,830</u>	<u>\$ 225,975</u>	<u>\$ 1,687,148</u>
\$ -	\$ -	\$ 176	\$ 32,721
-	-	-	98,413
8,494	-	36,178	211,440
-	-	-	184,992
<u>8,494</u>	<u>-</u>	<u>36,354</u>	<u>527,566</u>
-	10,758	1,483	121,014
-	10,758	1,483	121,014
-	10,072	-	10,072
-	-	188,138	279,975
496,050	-	-	496,050
-	-	-	252,471
<u>496,050</u>	<u>10,072</u>	<u>188,138</u>	<u>1,038,568</u>
<u>\$ 504,544</u>	<u>\$ 20,830</u>	<u>\$ 225,975</u>	<u>\$ 1,687,148</u>

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

Total Fund Balances - Governmental Funds	\$ 1,038,568
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	6,064,884
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays and debt principal payments is to increase net position.	292,920
The items reported as a result of this implementation included a net pension asset of \$142,687, a Deferred Resource Inflow of \$286,636 and a Deferred Resource Outflow of \$305,659. The net effect of these was to increase the ending net position by \$161,710.	161,710
The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(310,108)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bonds as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	(191,463)
Net Position of Governmental Activities	\$ 7,056,511

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

Capital Projects	Debt Service Fund	Other Funds	Total Governmental Funds
\$ -	\$ 152,642	\$ 21,712	\$ 1,708,512
-	-	-	115,236
-	-	-	492
-	106	368	30,226
-	-	-	10,920
93,181	-	14,217	518,136
-	-	34,836	445,083
-	-	3,000	827,896
-	-	-	296
-	-	98	4,448
-	-	5,762	34,202
93,181	152,748	79,993	3,695,447
-	-	2,386	687,227
-	-	-	88,885
-	-	-	84,747
-	-	-	53,502
-	-	5,756	727,749
-	-	-	214,948
-	-	-	13,418
-	-	846	406,087
-	-	-	22,870
-	-	22,959	394,426
-	-	-	95,352
-	-	5,929	140,151
-	-	-	6,991
-	-	-	64,483
-	-	-	1,800
-	-	-	40,456
-	-	2,700	88,328
-	130,000	-	160,462
-	16,226	-	19,560
22,534	-	-	22,534
-	177	-	177
116,179	-	-	132,458
138,713	146,403	40,576	3,466,611
(45,532)	6,345	39,417	228,836
425,000	-	-	425,000
116,582	-	2,249	472,666
-	-	(30,590)	(472,666)
541,582	-	(28,341)	425,000
496,050	6,345	11,076	653,836
-	3,727	177,062	384,732
\$ 496,050	\$ 10,072	\$ 188,138	\$ 1,038,568

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

Total Net Change in Fund Balances - Governmental Funds	\$ 653,836
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2021 capital outlays and debt principal payments is to increase the change in net position.	292,920
The entries required by GASB 68 did require that some expenses on B-1 be adjusted. Total credits to expenses were \$271,160 and total debits to expenses were \$236,232. The net effect on the change in net position on Exhibit B-1 is an increase of \$34,928.	34,928
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(310,108)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond proceeds, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.	(422,153)
Change in Net Position of Governmental Activities	\$ 249,423

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

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

EXHIBIT E-1

	Private Purpose Trust Funds	Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ 2,818	\$ 692,432
Investments - Current	-	2,012
Accounts Receivable Net	20	-
Total Assets	<u>2,838</u>	<u>694,444</u>
NET POSITION		
Restricted for Private Purposes	2,838	-
Restricted for Other Purposes	-	694,444
Total Net Position	<u>\$ 2,838</u>	<u>\$ 694,444</u>

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

MENARD COUNTY, TEXAS
 STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN FIDUCIARY FUND NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Private Purpose Trust Funds	Custodial Fund
ADDITIONS:		
Charges for Services	\$ -	\$ 2,295,970
Other Revenue	340	-
Total Additions	<u>340</u>	<u>2,295,970</u>
DEDUCTIONS:		
Other Operating Costs	-	1,779,763
Total Deductions	<u>-</u>	<u>1,779,763</u>
Net Change in Fiduciary Net Position	340	516,207
Total Net Position - October 1 (Beginning)	2,498	-
Prior Period Adjustment	-	178,237
Total Net Position - September 30 (Ending)	<u>\$ 2,838</u>	<u>\$ 694,444</u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Menard County have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The *Governmental Accounting Standards Board* (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

1.A. FINANCIAL REPORTING ENTITY

The County is an independent unit and is managed by a governing body of elected officials. The accompanying financial statements present the County's primary government.

The County Commissioners are elected by registered voters of the County and have oversight responsibility in that they have decision-making authority, the ability to significantly influence operations and primary accountability for fiscal matters. All functions and activities over which the commissioners exercise oversight responsibility have been included in the reporting entity. There are no component units included within the reporting entity.

