

LAVACA COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended  
SEPTEMBER 30, 2021

LAVACA COUNTY, TEXAS  
Annual Financial Report  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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FINANCIAL SECTION

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

Wayne R. Beyer, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

To the Judge and Commissioners' Court  
Lavaca County, Texas

**Report on the Financial Statements**

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

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Lavaca County, Texas as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof 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, employees' retirement system information, and the OPEB system information on pages 3–12, 81-84, and 85–86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lavaca County, Texas's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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.



BEYER & COMPANY  
Certified Public Accountants  
April 22, 2022

## Management's Discussion and Analysis

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

### Financial Highlights

- . The assets of Lavaca County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$33,772,586 (net position). Of this amount, \$4,544,608 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net position increased by \$3,267,611. This increase is the result of COVID-19 proceeds of \$991,937, and careful budget monitoring.
- . As of the close of the current fiscal year, Lavaca County, Texas' governmental funds reported combined ending fund balances of \$21,215,723, an increase of \$3,443,255 in comparison with the prior year. Approximately 35% of this total amount, \$7,446,052 is available for spending at the government's discretion (unassigned fund balance).
- . At the end of the current fiscal year, the unassigned fund balance for the general fund was \$7,446,052, or 92 percent of total general fund expenditures, the fund balance for the road and bridge fund was \$9,492,013, or 162 percent of total road and bridge fund expenditures.

### Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of Lavaca County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Lavaca County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Lavaca County, Texas include an ambulance fund, workmen's comp. fund, and an unemployment insurance fund.

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

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

***Fund financial statements:*** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Lavaca County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds:*

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

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

Lavaca County, Texas maintains thirty-seven (37) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the road and bridge fund, which are major funds. Data from the other thirty-five (35) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Lavaca County, Texas adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund and the road and bridge fund.

The basic governmental fund financial statements can be found on pages 13-21 of this report. The basic proprietary fund financial statements can be found on pages 22-25 of this report.

Lavaca County, Texas also has two agency funds and one trust fund presented in this report. Such funds are not included in the county wide statement but are shown separately on pages 26-27.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-80 of this report.

*Other information:*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Lavaca County, Texas' progress in funding its obligation to provide pension benefits to its employees and for major construction fund budgetary information. Required supplementary information can be found on pages 81-86 of this report.

The combining statements referred to earlier in connection with the general fund, the major road and bridge funds, and the nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 87-104 of this report.

#### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Lavaca County, Texas, assets exceeded liabilities by \$33,772,586 at the close of the most recent fiscal year.

A large portion of Lavaca County, Texas' net position (46 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Lavaca County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Lavaca County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**LAVACA COUNTY, TEXAS  
NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$22,724,466	\$20,180,849	\$913,290	\$1,132,517	\$23,637,756	\$21,313,366
Capital Assets:	14,879,426	14,673,017	1,275,350	781,699	16,154,776	15,454,716
	37,603,892	34,853,866	2,188,640	1,914,216	39,792,532	36,768,082
Total Deferred Outflows of Resources	2,850,806	1,017,234	448,738	131,922	3,299,544	1,149,156
Total Assets	\$40,454,698	\$35,871,100	\$2,637,378	\$2,046,138	\$43,092,076	\$37,917,238
Long-Term Liabilities	6,143,940	5,175,264	817,517	551,672	6,961,457	5,726,936
Other Liabilities	557,151	510,522	118,196	69,735	675,347	580,257
Total Liabilities	6,701,091	5,685,786	935,713	621,407	7,636,804	6,307,193
Total Deferred Inflows of Resources	1,453,841	978,208	228,845	126,862	1,682,686	1,105,070
Invested in Capital Assets, Net of Related Debt	14,111,052	13,822,934	1,275,350	750,312	15,386,402	14,573,246
Restricted	13,841,576	11,671,099			13,841,576	11,671,099
Unrestricted	4,347,138	3,713,073	197,470	547,557	4,544,608	4,260,630
Total Net Position	\$32,299,766	\$29,207,106	\$1,472,820	\$1,297,869	\$33,772,586	\$30,504,975

An additional portion of Lavaca County, Texas' net position (41 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$4,544,608) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Lavaca County, Texas reported a positive balance in the governmental activities. For the current fiscal year, Lavaca County, Texas reported positive balances in net position, both for the government, as well as for its separate governmental activities. At the end of the prior fiscal year, Lavaca County, Texas reported positive balances in all three categories of net position for its governmental activities and business-type activities.

The government's total net position increased by \$3,267,611. This increase is the result of COVID-19 proceeds of \$991,937, and careful budget monitoring.

There was an increase of \$2,170,477 in restricted net position reported in connection with Lavaca County, Texas' government-type activities. This increase is the primary result of an increase in road and bridge reserve of \$1,043,962 for road construction and COVID Recovery ARPA proceeds of \$1,961,831.

*Governmental activities:*

Governmental activities increased Lavaca County, Texas' net position by \$3,092,660, thereby accounting for 95 percent of the total increase in the net position of Lavaca County, Texas. This increase is the result of COVID-19 proceeds of \$991,937, and careful budget monitoring.

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$2,305,613	\$2,379,802	\$583,939	\$665,075	\$2,889,552	\$3,044,877
Operating Grants and Contributions	1,359,515	1,282,072			1,359,515	1,282,072
Capital Grants and Contributions	87,956	34,204			87,956	34,204
General Revenues:						
Maintenance and Operations Taxes	14,235,432	14,656,360			14,235,432	14,656,360
Other Taxes	14,697	11,381			14,697	11,381
Unrestricted Investment Earnings	425,324	434,467	6,593	9,797	431,917	444,264
Miscellaneous	1,125,323	727,583			1,125,323	727,583
Total Revenue	19,553,860	19,525,869	590,532	674,872	20,144,392	20,200,741
Expenses:						
General Administration	2,121,328	2,325,340			2,121,328	2,325,340
Legal	321,530	347,025			321,530	347,025
Judicial	1,278,205	1,238,325			1,278,205	1,238,325
Financial Administration	1,090,030	1,155,153			1,090,030	1,155,153
Public Facilities	1,163,708	273,848			1,163,708	273,848
Public Safety	3,102,615	3,252,110			3,102,615	3,252,110
Public Transportation	5,265,455	5,460,304			5,265,455	5,460,304
Health and Welfare	143,576	175,993			143,576	175,993
Conservation - Agriculture	120,357	120,672			120,357	120,672
Interest and Fiscal Charges	34,812	42,468			34,812	42,468
Ambulance			2,235,165	1,256,765	2,235,165	1,256,765
Total Expenses	14,641,616	14,391,238	2,235,165	1,256,765	16,876,781	15,648,003
Increase in Net Position Before Transfers and Special Items	4,912,244	5,134,631	(1,644,633)	(581,893)	3,267,611	4,552,738
Transfers	(1,819,584)	(33,454)	1,819,584	33,454	0	0
Increase in Net Position	3,092,660	5,101,177	174,951	(548,439)	3,267,611	4,552,738
Net Position at 09/30/2020	29,207,106	24,105,929	1,297,869	1,846,308	30,504,975	25,952,237
Net Position at 09/30/2021	\$32,299,766	\$29,207,106	\$1,472,820	\$1,297,869	\$33,772,586	\$30,504,975

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Government Activities:				
General Administration	\$2,121,328	\$450,503	\$88,163	
Legal	321,530	16,053	27,500	
Judicial	1,278,205	299,958	213,216	
Financial Administration	1,090,030	773,315		
Public Facilities	1,163,708			
Public Safety	3,102,615	56,072	1,018,217	
Public Transportation	5,265,455	709,712		87,956
Health and Welfare	143,576		12,419	
Conservation - Agriculture	120,357			
Interest and Fiscal Charges	34,812			
Total Government Activities	\$14,641,616	\$2,305,613	\$1,359,515	\$87,956

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$2,305,613	12%
Operating Grants and Contributions	1,359,515	7%
Capital Grants and Contributions	87,956	0%
Maintenance and Operations Taxes	14,235,432	73%
Other Taxes	14,697	0%
Unrestricted Investment Earnings	425,324	2%
Miscellaneous	1,125,323	6%
	\$19,553,860	100%

*Business-Type Activities:*

Business-type activities (ambulance, workmen's compensation, and unemployment funds) increased Lavaca County, Texas' net position by \$174,951, thereby accounting for 5 percent of the total increase in the net position of Lavaca County, Texas. This increase is the result of a transfer in of \$1,819,384, and careful budget monitoring.