In evaluating how to define the government, for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based on the foregoing criteria, there were no component units identified that would require inclusion in this report.

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria.

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditure/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund, the primary operating fund of the County, is always classified as a major fund. It is the basic fund of the County and covers all activities for which a separate fund has not been established.

Special Revenue Funds

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

Debt Service Funds

The Debt Service Fund accounts for the accumulation of financial resources for and the payment of principal and interest on general long-term debt of the County other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the County's debt.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources that are restricted, committed or assigned to expenditures for the acquisition and construction of major capital facilities and other capital assets.

Fiduciary Funds (Not included in government-wide statements)

Custodial Funds

Custodial funds account for assets held by the County in a purely custodial capacity. The reporting entity includes one custodial fund.

Private Purpose Trust Funds

Private Purpose Trust Funds report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The reporting entity includes one private purpose trust fund.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor. The major funds are as follows:

Major Fund	Brief Description
<u>General Fund</u>	See above for description.
<u>Special Revenue Fund:</u>	
Road & Bridge Fund	Accounts for all road and bridge construction and maintenance activity.
American Relief Fund	Accounts for grant proceeds and related expenditures for fund appropriated from the American Rescue Plan Act (ARPA).
<u>Capital Projects Fund</u>	Accounts for financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
<u>Debt Service Fund</u>	Accounts for the collection of taxes to pay principal and interest on bonds.

Nonmajor funds consist of special revenue funds and are detailed in the Combining and Individual Fund Statements - Nonmajor Funds.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. Custodial and private purpose trust funds utilize the economic resource measurement focus.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statement, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized revenues when both "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or within 60 days after year end. Also under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

1.D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Cash and Cash Investments

For the purpose of the Statement of Net Position, "Cash and Cash Equivalents" includes demand deposit accounts and government investment pools. All amounts are considered available upon demand and are considered to be "cash equivalents."

Investments includes certificates of deposit, money market accounts and government investment pools.

Several funds may be invested in an investment account and each fund has an equity interest therein. Interest earned on the Investment of these monies is allocated based upon relative equity at month end.

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."

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances of uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The major receivable balances for the governmental activities relate to property taxes and court fines and fees.

All trade and property tax receivables are shown net of an allowance for uncollectible. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectible.

Ad Valorem taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Ad Valorem taxes are prorated between maintenance, and special revenues based on rates adopted for the year of the levy. Allowances for uncollectible within the General and Special Revenue Funds are based upon historical experience in collecting property taxes. The County is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

Ad Valorem property taxes attach as enforceable liens as of January 1. Taxes are levied prior to September 30, payable October 1, and are delinquent February 1. The majority of the County's property tax collections occur during December and early January each year. To the extent that County property tax revenue results in current receivables as defined by the Governmental Accounting Standards Board (GASB), they are recognized when levied.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants, and other intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Capital Assets

Government-wide Statements

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the governmental activities 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 cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings	25 - 50 years
Improvements	10 - 50 years
Machinery and Equipment	3 - 20 years
Infrastructure	25 - 50 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term Obligations

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

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

Compensated Absences

Vacation and Sick Leave - Vacation and sick leave expenses are charged to operations when taken by the employees of the County. Accordingly, no accruals are reflected in the accounts for unpaid amounts of vacation and sick leave earned by employees. After one year of service an employee is entitled to two weeks of vacation. If the employee does not take the vacation within the year, they will lose the benefit. If an employee is terminated for any reason they will be entitled to payment for the vacation they have earned. The liabilities for accumulated vacation and sick leave at September 30, 2021 are estimated to be insignificant and are not reflected in the accompanying financial statements.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definition" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are not in non-spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e. Commissioners' Court). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the Commissioners' Court or by an official or body to which the Commissioners' Court delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Commissioners' Court establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Commissioners' Court through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

The County's fund balances policy indicates that the County will typically use restricted, committed, and/or assigned fund balances, in that order, prior to using unassigned resources, but the County reserves the right to deviate from this general strategy.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for 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 expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when 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.

Deferred Inflows of Resources and Deferred Outflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow or resources is an acquisition of net position. These items are presented in a separate section following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Revenues not expected to be available for current period are reflected as deferred revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

1.E. REVENUES, EXPENDITURES AND EXPENSES

Revenues

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent, they are collected within 60 days of year-end. Due to the immaterial amount of additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the County is subject to various federal, state and local laws and contractual regulations. An analysis of the County's compliance with significant laws and regulations and demonstration of its stewardship over County resources follows.

BUDGETARY INFORMATION

The County Judge and staff prepare the proposed budget, using revenue estimates furnished by the County Treasurer and submit the data to Commissioners Court. A public hearing is held on the budget by Commissioners Court. Before determining the final budget, Commissioners Court may increase or decrease the amounts requested by the various departments. In the final budget, which is usually adopted in September, expenditures for current operating funds cannot exceed the estimated available cash balances in such funds on October 1, plus the estimate of revenues for the ensuing year. At any time during the year, Commissioners Court may increase the budget for unexpected revenues. Commissioners Court may transfer amounts among individual budget line items within major expenditure categories during the year, but no such transfer may increase the overall total of the budget. Formal budgetary integration is employed for the General, Special Revenue, Debt Service and Capital Projects operations. Budgets for these funds are prepared on a cash basis. Unused appropriations lapse at the end of each year.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

3.A. DEPOSITS AND INVESTMENTS

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At September 30, 2021 the carrying amount of the County's deposits was \$303,011 and the bank balance was \$258,459. The County's cash deposits held at First State Bank and Menard National Bank at September 30, 2021 and during the year ended September 30, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings

accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual funds, (8) Investment pools and guaranteed investment contracts. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act.

The County's temporary investments consisted of certificates of deposit at September 30, 2021 and is shown below:

<u>Name</u>		<u>Carrying Amount</u>		<u>Market Value</u>		<u>FDIC Coverage</u>		<u>Pledged Securities</u>
<u>Certificates of Deposit-</u>						\$		
First State Bank	\$	843,241	\$	843,241		250,000	\$	593,241

Policies Governing Deposits and Investments

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

Custodial Credit Risk – Deposits: This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end were covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investments (certificates of deposit) were secured by FDIC insurance and pledged securities.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2021, the County was not exposed to concentration of credit risk, interest rate risk or foreign currency risk.

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

For the year ended September 30, 2021 the County complied, in all material respects, with the requirements of the Public Funds Investment Act and with local policies.

3.B. RECEIVABLES

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

	General	Road and Bridge	Debt Service	Other Governmental Funds	TOTAL
Receivables:					
Property Taxes	\$ 112,137	\$ -	\$ 11,091	\$ 1,529	\$ 124,757
Other	89,450	68,907	1,159	4,985	164,501
Intergovernmental	20,122	91,841	-	1,528	113,491
Gross Receivables	\$ 221,709	\$ 160,748	\$ 12,250	\$ 8,042	\$ 402,749
Less: Allowance for Uncollectibles	3,364	-	333	46	3,743
Net Total Receivables	\$ 218,345	\$ 160,748	\$ 11,917	\$ 7,996	\$ 399,006

3.C. COURT FINES AND FEES RECEIVABLE

With the implementation of GASB Statement Number 34, the County has determined the amount of court fines and fees receivable to be \$467,842 which represents amounts owed and outstanding for several years. Based on historical collection rates for the various courts, the County has estimated an allowance for uncollectible court fines and fees of \$350,882, resulting in a net receivable of \$116,961.

3.D. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The financial statements report separate sections for deferred outflows and inflows of resources. Deferred outflows represent an acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows represent an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow or resource (revenue) until that time.

Deferred outflows on the Statement of Net Position consists of the TCDRS pension deferred outflow of \$305,659 (see note 4.A.).

Deferred inflows on the Statement of Net Position consists of the TCDRS pension deferred outflow of \$286,636 (see note 4.A.).

Governmental funds reported Deferred Inflows of Resources – Unavailable Revenues in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also reported Unearned Revenue or deferred revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current year, Unavailable and Unearned Revenues reported in the governmental funds were as follow:

	Unearned Revenue	Unavailable Revenue
General Fund -		
Unavailable Revenue - Property Taxes		\$ 108,773
Unearned Revenue	\$ 28,000	
American Relief Fund		
Unearned Revenue	156,992	
Debt Service Fund -		
Unavailable Revenue - Property Taxes		10,758
Unearned Revenue	-	
Other Governmental Funds -		
Unavailable Revenue - Property Taxes		1,483
Unearned Revenue	-	
TOTAL UNA VAILABLE AND UNEARNED REVENUES	\$ 184,992	\$ 121,014

3.E. PROPERTY TAXES

The County contracted with the Menard County Appraisal District for the appraisal of taxes. Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the 2020 tax roll, the total assessed valuation for Menard County was \$213,239,359 and the taxes assessed amounted to \$1,697,805. The total tax rate was \$.79467 per \$100 valuation and allocated \$.72395 to the General and \$.07072 to the Debt Service Fund. In addition, for the 2020 tax roll, the total assessed valuation for Menard County FCLR was \$218,068,299 and the taxes assessed amounted to \$21,851. The total tax rate was \$.01000. The maximum levy allowed by the State law for the above purposes is \$0.80 per \$100 valuation.