Expenses and Program Revenues - Business Activities

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
<b>Primary Government</b>			
Business-Type Activities:			
Water	\$2,235,165	\$583,939	\$0
Total Business-Type Activities	<u>\$2,235,165</u>	<u>\$583,939</u>	<u>\$0</u>

Revenues by Source - Business-Type Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$583,939	98.88%
Unrestricted Investment Earnings	6,593	1.12%
	<u>\$590,532</u>	<u>100.00%</u>

## Financial Analysis of the Government's Funds

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

### *Governmental funds:*

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

As of the end of the current fiscal year, Lavaca County, Texas' governmental funds reported combined ending fund balances of \$21,215,723, an increase of \$3,443,255 in comparison with the prior year. Approximately 35 percent of this total amount \$7,446,052 constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Lavaca County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,446,052, while total fund balance reached \$7,446,052. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 92 percent of total general fund expenditures, while total fund balance represents 92 percent of that same amount.

The fund balance of Lavaca County, Texas' general fund increased by \$1,283,022 during the current fiscal year. Key factors in this increase are as follows: This increase is attributable to careful budget management.

The road and bridge fund had a total fund balance of \$9,492,013. As a measure of the road and bridge fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 162 percent of that same amount. The fund balance of the road and bridge fund increased by \$1,043,962 during the current year. This increase is attributable to careful budget management.

## General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase of \$82,653. This increase is immaterial.

### Capital Asset and Debt Administration

#### *Capital assets:*

Lavaca County, Texas' investment in capital assets for its governmental activities and business-type activities as of September 30, 2021, amounts to \$16,154,776 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total increase in Lavaca County, Texas' investment in capital assets for the current fiscal year was 4.53 percent (1.41 percent increase for governmental activities and 63.15 percent increase for business-type activities). The County had no major construction during the year ended September 30, 2021.

#### **LAVACA COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$487,447	\$487,447	\$22,609	\$22,609	\$510,056	\$510,056
Building and Improvements	10,066,234	10,431,869	437,371	454,266	10,503,605	10,886,135
Machinery and Equipment	4,325,745	3,753,701	373,015	58,754	4,698,760	3,812,455
Infrastructure					0	0
Automotive			442,355	246,069	442,355	246,069
<b>Total</b>	<b>\$14,879,426</b>	<b>\$14,673,017</b>	<b>\$1,275,350</b>	<b>\$781,698</b>	<b>\$16,154,776</b>	<b>\$15,454,715</b>

Additional information on Lavaca County, Texas' capital assets can be found in note IV C on page 40 and 41 of this report.

*Long-term debt:*

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

Future Outlook

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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's business office, at Lavaca County, Texas, 109 N. La Grange Street, Hallettsville, Texas 77964.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<i>ASSETS</i>			
Cash and Cash Equivalents	\$21,785,974	\$416,272	\$22,202,246
Receivables (net of allowance for uncollectibles)	938,492	497,018	1,435,510
Capital Assets Not Being Depreciated:			
Land	487,447	22,609	510,056
Total Capital Assets Being Depreciated, Net			
Building and Improvements	11,212,006	437,371	11,649,377
Machinery and Equipment	3,179,973	815,370	3,995,343
Infrastructure			0
Total Assets	<u>\$37,603,892</u>	<u>\$2,188,640</u>	<u>\$39,792,532</u>
DEFERRED OUTFLOWS OF RESOURCES			
<b>GASB 68</b>			
Deferred Outflow of Resources-Contributions (after 12/31/20)	945,094	148,765	1,093,859
Changes of assumptions	1,799,967	283,328	2,083,295
<b>GASB 75</b>			
Changes of assumptions	105,745	16,645	122,390
Total Deferred Outflows of Resources	<u>2,850,806</u>	<u>448,738</u>	<u>3,299,544</u>
LIABILITIES:			
Accounts Payable	\$144,122	\$13,773	\$157,895
Accrued Wages Payable	413,029	104,423	517,452
Noncurrent Liabilities:			
Due Within One Year	436,264	26,219	462,483
Due in More Than One Year	5,707,676	791,298	6,498,974
Total Liabilities	<u>6,701,091</u>	<u>935,713</u>	<u>7,636,804</u>
DEFERRED INFLOWS OF RESOURCES			
<b>GASB 68</b>			
Differences Between Expected and Actual Experience	70,836	11,150	81,986
Net Difference Between Projected and Actual Earnings	1,378,705	217,018	1,595,723
<b>GASB 75</b>			
Differences Between Expected and Actual Experience	4,300	677	4,977
Total Deferred Inflows of Resources	<u>1,453,841</u>	<u>228,845</u>	<u>1,682,686</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	14,111,052	1,275,350	15,386,402
Restricted			
Construction	861,399		861,399
General Administration	555,583		555,583
Health	1,978,776		1,978,776
Judicial	287,689		287,689
Legal	98,531		98,531
Public Safety	567,585		567,585
Public Transportation	9,492,013		9,492,013
Unrestricted	4,347,138	197,470	4,544,608
Total Net Position	<u>\$32,299,766</u>	<u>\$1,472,820</u>	<u>\$33,772,586</u>

The accompanying notes are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues		Governmental Activities	Business-Type Activities	Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions				
<b>Primary Government</b>							
<b>Government Activities:</b>							
General Administration	\$2,121,328	\$450,503	\$88,163			(\$1,582,662)	(\$1,582,662)
Legal	321,530	16,053	27,500			(\$277,977)	(277,977)
Judicial	1,278,205	299,958	213,216			(\$765,031)	(765,031)
Financial Administration	1,090,030	773,315				(\$316,715)	(316,715)
Public Facilities	1,163,708					(\$1,163,708)	(1,163,708)
Public Safety	3,102,615	56,072	1,018,217			(\$2,028,326)	(2,028,326)
Public Transportation	5,265,455	709,712		87,956		(\$4,467,787)	(4,467,787)
Health and Welfare	143,576		12,419			(131,157)	(131,157)
Conservation - Agriculture	120,357					(120,357)	(120,357)
Interest and Fiscal Charges	34,812					(\$34,812)	(34,812)
<b>Total Government Activities</b>	<b>14,641,616</b>	<b>2,305,613</b>	<b>1,359,515</b>	<b>87,956</b>	<b>(10,888,532)</b>	<b>0</b>	<b>(10,888,532)</b>
<b>Business-Type Activities:</b>							
Ambulance	2,235,165	583,939		0		(1,651,226)	(1,651,226)
<b>Total Business-Type Activities:</b>	<b>2,235,165</b>	<b>583,939</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,651,226)</b>	<b>(1,651,226)</b>
<b>Total Primary Government</b>	<b>\$16,876,781</b>	<b>\$2,889,552</b>	<b>\$1,359,515</b>	<b>\$87,956</b>	<b>(10,888,532)</b>	<b>(1,651,226)</b>	<b>(12,539,758)</b>
<b>General Revenues</b>							
Property Taxes, Levies for General Purposes					14,235,432		14,235,432
Other Taxes					14,697		14,697
Unrestricted Investment Earnings					425,324	6,593	431,917
Miscellaneous					1,125,323		1,125,323
Transfers					(1,819,584)	1,819,584	0
<b>Total General Revenues and Transfers</b>					<b>13,981,192</b>	<b>1,826,177</b>	<b>15,807,369</b>
Change in Net Position					3,092,660	174,951	3,267,611
Net Position - Beginning					29,207,106	1,297,869	30,504,975
Net Position - Ending					<b>\$32,299,766</b>	<b>\$1,472,820</b>	<b>\$33,772,586</b>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