Ad valorem taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Ad valorem taxes are prorated between maintenance & operations and interest & sinking based on rates adopted for the year of the levy. The County is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. Due to the immaterial amount of additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements.

3.F. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2021.

	Primary Government			
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Land	\$ 106,000	\$ -	\$ -	\$ 106,000
Buildings	5,296,337	1,706,946	-	7,003,283
Improvements	2,023,401	120,124	-	2,143,525
Machinery & Equipment	2,756,586	16,279	-	2,772,865
Construction Work in Progress	1,710,891	-	1,710,891	-
Totals at Historic Cost	\$ 11,893,215	\$ 1,843,349	\$ 1,710,891	\$ 12,025,673
Less Accumulated				
Depreciation for:				
Buildings	2,147,983	148,205	-	2,296,188
Improvements	541,541	66,375	-	607,916
Machinery & Equipment	2,454,527	95,528	-	2,550,055
Total Accumulated Depreciation	\$ 5,144,051	\$ 310,108	\$ -	\$ 5,454,159
Governmental Activities				
Capital Assets, Net	\$ 6,749,164	\$ 1,533,241	\$ 1,710,891	\$ 6,571,514

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

Governmental Activities:	
Financial Administration	\$ 8,632
General Administration	69,700
Tax Administration	8,224
Emergency Management	1,535
Law Enforcement	71,343
Parks	6,740
Corrections	20,873
Roads & Bridges	39,686
Sanitation	2,224
Justice System	38,346
Juvenile Services	9,241
Health & Human Services	13,611
Recreation	650
Conservation & Development	8,351
Museums	175
Facilities Management	6,850
Libraries	3,927
Total Depreciation Expense-	
Governmental Activities	\$ 310,108

3.G. LONG-TERM LIABILITIES

Governmental Activities

The following is a summary of the long-term liability transactions of the County for the year ended September 30, 2021.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Limited Tax Refunding Bonds- Series 2013	\$ 300,000	\$ -	\$ 120,000	\$ 180,000	\$ 90,000
Limited Tax Note- Series 2018	305,000		10,000	295,000	35,000
Limited Tax Note- Series 2021	-	425,000		425,000	20,000
Capital Leases- American National Leasing	79,079	-	30,461	48,618	31,613
TOTAL	\$ 684,079	\$ 425,000	\$ 160,461	\$ 948,618	\$ 176,613

3.H. TAX REFUNDING BONDS AND LIMITED TAX NOTES

Tax Refunding Bonds and Limited Tax Notes payable at September 30, 2021 consists of the following:

\$1,125,000 Limited Tax Refunding Bonds, Series 2013 due in annual installments of \$90,000 to \$115,000 through February 15, 2023; interest rate at 2.411%.	\$ 180,000
\$325,000 Limited Tax Note, Series 2018 due in annual installments of \$10,000 to \$115,000 through February 15, 2025, interest rate at 3.48%.	295,000
\$425,000 Limited Tax Note, Series 2021 due in annual installments of \$20,000 to \$105,000 through August 15, 2028, interest rate at 1.69%.	425,000
Total Limited Tax Refunding Bonds and Limited Tax Notes	\$ 900,000

The annual requirements for principal and interest on the outstanding certificates of obligation are as follows:

<u>Year Ended September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	145,000	19,615	164,615
2023	145,000	16,368	161,368
2024	145,000	12,422	157,422
2025	150,000	7,917	157,917
2026-2030	315,000	10,648	325,648
Totals	\$ 900,000	\$ 66,970	\$ 966,970

3.I. LONG-TERM DEBT ADVANCE REFUNDING

During 2013, the County advance refunded the Series 2005, Series 2007 and Series 2009 Tax Notes and Refunding Bonds by issuing \$1,125,000 limited tax refunding bonds – Series 2013. The tax notes and refunding bonds were called and were redeemed by depositing \$1,083,078 into an escrow account on September 16, 2013.

The tax notes and refunding bonds have been defeased and removed as a liability of the County. The refunding bonds resulted in a gross debt service savings of \$3,056 and the net present value savings of \$39,490. The following obligations are considered to be defeased and the liability removed from the accompanying financial statements:

<u>Description</u>	<u>Refunded Amount</u>
Tax Notes and Refunding Bonds-	
Series 2007	45,000
TOTAL	<u>\$ 45,000</u>

3.J. OTHER LONG-TERM DEBT

Lease purchase agreements and loans payable at September 30, 2021 consists of the following:

\$70,104 original lease purchase agreement with American National Leasing Company to purchase a 2019 Chevrolet Tahoe, due in yearly installments of \$18,993 until 3/01/2022, interest at 4.49%, with a residual purchase option of \$9,000	26,792
\$47,710 original lease purchase agreement with American National Leasing Company to purchase a 2019 Ford Explorer, due in yearly installments of \$14,803 under 6/24/2022, interest at 4.49%, with a residual purchase option of \$8,000	21,826
TOTAL LEASE PURCHASE AGREEMENTS	<u>\$ 48,618</u>