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

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<i>ASSETS</i>				
Cash and Cash Equivalents	\$7,798,407	\$9,597,520	\$4,252,292	\$21,648,219
Receivables (net of allowance for uncollectibles)	290,338	80,393	47,354	418,085
Total Assets	<u>\$8,088,745</u>	<u>\$9,677,913</u>	<u>\$4,299,646</u>	<u>\$22,066,304</u>
 <i>LIABILITIES AND FUND BALANCES:</i>				
Accounts Payable	\$109,440	\$11,499	\$19,620	\$140,559
Bank Overdraft			0	0
Accrued Wages Payable	297,395	113,266	2,368	413,029
Total Liabilities	<u>406,835</u>	<u>124,765</u>	<u>21,988</u>	<u>553,588</u>
 <i>DEFERRED INFLOWS OF RESOURCES</i>				
Deferred Property Taxes	235,858	61,135		296,993
 <i>Fund Balances:</i>				
<i>Restricted</i>				
Construction			861,399	861,399
General Administration			483,678	483,678
Health			1,978,776	1,978,776
Judicial			287,689	287,689
Legal			98,531	98,531
Public Safety			567,585	567,585
Public Transportation		9,492,013		9,492,013
Unassigned	7,446,052			7,446,052
Total Fund Balance	<u>7,446,052</u>	<u>9,492,013</u>	<u>4,277,658</u>	<u>21,215,723</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$8,088,745</u>	<u>\$9,677,913</u>	<u>\$4,299,646</u>	<u>\$22,066,304</u>

The accompanying notes are an integral part of this statement.

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

Total Fund Balances - governmental funds balance sheet	\$21,215,723
Amounts reported for governmental activities in the statement of net position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	14,879,426
Internal service funds are used by management to account for funds for self-insurance. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	62,287
Private purpose trust fund	71,905
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,917,372
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	296,993
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(6,143,940)
Net Position of Governmental Activities - statement of net position	<u>\$32,299,766</u>

The accompanying notes are an integral part of this statement.

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

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>				
Taxes				
Property	\$8,453,687	\$5,770,949	\$317	\$14,224,953
Other	14,697			14,697
Intergovernmental	164,413	87,956	2,160,505	2,412,874
Licenses and Permits	51,780	709,712		761,492
Charges for Services	1,164,159		166,491	1,330,650
Fines and Forfeitures	143,598		720	144,318
Interest	188,013	188,281	46,458	422,752
Miscellaneous	262,827	76,590	773,894	1,113,311
<b>Total Revenues</b>	<b>10,443,174</b>	<b>6,833,488</b>	<b>3,148,385</b>	<b>20,425,047</b>
<i>EXPENDITURES</i>				
Current:				
General Administration	1,858,510		87,268	1,945,778
Legal	318,084		28,870	346,954
Judicial	1,114,753		184,646	1,299,399
Financial Administration	1,117,829			1,117,829
Public Facilities	169,335			169,335
Public Safety	3,158,902		18,959	3,177,861
Public Transportation		5,820,670	0	5,820,670
Health and Welfare	145,621			145,621
Conservation - Agriculture	125,625			125,625
Capital Projects -				
Capital Outlay and Other			896,615	896,615
Debt Service				
Principal Retirement	36,627	45,082		81,709
Interest Retirement	26,738	8,074		34,812
<b>Total Expenditures</b>	<b>8,072,024</b>	<b>5,873,826</b>	<b>1,216,358</b>	<b>15,162,208</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,371,150	959,662	1,932,027	5,262,839
<i>OTHER FINANCING SOURCES (USES):</i>				
Other Financing Sources - Capital Lease		0		0
Operating Transfers In	1,872	101,000	5,700	108,572
Operating Transfers Out	(1,090,000)	(16,700)	(821,456)	(1,928,156)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,088,128)</b>	<b>84,300</b>	<b>(815,756)</b>	<b>(1,819,584)</b>
Net Changes in Fund Balances	1,283,022	1,043,962	1,116,271	3,443,255
Fund Balances - Beginning	6,163,030	8,448,051	3,161,387	17,772,468
<b>Fund Balances - Ending</b>	<b>\$7,446,052</b>	<b>\$9,492,013</b>	<b>\$4,277,658</b>	<b>\$21,215,723</b>

The accompanying notes are an integral part of this statement.

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

Net Changes in Fund Balances - total governmental funds	\$3,443,255
Amounts reported for governmental activities in the statement of net position ("SNP") are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	206,409
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	(5,810)
<b>GASB 68</b>	
Deferred Outflow of Resources-contribution. This is the change in these amounts this year.	69,169
Deferred Inflow-net difference between projected and actual earnings. This is the change in these amounts this year.	(433,336)
Deferred Outflow-changes of assumptions. This is the change in these amounts this year.	1,736,156
Deferred Inflow-Differences Between Expected and Actual Experience. This is the change in these amounts this year.	(37,997)
<b>GASB 75</b>	
Deferred Outflow-changes of assumptions. This is the change in these amounts this year.	35,342
Deferred Inflow-Differences Between Expected and Actual Experience. This is the change in these amounts this year.	(11,395)
(Increase) decrease in compensated absences from beginning of period to end of period.	24,419
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	10,479
Reversal of COVID 19 Grant Proceeds are post 60 day receivable in the SOA	(965,403)
Private purpose trust fund net revenues.	10,244
Internal service funds are used by management to account for funds for self-insurance. The net revenue of certain activities of Internal service funds is reported with governmental activities.	4,223
(Increase) decrease in net pension liability from beginning of period to end of period.	(1,011,111)
(Increase) decrease in OPEB liability from beginning of period to end of period.	(63,693)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	81,709
Change in Net Position of Governmental Activities - statement of activities.	<u>\$3,092,660</u>

The accompanying notes are an integral part of this statement.

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<i>REVENUES</i>				
Taxes				
Property	\$8,505,023	\$8,505,023	\$8,453,687	(\$51,336)
Other	8,000	8,000	14,697	6,697
Intergovernmental	131,200	205,725	164,413	(41,312)
Licenses and Permits	36,500	36,500	51,780	15,280
Charges for Services	956,200	956,200	1,157,811	201,611
Fines and Forfeitures	189,300	189,300	143,598	(45,702)
Interest	105,000	105,000	187,569	82,569
Miscellaneous	99,050	107,175	262,817	155,642
Total Revenues	10,030,273	10,112,923	10,436,372	323,449

*EXPENDITURES*

Current:

General Administration				
County Clerk	578,517	578,517	566,166	12,351
County Judge	463,790	463,790	390,009	73,781
Elections	321,918	321,919	253,311	68,608
Non-Departmental	671,521	675,564	580,656	94,908
Records Management	110,756	110,756	68,368	42,388
Legal				
County Attorney	373,476	373,477	318,084	55,393
Judicial				
Court	449,670	449,669	453,347	(3,678)
District Clerk	259,272	259,272	240,398	18,874
Justices of the Peace	456,367	456,370	421,008	35,362
Financial Administration				
County Auditor	368,255	368,254	364,744	3,510
County Treasurer	156,543	156,542	149,692	6,850
Tax Assessor-Collector	673,225	673,225	603,393	69,832
Public Facilities				
Annex	84,500	84,500	71,534	12,966
Courthouse	99,500	99,500	88,754	10,746
Office Buildings	11,800	11,800	9,047	2,753
Public Safety				
Constables	241,508	246,136	222,455	23,681
Jail	424,500	424,500	305,879	118,621
Sheriff	2,690,907	2,768,931	2,627,938	140,993

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and Welfare				
Public Welfare	\$187,458	\$187,458	\$145,621	\$41,837
Conservation - Agriculture				
Agriculture Extension Service	130,046	130,045	125,625	4,420
Debt Service				
Principal Retirement	36,628	36,628	36,627	1
Interest and Fiscal Charges	31,956	27,913	26,738	1,175
Total Expenditures	<u>8,822,113</u>	<u>8,904,766</u>	<u>8,069,394</u>	<u>835,372</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>1,208,160</u>	<u>1,208,157</u>	<u>2,366,978</u>	<u>1,158,821</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In			1,872	1,872
Operating Transfers Out	<u>(1,090,000)</u>	<u>(1,000,000)</u>	<u>(1,090,000)</u>	<u>(90,000)</u>
Total Other Financing Sources (Uses)	<u>(1,090,000)</u>	<u>(1,000,000)</u>	<u>(1,088,128)</u>	<u>(88,128)</u>
Net Changes in Fund Balances	118,160	208,157	1,278,850	1,070,693
Fund Balances - Beginning	<u>6,128,559</u>	<u>6,128,559</u>	<u>6,128,559</u>	
Fund Balances - Ending	<u>\$6,246,719</u>	<u>\$6,336,716</u>	<u>\$7,407,409</u>	<u>\$1,070,693</u>

The above budget includes only the General Fund and not the Jail Commissary Fund,  
the Unclaimed Credits Fund, and the Election Service Fund.

The accompanying notes are an integral part of this statement.

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property	\$5,793,036	\$5,793,036	\$5,770,949	(\$22,087)
Intergovernmental	34,000	68,575	87,956	19,381
Licenses and Permits	701,000	701,000	709,712	8,712
Interest	19,600	19,600	188,281	168,681
Miscellaneous	3,600	16,186	76,590	60,404
<b>Total Revenues</b>	<b>6,551,236</b>	<b>6,598,397</b>	<b>6,833,488</b>	<b>235,091</b>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	11,605,452	11,652,613	5,820,670	5,831,943
Debt Service				
Principal Retirement	45,082	45,082	45,082	0
Interest and Fiscal Charges	11,078	11,078	8,074	3,004
<b>Total Expenditures</b>	<b>11,661,612</b>	<b>11,708,773</b>	<b>5,873,826</b>	<b>5,834,947</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,110,376)	(5,110,376)	959,662	6,070,038
<b>OTHER FINANCING SOURCES (USES):</b>				
Other Financing Sources - Capital Lease	0	0	0	0
Operating Transfers In	101,000	101,000	101,000	0
Operating Transfers Out	(16,700)	(16,700)	(16,700)	0
<b>Total Other Financing Sources (Uses)</b>	<b>84,300</b>	<b>84,300</b>	<b>84,300</b>	<b>0</b>
<b>Net Changes in Fund Balances</b>	<b>(5,026,076)</b>	<b>(5,026,076)</b>	<b>1,043,962</b>	<b>6,070,038</b>
Fund Balances - Beginning	8,448,051	8,448,051	8,448,051	
<b>Fund Balances - Ending</b>	<b>\$3,421,975</b>	<b>\$3,421,975</b>	<b>\$9,492,013</b>	<b>\$6,070,038</b>

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

LAVACA COUNTY, TEXAS  
 COMBINING STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total Proprietary Funds
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	\$416,272	\$201,921	\$45,027	\$37,602	\$20,823	\$20,462	\$482,122
Receivables (net of allowance for uncollectibles)	497,018	930,596					497,018
<b>Total Current Assets</b>	<b>913,290</b>	<b>1,132,517</b>	<b>45,027</b>	<b>37,602</b>	<b>20,823</b>	<b>20,462</b>	<b>979,140</b>
<b>Noncurrent Assets</b>							
<b>Capital Assets</b>							
Land	22,609	22,609					22,609
Automotive	1,023,439	967,674					1,023,439
Buildings and Improvements	675,943	675,942					675,943
Machinery and Equipment	720,364	330,982					720,364
<b>Total Capital Assets</b>	<b>2,442,355</b>	<b>1,997,207</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,442,355</b>
Less Accumulated Depreciation							
<b>Total Capital Assets (net of accumulated depreciation)</b>	<b>(1,167,005)</b>	<b>(1,215,508)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,167,005)</b>
<b>Total Noncurrent Assets</b>	<b>1,275,350</b>	<b>781,699</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,275,350</b>
<b>TOTAL ASSETS</b>	<b>\$2,188,640</b>	<b>\$1,914,216</b>	<b>\$45,027</b>	<b>\$37,602</b>	<b>\$20,823</b>	<b>\$20,462</b>	<b>\$2,254,490</b>
<b>DEFERRED OUTFLOWS OF RESOURCES - GASB 68</b>							
<b>GASB 68</b>							
Def. Outflow of Res.-Contributions (after 12/31/19)		113,597					0
Def. Outflow of Res.-Contributions (after 12/31/20)	148,765						148,765
Differences Between Expected and Actual Experience							0
Net Difference Between Projected and Actual Earnings							0
Changes of Assumptions	283,328	8,275					283,328
<b>GASB 75</b>							
Changes of Assumptions	16,645	9,130					16,645
Differences Between Expected and Actual Experience		920					0
<b>Total Deferred Outflow of Resources</b>	<b>448,738</b>	<b>131,922</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>448,738</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>							
<b>Liabilities</b>							
<b>Current Liabilities (Payable from Current Assets)</b>							
Accounts Payable	\$13,773	\$6,995			\$3,563		\$17,336
Accrued Wages Payable	104,423	62,740					104,423
Compensated Absences	26,219	20,055					26,219
Capital Leases - Current Portion		31,387					0
<b>Total Current Liabilities</b>	<b>144,415</b>	<b>121,177</b>	<b>0</b>	<b>0</b>	<b>3,563</b>	<b>0</b>	<b>147,978</b>
<b>Noncurrent Liabilities</b>							
Net Pension Liability	692,966	427,474					692,966
OPEB Payable	98,332	72,756					98,332
Capital Leases							0
<b>Total Noncurrent Liabilities</b>	<b>791,298</b>	<b>500,230</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>791,298</b>
<b>TOTAL LIABILITIES</b>	<b>935,713</b>	<b>621,407</b>	<b>0</b>	<b>0</b>	<b>3,563</b>	<b>0</b>	<b>939,276</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
<b>GASB 68</b>							
Differences Between Expected and Actual Experience	11,150	4,259					11,150
Net Difference Between Projected and Actual Earnings	217,018	122,603					217,018
<b>GASB 75</b>							
Changes of Assumptions							0
Differences Between Expected and Actual Experience	677						677
<b>Total Deferred Inflow of Resources</b>	<b>228,845</b>	<b>126,862</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>228,845</b>
Invested in Capital Assets, Net of Related Debt	1,275,350	750,312					1,275,350
Unrestricted	197,470	547,557	45,027	37,602	17,260	20,462	259,757
<b>TOTAL NET POSITION</b>	<b>\$1,472,820</b>	<b>\$1,297,869</b>	<b>\$45,027</b>	<b>\$37,602</b>	<b>\$17,260</b>	<b>\$20,462</b>	<b>\$1,535,107</b>