A summary of the future minimum lease payments under the agreements along with the present value of the minimum debt payments as of September 30, 2021 follows:

<u>Year Ended September 30, 2022</u>	
Total Minimum Debt Payments	\$ 50,796
Less Amount Representing Interest	<u>2,183</u>
Present Value of Debt Payments	<u>\$ 48,618</u>

3.K. INTERFUND TRANSFERS

The composition of interfund balances as of September 30, 2021, is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 57,145	\$ 442,076
Road and Bridge Fund	296,690	-
Capital Projects Fund	116,582	
Nonmajor Special Revenue Funds	2,249	30,590
	<u>\$ 472,666</u>	<u>\$ 472,666</u>

	<u>Receivable</u>	<u>Payable</u>
General Fund	36,178	101,303
American Relief Fund	65,465	
Road and Bridge Fund	\$	\$ 65,465
Capital Projects Fund	101,303	8494
Nonmajor Special Revenue Funds	8,494	36,178
Total	<u>\$ 211,440</u>	<u>\$ 211,440</u>

NOTE 4 - OTHER NOTES

4.A. EMPLOYEE RETIREMENT PLAN

Plan Description

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

- a. Menard County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full-and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 165%) and is then converted to an annuity.
 - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Menard County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2020 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, <https://www.tcdrs.org/employers/>

Members covered by benefit terms.

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	25
Inactive employees entitled to but not yet receiving benefits	53
Active employees	<u>46</u>
	124

Contributions

A combination of three elements fund each employer's plan: employee deposits, employer contributions and investment income.

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

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

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional

contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

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

The contribution rate payable by the employee members for calendar year 2020 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County's contributions to TCDRS for the year ended September 30, 2021 were \$115,845, and were more than the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2020, 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 December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal ⁽¹⁾
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smooth Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost of Living Adjustments	Cost-of-Living Adjustments for Menard County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of:

a) age 60; b) earliest retirement eligibility.

Turnover New employees are assumed to replace any terminated members and have similar entry ages.

Mortality RP-2014 Mortality Tables

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a

slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

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

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

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (Net) Index	2.50%	4.55%
International Equities – Developed Markets	MSCI World Ex USA (Net) Index	5.00%	4.25%
International Equities – Emerging Markets	MSCI Emerging Markets (Net) Index	6.00%	4.75%
Investment – Grade Bonds	Bloomberg Barclays US Aggregate Bond Index	3.00%	-.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%

Master Partnerships (MLPs)	Limited	Alerian MLP Index	2.00%	5.10%
Private Partnerships	Real Estate	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	4.90%
Private Equity		Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	25.00%	7.25%
Hedge Funds		Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents		90-Day U.S. Treasury	2.00%	-0.70%

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

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 2% per Cliffwater's 2021 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 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

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

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

Based on the above, the projected fiduciary net position is determined to be sufficient compared to project benefits payments. Based on the expected level of cash flows and investment returns to the systems, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments.

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Increase/(Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Balances as of December 31, 2019	\$ 5,008,995	\$ 5,147,923	\$ (138,928)
Changes for the Year:			
Service Cost	177,313		177,313
Interest on Total Pension Liability ⁽¹⁾	410,245		410,245
Effect of Plan Changes ⁽²⁾	-		-
Effects of Economic/Demographic Gains or Losses	(107,969)		(107,969)
Effect of Assumptions Changes or Inputs	270,151		270,151
Refund of Contributions	(677)	(677)	-
Benefit Payments	(247,264)	(247,264)	-
Administrative Expenses		(4,137)	4,137
Member Contributions		100,571	(100,571)
Net Investment Income		531,770	(531,770)
Employer Contributions		125,433	(125,433)
Other ⁽³⁾	-	(139)	139
Balances as of December 31, 2020	\$ 5,510,794	\$ 5,653,480	\$ (142,687)

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

⁽²⁾ No plan changes valued.

⁽³⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability of the county/district, calculated using the discount rate of 7.60%, as well as what the Menard County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total Pension Liability	\$ 6,147,327	\$ 5,510,794	\$ 4,973,250
Fiduciary Net Position	5,653,481	5,653,481	5,653,481
Net Pension Liability/(Asset)	\$ 493,846	\$ (142,687)	\$ (610,779)

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

For the year ended September 30, 2021 the County's pension expense was \$72,864.