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

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

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total Proprietary Funds
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	
<b>OPERATING REVENUES:</b>							
Charges for Services	\$494,364	\$663,416	\$74,963	\$75,773		\$3,925	\$569,327
Miscellaneous	89,575	1,659					89,575
<b>TOTAL OPERATING REVENUES</b>	<b>583,939</b>	<b>665,075</b>	<b>74,963</b>	<b>75,773</b>	<b>0</b>	<b>3,925</b>	<b>658,902</b>
<b>OPERATING EXPENSES</b>							
Personal Services	1,557,387	938,566			3,563		1,560,950
Supplies	93,764	73,372					93,764
Other Services and Charges	349,547	122,845	68,606	73,143			418,153
Depreciation	232,400	105,881					232,400
<b>TOTAL OPERATING EXPENSES</b>	<b>2,233,098</b>	<b>1,240,664</b>	<b>68,606</b>	<b>73,143</b>	<b>3,563</b>	<b>0</b>	<b>2,305,267</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,649,159)</b>	<b>(575,589)</b>	<b>6,357</b>	<b>2,630</b>	<b>(3,563)</b>	<b>3,925</b>	<b>(1,646,365)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>							
Interest Income	6,593	9,797	1,068	1,120	361	354	8,022
Interest and Fiscal Charges	(2,067)	(16,101)					(2,067)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>4,526</b>	<b>(6,304)</b>	<b>1,068</b>	<b>1,120</b>	<b>361</b>	<b>354</b>	<b>5,955</b>
Income Before Transfers	(1,644,633)	(581,893)	7,425	3,750	(3,202)	4,279	(1,640,410)
Contributions							0
Transfers In	1,819,584	33,454					1,819,584
Change in Net Position	174,951	(548,439)	7,425	3,750	(3,202)	4,279	179,174
Total Net Position - Beginning	1,297,869	1,846,308	37,602	33,852	20,462	16,183	1,355,933
Total Net Position - Ending	\$1,472,820	\$1,297,869	\$45,027	\$37,602	\$17,260	\$20,462	\$1,535,107

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

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

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	Proprietary Funds
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Cash Flows from Operating Activities							
Receipts from Customers and Users	\$1,017,517	\$545,212	\$74,963	\$75,773	\$0	\$3,925	\$1,092,480
Payments to Suppliers	(436,533)	(191,980)	(68,606)	(73,143)	3,563	0	(501,576)
Payments to Employees	(1,433,305)	(867,234)	0	0	(3,563)	0	(1,436,868)
Net Cash Provided(Used) By Operating Activities:	(852,321)	(514,002)	6,357	2,630	0	3,925	(845,964)
Cash Flows from Non-Capital and Related Financing Activities							
Transfers In	1,819,584	33,454	0	0	0	0	1,819,584
Net Cash Provided (Used) By Non-Capital and Related Financing Activities	1,819,584	33,454	0	0	0	0	1,819,584
Cash Flows from Capital and Related State Grant	0	0	0	0	0	0	0
Net Cash Provided (Used) By Capital and Related Financing Activities	0	0	0	0	0	0	0
Cash Flows from Capital and Related Financing Activities							
Purchases of Capital Assets	(726,051)		0	0	0	0	(726,051)
Principal Payment on Revenue Bonds, Notes and Capital Leases	(31,387)	(17,353)					(31,387)
Interest and Fiscal Charges	(2,067)	(16,101)	0	0	0	0	(2,067)
Net Cash Provided (Used) by Capital and Related Financing Activities	(759,505)	(33,454)	0	0	0	0	(759,505)
Cash Flows from Investing Activities							
Interest Received	6,593	9,797	1,068	1,120	361	354	8,022
Net Cash Provided(Used) by Investing Activities	6,593	9,797	1,068	1,120	361	354	8,022
Net Increase (Decrease) in Cash Equivalents	214,351	(504,205)	7,425	3,750	361	4,279	222,137
Cash and Cash Equivalents at Beginning of Year	201,921	706,126	37,602	33,852	20,462	16,183	259,985
Cash and Cash Equivalents at End of Year	\$416,272	\$201,921	\$45,027	\$37,602	\$20,823	\$20,462	\$482,122

(continued)

(continued)

	Proprietary Fund		Internal	Internal	Internal	Internal	Total
	Ambulance	Ambulance	Service	Service	Service	Service	Proprietary
	Fund	Fund	Workmen's	Workmen's	Unemployment	Unemployment	Funds
	Current	Prior	Current	Prior	Current	Prior	Current
	Year	Year	Year	Year	Year	Year	Year
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities							
Operating Income (Loss)	(\$1,649,159)	(\$575,589)	\$6,357	\$2,630	(\$3,563)	\$3,925	(\$1,646,365)
Adjustments to Reconcile to Net Cash Flow							
Non-Cash Items Included in Net Income							
Depreciation	232,400	105,881	0	0	0	0	232,400
Changes in Current Items							
Decrease(Increase) in Accounts Receivable	433,578	(119,863)	0	0	0	0	433,578
<b>GASB 68</b>							
Deferred Outflow of Resources-Contr.	(35,168)	4,394					(35,168)
Dif. between expected and actual experience	6,891	34,165					6,891
Dif. between projected and actual earnings	94,415	416,512					94,415
Changes of assumptions	(275,053)	5,371					(275,053)
Changes in Net pension Liability	265,492	(402,527)					265,492
<b>GASB 75</b>							
Changes of assumptions	(7,515)	(12,762)					(7,515)
Dif. between expected and actual experience	1,597	(1,004)					1,597
Changes in OPEB Liability	25,576	12,800					25,576
Increase(Decrease) in Accounts Payable	6,778	4,237	0	0	3,563	0	10,341
Increase(Decrease) in Accrued Wages Payable	41,683	24,904	0	0	0	0	41,683
Increase(Decrease) in Compensated Absences	6,164	(10,521)	0	0	0	0	6,164
Net Cash Provided (Used) by Operating Activities	(\$852,321)	(\$514,002)	\$6,357	\$2,630	\$0	\$3,925	(\$845,964)

Noncash Investing, Capital and Financing Activities: None

Note: The above funds are all Enterprise Funds

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

LAVACA COUNTY, TEXAS  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 31, 2021

	Agency Funds	Private Purpose Trust Funds		
	County Officer Accounts	Clerk Draw	Historical Commission	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$2,437,190	\$6,475	\$71,905	\$71,905
Receivables (net of allowance for uncollectibles)				0
Due from Others				0
<b>Total Assets</b>	<b>\$2,437,190</b>	<b>\$6,475</b>	<b>\$71,905</b>	<b>\$71,905</b>
<b>LIABILITIES</b>				
Accounts Payable				\$0
Due to Others	2,437,190	6,475		0
<b>Total Liabilities</b>	<b>2,437,190</b>	<b>6,475</b>	<b>0</b>	<b>0</b>
<b>NET POSITION</b>				
Held in Trust-Historical Purposes			71,905	71,905
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$71,905</b>	<b>\$71,905</b>

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

LAVACA COUNTY, TEXAS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 31, 2021

	Agency Funds		Private Purpose Trust Funds	
	County Officer Accounts	Clerk Draw	Historical Commission	Total
<b>ADDITIONS</b>				
Contributions:				
Court Fees		\$16,940	\$12,012	\$12,012
Intergovernmental				0
Total Contributions	0	16,940	12,012	12,012
Investment Earnings:				
Interest Received			1,143	1,143
Total Investment Earnings	0	0	1,143	1,143
Less Investment Expense	0	0	0	0
Net Investment Earnings	0	0	1,143	1,143
<b>TOTAL ADDITIONS</b>	0	16,940	13,155	13,155
<b>DEDUCTIONS</b>				
Distributions to other governments and Others	351,162	17,141	2,911	2,911
Total Deductions	351,162	17,141	2,911	2,911
Change in Net Position	(351,162)	(201)	10,244	10,244
Net Position-Beginning	2,788,352	6,676	61,661	61,661
Net Position-Ending	\$2,437,190	\$6,475	\$71,905	\$71,905

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

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

I. Summary of Significant Accounting Policies

A. Reporting entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

The government reports the following major governmental funds:

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

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

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

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Ambulance fund is ambulance run fees. The principal operating revenues of the Internal Service Fund are charges to the various funds for workmen's compensation premiums and unemployment tax charges. Operating expenses for enterprise funds include workmen's compensation premiums, unemployment taxes, and ambulance expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The government reports the following major proprietary funds:

The ambulance fund is used for emergency medical transportation. The workmen's compensation fund and the unemployment insurance are used to facilitate the process of providing workmen's compensation insurance and discharging the unemployment obligation.

C. Fiduciary Funds

*Fiduciary Funds* account for assets held by the County in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide statements. The County's fiduciary funds include the following: The County Officer Accounts and Clerk Draw fund are both used to account for the fines and fees collected and remitted by the County Officers during their operations. The Historical Commission fund is used as to administer monies for Lavaca County's history.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The government's cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value. For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

2. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 40 percent of the current and delinquent outstanding property taxes at September 30, 2021. Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for in the Balance Sheet. In the General Fund, disbursements for supplies and materials are expenditures at the time of purchase. There were no inventory items at September 30, 2021. Certain payments to vendors reflect costs applicable to future accounting periods. There were no prepaid items at September 30, 2021. There were no costs recorded as prepaid items at September 30, 2021.

4. Restricted Assets - There were no restricted assets at September 30, 2021.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost as follows and an estimated useful life more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation; but donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

Assets not exceeding the following threshold amounts are inventoried for security purposes in the Fixed Asset System but not capitalized for depreciation purposes.

Buildings/Building improvements	\$5,000
Improvements Other Than Buildings	\$5,000
Infrastructure	\$100,000
Machinery, Equipment, and Other Assets	\$5,000
Leasehold Improvements	\$5,000
Land	\$0

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County had no major construction during the year ended September 30, 2021. Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings	40
Building Improvements	20
Paved Roads/Bridges	30
Vehicles	7
Office Equipment	10
Older/Used Equipment	15
Law Enforcement/EMS Vehicles	3
New Equipment	20
Gravel Roads	20

6. Compensated Absences

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

7. Long-Term Obligations

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

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

8. Fund Balances – Governmental Funds

As of September 30, 2021, fund balances of the governmental funds are classified as follows:

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

***Unassigned*** — all other spendable amounts.

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

Fund Balances:	
Restricted	
Construction	\$861,399
General Administration	483,678
Health	1,978,776
Judicial	287,689
Legal	98,531
Public Safety	567,585
Public Transportation	9,492,013
Unassigned	<u>7,446,052</u>
Total Fund Balance	<u>\$21,215,723</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions.

In fiscal year 2011, the Commissioners' Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least equal to 18 to 25 percent of the subsequent year's budgeted General Fund expenditures.

9. Comparative data/reclassifications

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

10. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category. They are deferred under GASB 68 and GASB 75.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. They are deferred under GASB 68 and GASB 75.

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

11. Net position flow assumption

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

## II. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, Net Pension Liability, and OPEB Liability are not due and payable in the current period and therefore are not reported in the funds." The details of this \$6,143,940 difference are as follows:

Capital Lease Payable	\$195,945
Notes Payable	572,429
Compensated Absences	348,493
OPEB Liability	624,699
Net Pension Liability	<u>4,402,374</u>
	<u>\$6,143,940</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$14,879,426 difference are as follows:

Capital assets not being depreciated	\$487,447
Capital assets being depreciated	29,111,535
Depreciation expense	(14,719,556)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in Net Position of governmental activities	<u>\$14,879,426</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectible.\*)" The details of this \$296,993 difference are as follows:

Property Taxes Receivable	\$494,988
Allowance for Doubtful Accounts	<u>(197,995)</u>
Net	<u>\$296,993</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$1,917,372 difference are as follows:

Fines Receivable	\$1,040,815
Allowance for Doubtful Accounts	(520,408)
<b>GASB 68</b>	
Deferred Outflow of Resources-Contributions (after 12/31/20)	945,094
Deferred Inflow-Net difference between projected and actual earnings	(1,378,705)
Deferred Outflow-Changes of assumptions	1,799,967
Deferred Inflow-Differences Between Expected and Actual Experience	(70,836)
<b>GASB 75</b>	
Deferred Outflow-Changes of assumptions	105,745
Deferred Inflow-Differences Between Expected and Actual Experience	<u>(4,300)</u>
Net	<u>\$1,917,372</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

The details of this \$206,409 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$0
Capital Outlay - Additions - Being Depreciated (Net)	1,145,772
Capital Outlay - Deletions	0
Depreciation Expense	(939,363)

Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$206,409</u>
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### III. Stewardship, Compliance, and Accountability

#### A. Budgetary Information

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

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court. The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires if the amended figures do not exceed the County Auditor's estimate of revenues and available cash. When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the line item. Budgets for the 2021 fiscal year were adopted for the General Fund and the Road and Bridge Funds.

#### B. Excess of Expenditures over Appropriations

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

#### C. Deficit fund equity

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

#### IV. Detailed Notes on All Funds

##### A. Deposits and Investments

###### Legal and Contractual Provisions Governing Deposits and Investments:

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

###### Policies Governing Deposits and Investments:

The County has adopted a deposit and investment policy and the county addresses the following risks:

*Custodial credit risk - deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2021, the government's bank balance of \$25,249,312 was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$30,783,770 and the FDIC coverage is \$250,000.

The County had no investments at September 30, 2021.

B. Receivables

Receivables as of September 30, 2021, for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Road and Bridge	Other Governmental Funds	Ambulance	Total
<u>Receivables</u>					
Taxes	\$393,096	\$101,892			\$494,988
Accounts	54,480			676,215	730,695
Intergovernmental		19,258	47,354		66,612
Fines	1,040,815				1,040,815
Gross Receivables	1,488,391	121,150	47,354	676,215	2,333,110
Less: Allowance for Uncollectibles	677,646	40,757		179,197	897,600
Net Total Receivables	\$810,745	\$80,393	\$47,354	\$497,018	\$1,435,510

C. Capital Assets

Governmental Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$487,447			\$487,447
Total capital assets not being depreciated:	487,447	0	0	487,447
Capital assets being depreciated:				
Infrastructure	2,980,510			2,980,510
Building and Improvements	14,675,426			14,675,426
Machinery, Equipment and Vehicles	10,315,528	1,145,772	5,701	11,455,599
Total capital assets being depreciated:	27,971,464	1,145,772	5,701	29,111,535
Less: Accumulated Depreciation for:				
Infrastructure	2,980,510			2,980,510
Building and Improvements	4,243,557	365,635		4,609,192
Machinery, Equipment and Vehicles	6,561,827	573,728	5,701	7,129,854
Total Accumulated Depreciation	13,785,894	939,363	5,701	14,719,556
Total Capital Assets Depreciated, Net	14,185,570	206,409	0	14,391,979
Governmental Activities capital assets, Net	\$14,673,017	\$206,409	\$0	\$14,879,426

Business-type Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$22,609			\$22,609
Total capital assets not being depreciated:	<u>22,609</u>	<u>0</u>	<u>0</u>	<u>22,609</u>
Capital assets being depreciated:				
Automotive	967,674	459,127	403,361	1,023,440
Building and Improvements	675,942			675,942
Machinery and Equipment	330,982	389,383		720,365
Total capital assets being depreciated:	<u>1,974,598</u>	<u>848,510</u>	<u>403,361</u>	<u>2,419,747</u>
Less: Accumulated Depreciation for:				
Automotive	721,605	140,383	280,903	581,085
Building and Improvements	221,676	16,895		238,571
Machinery and Equipment	272,228	75,122		347,350
Total Accumulated Depreciation	<u>1,215,509</u>	<u>232,400</u>	<u>280,903</u>	<u>1,167,006</u>
Total Capital Assets Depreciated, Net	<u>759,089</u>	<u>616,110</u>	<u>122,458</u>	<u>1,252,741</u>
Business-type Activities capital assets, Net	<u>\$781,698</u>	<u>\$616,110</u>	<u>\$122,458</u>	<u>\$1,275,350</u>

#### Construction commitments

The County had no major construction during the year ended September 30, 2021.