Prepaid Expense/(Income)	January 1, 2020 to December 31, 2020
Service Cost	\$ 177,313
Interest on Total Pension Liability ⁽¹⁾	410,245
Effect of Plan Changes	-
Administrative Expenses	4,137
Member Contributions	(100,571)
Expected Investment Return Net of Investment Expenses	(415,941)
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	(49,708)
Recognition of Assumption Changes or Inputs	100,385
Recognition of Investment Gains or Losses	(53,135)
Other ⁽²⁾	139
Pension Expense/(Income)	\$ 72,864

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

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

As of September 30, 2021, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 101,278	\$ 31,160
Changes of assumptions	-	190,435
Net difference between projected and actual earnings	185,358	-
Contributions made subsequent to measurement date	N/A	84,064

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

Year Ended December 31

2021	\$ (7,928)
2022	63,137
2023	(97,085)
2024	(23,165)
2025	-
Thereafter ⁽³⁾	-

⁽³⁾ Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

4.B. RISK MANAGEMENT

The County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, error and omissions and personnel risks which relate to workers compensation. The county carries commercial insurance through the Texas Association of Counties for workers compensation and for other coverages in order to manage the above listed risks.

4.C. HEALTH INSURANCE

All regular full-time employees of the County are eligible for coverage under the group hospitalization, medical, dental and life insurance program provided by the County. The County pays the premium for eligible employees. Employees, at their option, may authorize payroll withholdings to pay premiums for eligible family members.

4.D. CONTINGENT LIABILITIES

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

4.E. RELATED PARTY

In the ordinary course of business, the County has and expects to continue to have transactions with its employees and elected officials. In the opinion of management, such transactions were on substantially the same terms, including interest rates and collateral as those prevailing at the time of comparable transactions with other person and did not involve more than a normal risk of collectability or present any other unfavorable features to the County.

4.F. DEFERRED COMPENSATION PLAN

The County offers all its employees a deferred compensation program through Nationwide Retirement Solutions, Inc. The plan, created in accordance with Internal Revenue Code Section 457, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The County does not contribute to this plan. All contributions are made by the employees who elect to participate in the plan. The County remits employee contributions to the plan trustee on a regular basis. The County does not administer the Section 457 plan, nor does it provide the investment advice to the plan. Accordingly, the Section 457 plan is not part of the County's reporting entity.

The County has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

At September 30, 2021, the participants had a balance of \$246,768 in the plan.

4.G. TAX ABATEMENT AGREEMENT

In March of 2019, the County created the County Reinvestment Zone No. 001 pursuant to Section 312 of the Texas Property Code. The County entered into a tax abatement agreement with Lampwick Solar, LLC for a period of eight (8) years. The County granted a partial abatement of County property taxes based on the increase in the taxable value of the property attributable to the project over the base year taxable value. The percentage abatement is 80% for years 1-6 and 60% for years 7 and 8.

4.H. UNEARNED REVENUE

Unspent American Rescue Plan Act Funds in the amount of \$156,992 are classified as unearned revenue in the American Rescue Plan Fund. The funds are for response to the COVID-19 public health emergency.

4.I. PRIOR PERIOD ADJUSTMENT

The County implemented the provision of GASB Statement No. 84 *Fiduciary Activities*. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminating agency funds and replacing them with custodial funds. Under this guidance, fiduciary funds will now report a net position and a statement of changes in net position.

Implementation of GASB Statement No. 84 required a restatement of net position for the fiduciary funds of \$178,237. This adjustment was needed to move the beginning balances to newly created fiduciary funds.

4.J. SUBSEQUENT EVENTS

The County has evaluated subsequent events through September 12, 2022 the date which the financial statements were available to be issued. The County is not aware of any subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 1,545,455	\$ 1,568,000	\$ 1,534,158	\$ (33,842)
General Sales and Use Taxes	84,000	114,400	115,236	836
Other Taxes	400	400	492	92
Penalty and Interest on Taxes	300	1,337	29,752	28,415
Licenses and Permits	7,020	8,970	10,920	1,950
Intergovernmental Revenue and Grants	134,633	222,084	250,687	28,603
Charges for Services	216,100	250,386	265,572	15,186
Fines	924,000	697,000	824,896	127,896
Investment Earnings	1,000	1,000	296	(704)
Contributions & Donations from Private Sources	-	4,350	4,350	-
Other Revenue	27,700	29,575	28,440	(1,135)
Total Revenues	2,940,608	2,897,502	3,064,799	167,297
EXPENDITURES:				
Current:				
General Administration	672,562	676,958	621,994	54,964
Financial Administration	99,360	100,317	88,885	11,432
Tax Administration	92,560	93,190	84,747	8,443
Facilities Management	67,780	72,280	53,502	18,778
Law Enforcement	731,573	788,429	721,993	66,436
Corrections	305,538	269,882	214,948	54,934
Emergency Management Services	24,515	24,515	13,418	11,097
Sanitation	18,500	23,000	22,870	130
Administration of Justice	419,582	427,707	371,467	56,240
Juvenile Services	82,513	95,513	95,352	161
Health and Human Services	169,568	151,578	134,222	17,356
Recreation	19,300	7,622	6,991	631
Parks	59,000	70,723	64,483	6,240
Museums	1,800	1,800	1,800	-
Libraries	35,420	40,799	40,456	343
Conservation and Development	99,255	99,685	85,628	14,057
Total Expenditures	2,898,826	2,943,998	2,622,756	321,242
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,782	(46,496)	442,043	488,539
OTHER FINANCING SOURCES (USES):				
Transfers In	-	153,100	57,145	(95,955)
Transfers Out (Use)	(80,000)	(266,000)	(442,076)	(176,076)
Total Other Financing Sources (Uses)	(80,000)	(112,900)	(384,931)	(272,031)
Net Change in Fund Balances	(38,218)	(159,396)	57,112	216,508
Fund Balance - October 1 (Beginning)	195,359	195,359	195,359	-
Fund Balance - September 30 (Ending)	\$ 157,141	\$ 35,963	\$ 252,471	\$ 216,508