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

Governmental Activities	
General Administration	\$213,107
Legal	5,428
Financial Administration	7,843
Public Facilities	97,758
Public Safety	178,135
Public Transportation	437,092
Total Depreciation Expense - Governmental Activities	<u>\$939,363</u>
Business-Type Activities	
Ambulance	<u>\$232,400</u>
Total Depreciation Expense - Business-Type Activities	<u>\$232,400</u>

D. Interfund Receivables, Payables, and Transfers

Due to/from other funds:

There were no due to/from other funds at September 30, 2021.

There were no advances at September 30, 2021.

The following are transfers for the year ended September 30, 2021.

INTRAFUND	TRANSFER IN			
	GENERAL FUND	ROAD AND BRIDGE FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
TRANSFER OUT				
ROAD AND BRIDGE FUND	\$0	\$101,000	\$5,700	\$106,700
NON-MAJOR GOVERNMENTAL FUNDS	1,872			1,872
TOTALS	\$1,872	\$101,000	\$5,700	\$108,572

INTERFUND	TRANSFER IN	
	UTILITY FUND	TOTAL
TRANSFER OUT		
GENERAL FUND	\$1,819,584	\$1,819,584
TOTALS	\$1,819,584	\$1,819,584

The above transfers are non-recurring transfers. All transfers were to provide operating capital.

E. Leases

Operating Leases:

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$3,194 for the year ended September 30, 2021. Rent expenditures were \$16,200 for the year ended September 30, 2021. Rental income was \$4,225 for the year ended September 30, 2021. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	Amount
2022	\$13,357
2023	10,251
2024	8,504
2025	3,352
2026	875
Total	<u>\$36,339</u>

F. Long-Term Debt

Notes Payable

The County implemented an Emergency Conservation Project on March 24, 2015 for a cost of \$733,029 and financed the project with notes payable. The amount of the notes was \$733,029 and was payable through the year 2030. The rate of interest is 4.39% and the payments vary from year to year. The outstanding balance at September 30, 2021 is \$572,429.

Year Ending September 30,	Total	
	<u>Principal</u>	<u>Interest</u>
2022	\$41,179	\$25,130
2023	46,018	23,322
2024	51,161	21,302
2025	56,623	19,056
2026	62,421	16,570
2027	68,572	13,830
2028	75,098	10,819
2029	82,014	7,523
2030	89,343	3,922
TOTALS	<u>\$572,429</u>	<u>\$141,474</u>

The road and bridge fund is used to service the notes payable.

Capital Leases

The City has entered into lease agreements for equipment and vehicles. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The assets acquired through capital leases are as follows:

	Governmental Activities	
	ROAD AND BRIDGE FUND	
ASSET	12M3 MOTOR GRADER	Total Amount
COST	\$268,577	\$268,577
ACCUMULATED DEPRECIATION	20,143	20,143
NET ASSET	<u>\$248,434</u>	<u>\$248,434</u>

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

	Governmental Activities	
	ROAD AND BRIDGE FUND	
YEAR	12M3 MOTOR GRADER	Total Amount
2022	\$53,156	\$53,156
2023	53,156	53,156
2024	53,156	53,156
2025	53,156	53,156
Total Minimum Lease Payments	<u>212,624</u>	<u>212,624</u>
Less: Amount Representing Interest	<u>16,679</u>	<u>16,679</u>
Present Value of Net Minimum Lease Payments	<u>\$195,945</u>	<u>\$195,945</u>

The general fund is used to service the capital lease.

Changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<u>Governmental Activities:</u>						
Capital Leases	\$241,027		\$45,082	\$195,945	\$46,592	\$149,353
Notes Payable	609,056		36,627	572,429	41,179	531,250
Net Pension Liability	3,391,263	4,402,374	3,391,263	4,402,374		4,402,374
OPEB Liability	561,006	624,699	561,006	624,699		624,699
Compensated Absences	372,912	348,493	372,912	348,493	348,493	0
Total Governmental Activities	<u>5,175,264</u>	<u>5,375,566</u>	<u>4,406,890</u>	<u>6,143,940</u>	<u>436,264</u>	<u>5,707,676</u>
<u>Business-Type Activities:</u>						
Net Pension Liability	427,474	692,966	427,474	692,966		692,966
OPEB Liability	72,756	98,332	72,756	98,332		98,332
Capital Leases	31,387		31,387	0		0
Compensated Absences	20,055	26,219	20,055	26,219	26,219	0
Total Business-Type Activities	<u>551,672</u>	<u>817,517</u>	<u>551,672</u>	<u>817,517</u>	<u>26,219</u>	<u>791,298</u>
Grand Total	<u>\$5,726,936</u>	<u>\$6,193,083</u>	<u>\$4,958,562</u>	<u>\$6,961,457</u>	<u>\$462,483</u>	<u>\$6,498,974</u>

The general fund, the road and bridge fund, and the ambulance funds are used to service the compensated absences. The estimated amount due in the 2021-22 year is \$374,712.

The government-wide statement of activities includes \$462,483 as "noncurrent liabilities, due within one year".

The general fund, the road and bridge fund, and the ambulance funds are used to service the net pension liability. The net pension liability is discussed in note F below.

V. Other Information

A. Risk management

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

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

Changes in accrued liabilities for these claims follow:

	Year ended <u>09/30/20</u>	Year ended <u>09/30/21</u>
Unpaid claims, beginning of fiscal year	\$ -0-	\$ -0-
Incurred claims (including IBNRs)		
Claim payments	<u>-0-</u>	<u>-0-</u>
Unpaid claims, end of fiscal year	<u>\$ -0-</u>	<u>\$ -0-</u>

1. General Liability Insurance

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

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

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

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

2. Property and Casualty Insurance

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

3. Workers' Compensation Insurance

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

4. Group Health and Life Insurance

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

5. Unemployment Compensation Insurance

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

B. Related Party Transaction

There were no related party transactions requiring disclosure.

C. Subsequent Events

On October 8, 2021, the County accepted a payment of \$24,490 from Kinder Morgan for damages to Lavaca County Roads 211, 216, 230 and 283 (Bridge Railing).

On October 25, 2021, the County approved the resolution to apply for the Operation Lone Star Grant project for the years 2021 – 2023. The County approved the purchase of a Case International Farmall 120C Tractor for \$69,022.10 from BuyBoard vendor, Hlavinka Equipment Company. The County also approved the request from Lavaca Medical Center's (LMC) for \$150,000 from the American Rescue Plan Act (ARPA) funds for LMC staff.

On November 8, 2021, the County approved to purchase shelving for book preservation storage from Scott Merriman, Inc. in the amount of \$59,015.40.

On November 22, 2021, the County approved the purchase of Kofile preservation and restoration of Lavaca County Clerk's deed records in the amount of \$143,208.

On January 10, 2022, the County accepted the Operation Lone Star grant in the amount of \$323,316.60 awarded to the Lavaca County Sheriff's Office.

On January 24, 2022, the County accepted a payment of \$30,000 from Marathon Oil to Precinct 3 for damages to County Road 319. The County also accepted the Dickson-Allen Foundation grant in the amount of \$85,000 for the purchase of a type 2 ambulance for Lavaca County EMS.

On March 14, 2022, the County accepted a buildout proposal of a new 60' tower at the Sheriff's department for successful implementation of the new emergency communication system at a cost of \$31,000 to be paid with American Rescue Plan Act (ARPA) funds. The County approved to purchase control panels and a control system upgrade for the Sheriff's department from CML in the amount of \$49,934.

On April 1, 2022, the County returned grant funds, to be used for ambulance funding, in the amount of \$27,170.81 to Health Resources Administration due to funds not being spent and reported within the allotted time frame.

D. Contingent Liabilities

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

*John Harrington* - The matter involves a lawsuit filed by John Harrington against the County. The lawsuit is currently pending; however, a motion to dismiss the lawsuit is also pending. As of April 5, 2022, in the very unlikely event of a judgment against the County, it is my understanding at this time that Texas Association of Counties would satisfy it. At this time Lavaca County is not indebted to this office for any amount. All legal costs are being paid by Texas Association of Counties.