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

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 99,659	\$ 279,982	\$ 109,402	\$ (170,580)
Charges for Services	120,000	120,000	144,675	24,675
Rents and Royalties	900	900	-	(900)
Total Revenues	220,559	400,882	254,077	(146,805)
EXPENDITURES:				
Current:				
General Administration	54,240	54,240	45,994	8,246
Roads and Bridges	406,409	421,409	405,241	16,168
Capital Outlay:				
Capital Outlay	-	39,233	16,279	22,954
Total Expenditures	460,649	514,882	467,514	47,368
Excess (Deficiency) of Revenues Over (Under) Expenditures	(240,090)	(114,000)	(213,437)	(99,437)
OTHER FINANCING SOURCES (USES):				
Transfers In	114,000	114,000	296,690	182,690
Total Other Financing Sources (Uses)	114,000	114,000	296,690	182,690
Change in Fund Balance	(126,090)	-	83,253	83,253
Fund Balance - October 1 (Beginning)	8,584	8,584	8,584	-
Fund Balance - September 30 (Ending)	\$ (117,506)	\$ 8,584	\$ 91,837	\$ 83,253

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

FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 162,089	\$ 161,341	\$ 149,860	\$ 141,059
338,778	307,652	296,397	276,864
-	-	51,701	-
(51,917)	31,047	(170,816)	(30,234)
51,674	-	41,643	-
(209,341)	(188,600)	(190,743)	(202,283)
\$ 291,283	\$ 311,440	\$ 178,042	\$ 185,406
4,122,983	3,811,542	3,633,499	3,448,092
\$ 4,414,266	\$ 4,122,982	\$ 3,811,541	\$ 3,633,498
\$ 103,812	\$ 109,962	\$ 107,391	\$ 103,564
83,049	87,970	85,913	82,851
583,417	273,042	8,270	241,758
(209,341)	(188,600)	(190,743)	(202,283)
(3,031)	(2,966)	(2,684)	(2,837)
(330)	28,693	(88,664)	(42,060)
\$ 557,576	\$ 308,101	\$ (80,517)	\$ 180,993
3,999,441	3,691,339	3,771,856	3,590,862
\$ 4,557,017	\$ 3,999,440	\$ 3,691,339	\$ 3,771,855
\$ (142,751)	\$ 123,542	\$ 120,202	\$ (138,357)
103.23%	97.00%	96.85%	103.81%
\$ 1,186,421	\$ 1,256,714	\$ 1,227,324	\$ 1,183,592
(12.03%)	9.83%	9.79%	(11.69%)

2017	2016	2015	2014	2013	2012	2011
\$ 89,575	\$ 104,433	\$ 99,413	\$ 101,671	\$ 96,887	\$ 83,841	\$ 77,665
103,812	109,962	107,391	103,564	96,887	83,841	77,665
\$ (14,237)	\$ (5,529)	\$ (7,978)	\$ (1,893)	- \$	- \$	-
\$ 1,186,421	\$ 1,256,714	\$ 1,227,324	\$ 1,183,592	\$ 1,107,282	\$ 984,044	\$ 931,239
8.80%	8.70%	8.80%	8.70%	8.70%	8.50%	8.30%

MENARD COUNTY
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	8.5 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2016: Employer contributions reflect that a 10% CPI COLA was adopted.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: No changes in plan provisions were reflected in the Schedule.
	2019: No changes in plan provisions were reflected in the Schedule.
	2020: No changes in plan provisions were reflected in the Schedule.

** Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.*

SUPPLEMENTARY INFORMATION

21 JP Court Technology Fund	24 Court Reporter Fund	25 Appellate Judicial Fund	26 Alternative Dispute Resolution	28 Truancy Prevention Fund	30 Records Management Fund	31 Clerks Archival Fund	32 Courthouse Restoration Fund
\$ -	\$ 9,010	\$ 274	\$ 7,415	\$ -	\$ 6,911	\$ 26,974	\$ -
35,000	25,000	-	-	25,000	25,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,277	109	15	-	1,480	590	510	105
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	8,494
-	-	-	-	-	-	-	-
<u>\$ 36,277</u>	<u>\$ 34,119</u>	<u>\$ 289</u>	<u>\$ 7,415</u>	<u>\$ 26,480</u>	<u>\$ 32,501</u>	<u>\$ 27,484</u>	<u>\$ 8,599</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,391	-	-	-	15,829	-	-	-
<u>3,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,829</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
32,886	34,119	289	7,415	10,651	32,501	27,484	8,599
<u>32,886</u>	<u>34,119</u>	<u>289</u>	<u>7,415</u>	<u>10,651</u>	<u>32,501</u>	<u>27,484</u>	<u>8,599</u>
<u>\$ 36,277</u>	<u>\$ 34,119</u>	<u>\$ 289</u>	<u>\$ 7,415</u>	<u>\$ 26,480</u>	<u>\$ 32,501</u>	<u>\$ 27,484</u>	<u>\$ 8,599</u>

Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 69,016	\$ 69,016
140,000	140,000
1,529	1,529
(46)	(46)
4,984	4,984
1,528	1,528
8,494	8,494
470	470
<u>\$ 225,975</u>	<u>\$ 225,975</u>
\$ 176	\$ 176
36,178	36,178
<u>36,354</u>	<u>36,354</u>
1,483	1,483
<u>1,483</u>	<u>1,483</u>
188,138	188,138
<u>188,138</u>	<u>188,138</u>
<u>\$ 225,975</u>	<u>\$ 225,975</u>

21 JP Court Technology Fund	24 Court Reporter Fund	25 Appellate Judicial Fund	26 Alternative Dispute Resolution	28 Truancy Prevention Fund	30 Records Management Fund	31 Clerks Archival Fund	32 Courthouse Restoration Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	14,742	160	485	-	8,974	8,350	1,960
3,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	98
-	-	-	-	2,188	-	-	-
<u>3,000</u>	<u>14,742</u>	<u>160</u>	<u>485</u>	<u>2,188</u>	<u>8,974</u>	<u>8,350</u>	<u>2,058</u>
-	-	-	-	-	-	2,386	-
-	-	-	-	268	-	-	-
-	-	-	-	-	-	-	-
19,464	718	175	350	-	2,252	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>19,464</u>	<u>718</u>	<u>175</u>	<u>350</u>	<u>268</u>	<u>2,252</u>	<u>2,386</u>	<u>-</u>
<u>(16,464)</u>	<u>14,024</u>	<u>(15)</u>	<u>135</u>	<u>1,920</u>	<u>6,722</u>	<u>5,964</u>	<u>2,058</u>
-	-	-	-	2,249	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,249	-	-	-
<u>(16,464)</u>	<u>14,024</u>	<u>(15)</u>	<u>135</u>	<u>4,169</u>	<u>6,722</u>	<u>5,964</u>	<u>2,058</u>
<u>49,350</u>	<u>20,095</u>	<u>304</u>	<u>7,280</u>	<u>6,482</u>	<u>25,779</u>	<u>21,520</u>	<u>6,541</u>
<u>\$ 32,886</u>	<u>\$ 34,119</u>	<u>\$ 289</u>	<u>\$ 7,415</u>	<u>\$ 10,651</u>	<u>\$ 32,501</u>	<u>\$ 27,484</u>	<u>\$ 8,599</u>

Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 21,712	\$ 21,712
368	368
14,217	14,217
34,836	34,836
3,000	3,000
98	98
5,762	5,762
<u>79,993</u>	<u>79,993</u>
2,386	2,386
5,756	5,756
846	846
22,959	22,959
5,929	5,929
2,700	2,700
<u>40,576</u>	<u>40,576</u>
<u>39,417</u>	<u>39,417</u>
2,249	2,249
(30,590)	(30,590)
<u>(28,341)</u>	<u>(28,341)</u>
11,076	11,076
<u>177,062</u>	<u>177,062</u>
\$ <u><u>188,138</u></u>	\$ <u><u>188,138</u></u>

94 Justice of the Peace	Total Custodial Fund
\$ 92,717	\$ 692,432
-	2,012
92,717	694,444
\$ 92,717	\$ 694,444
\$ 92,717	\$ 694,444

94 Justice of the Peace	Total Custodial Fund
\$ 1,476,792	\$ 2,295,970
<u>1,476,792</u>	<u>2,295,970</u>
1,457,026	1,779,763
<u>1,457,026</u>	<u>1,779,763</u>
19,766	516,207
-	-
<u>72,951</u>	<u>178,237</u>
<u>\$ 92,717</u>	<u>\$ 694,444</u>