*Craig Johnson* - This matter involves a lawsuit filed by Craig Johnson against Lavaca County. The lawsuit is currently pending. As of April 5, 2022, the United States District Judge did grant the Lavaca County Defendants' Motion to Dismiss. The court Dismissed with Prejudice the claims against Lavaca County Defendants. At this time Lavaca County is not indebted to this office for any amount. All legal costs are being paid by Texas Association of Counties.

E. Tax Abatements

Heycolng LLC

The County agrees to abate the ad valorem taxes on the Eligible Property in accordance with the terms and conditions of this Tax Abatement Agreement. The Abatement shall be effective with the January 1 valuation date immediately following the date of completion of the project on the Property following execution of this Tax Abatement Agreement. The Abatement shall continue for ten (10) years. The years of Abatement provided herein shall in each instance coincide with the tax year commencing on January 1 and expiring on December 31, and in no event shall the Abatement extend beyond ten (10) years. All covenants and representations of the Applicant herein shall continue throughout the term of this Tax Abatement Agreement, and any default shall be subject to the recapture provisions.

The Abatement provided by this Tax Abatement Agreement shall be based upon the Added Value of Eligible Property (\$91,000,000) made a part of the Property because of the project. Taxes shall be abated annually in an amount of 100% percent of the added value in the first and second years of the Tax Abatement, 90% in the third year, 85% in the fourth year, 75% in the fifth and sixth years, 60% in the seventh year, and 50% in the 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> years.

Applicant represents and warrants that this project will:

1. Create a minimum of 8 new jobs, with an average annual wage of \$48,116.20 annually.
2. Add improvements and equipment estimated to be valued at \$91 Million, (\$91,000,000.00). However, the County acknowledges that it shall not be an item of default if the Lavaca County Appraisal District does not in fact appraise the value of the installed improvements at \$91,000,000.00.

Discontinued or Reduced Operation during Term of Agreement: In the event that the facility is completed and begins operation but subsequently discontinues operation or in the event the minimum number of new jobs are not created and maintained, for any reason except unforeseen market conditions, technological changes, fire, explosion or other casualty or accident or natural disaster for a period of one year during the term of the Tax Abatement Agreement, the Tax Abatement Agreement may be terminated by the County by written notice to Applicant and all taxes previously abated by virtue of the Tax Abatement Agreement will be recaptured and paid within 60 days of the Applicant's receipt of notice of the termination. Penalty and interest shall not begin to accrue upon such sum until the first day of the month following such sixty-day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

E. Tax Abatements (continued)

Enterprise Hydrocarbons, LP

Enterprise Hydrocarbons, LP represents that it will construct the New Facility at an approximate cost of \$590 million. It is contemplated that when the New Facility is operational, 10 additional employees will be employed at the New Facility by 2012. It is further contemplated that construction of the New Facility will provide up to a peak of 500 construction jobs for approximately 15 months.

The appraised value, \$590 million, of New Eligible Properties shall be abated in accordance with the following scale:

<u>Year Abated</u>	<u>Percentage of Value Abated</u>
2012	100%
2013	100%
2014	90%
2015	85%
2016	75%
2017	75%
2018	60%
2019	50%
2020	50%
2021	50%

During the abatement period covered by this Agreement, the COUNTY may declare a default hereunder by Enterprise Hydrocarbons, LP if Enterprise Hydrocarbons, LP (I) fails to commence construction of the New Facility within one (1) year from the date this Agreement is executed, (ii) fails to construct the New Facility, (iii) refuses or neglects to comply with any of the material terms of this Agreement, or (iv) if any representation made by Enterprise Hydrocarbons, LP in this Agreement is false or misleading in any material respect.

In the event the New Facility herein is completed and begins producing product or services, but subsequently discontinues producing product or service for any reason excepting fire, explosion or other casualty, accident or natural disaster, or governmental mandate, for a period of one (1) year during the abatement period, then this Agreement shall terminate. In the event of termination pursuant to the provisions of this paragraph, the abatement of the taxes for the calendar year during which the facility ceases to operate shall terminate, but there shall be no recapture of prior years' taxes abated by this Agreement.

## F. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)	Net Pension Liability / (Asset)	
	December 31, 2019	December 31, 2020
Total pension liability	\$47,040,208	\$52,015,811
Fiduciary net position	43,221,470	46,960,470
Net pension liability/(asset)	3,818,738	5,095,340
Fiduciary net position as a % of total pension liability	91.88%	90.20%
Pensionable covered payroll	\$7,695,273	\$7,894,524
Net Pension liability as a % of covered payroll	49.62%	64.54%

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

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

### Discount Rate

Discount rate	8.10%	7.60%
Long-term expected rate of return, net of investment expense	8.10%	7.60%
Municipal bond rate	Does not apply	Does not apply

### Other Key Actuarial Assumptions

All actuarial assumptions that determined the total pension liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 December 31, 2016, except where required to be different by GASB 68. The economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

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

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

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

## Long-Term Expected Rate of Return

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

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

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
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%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
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	4.00%	5.70%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%

## Depletion of Plan Assets / GASB Discount Rate

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

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

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

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

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes.

Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

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

**Projection of Fiduciary Net Position**

Calendar Year Ending	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
2021	46,920,470	1,860,108	3,335,822	46,920	3,509,155	48,906,990
2022	48,906,990	1,818,891	3,055,155	48,907	3,668,989	51,290,808
2023	51,290,808	1,782,494	3,241,605	51,291	3,841,757	53,622,162
2024	53,622,162	1,745,426	3,438,952	53,622	4,010,108	55,885,123
2025	55,885,123	1,712,689	3,657,606	55,885	4,172,631	58,056,951
2026	58,056,951	1,679,386	3,875,493	58,057	4,328,239	60,131,026
2027	60,131,026	1,648,019	4,124,850	60,131	4,475,319	62,069,382
2028	62,069,382	1,617,656	4,336,676	62,069	4,613,527	63,901,820
2029	63,901,820	1,591,844	4,528,543	63,902	4,744,603	65,645,823
2030	65,645,823	1,569,785	4,699,747	65,646	4,869,873	67,320,088
2031	67,320,088	1,552,068	4,880,984	67,320	4,989,633	68,913,485
2032	68,913,485	1,540,122	5,032,918	68,913	5,104,558	70,456,334
2033	70,456,334	1,528,255	5,171,425	70,456	5,216,147	71,958,855
2034	71,958,855	1,520,759	5,317,528	71,959	5,324,553	73,414,681
2035	73,414,681	1,512,149	5,598,603	73,415	5,424,335	74,679,147
2036	74,679,147	1,509,120	5,717,146	74,679	5,515,852	75,912,294
2037	75,912,294	1,506,844	5,883,963	75,912	5,603,218	77,062,481
2038	77,062,481	1,509,210	5,970,405	77,062	5,687,452	78,211,676
2039	78,211,676	1,515,933	6,077,662	78,212	5,770,998	79,342,732
2040	79,342,732	1,523,718	6,138,930	79,343	5,854,921	80,503,099
2041	80,503,099	1,533,376	6,169,840	80,503	5,942,273	81,728,404
2042	81,728,404	1,543,420	6,197,152	81,728	6,034,706	83,027,650
2043	83,027,650	1,556,209	6,209,206	83,028	6,133,428	84,425,053
2044	84,425,053	1,571,040	6,206,504	84,425	6,240,232	85,945,397
2045	85,945,397	1,587,943	6,215,353	85,945	6,356,022	87,588,064
2046	87,588,064	1,608,233	6,233,601	87,588	6,480,880	89,355,987
2047	89,355,987	1,628,531	6,202,120	89,356	6,617,108	91,310,149
2048	91,310,149	1,652,589	6,142,360	91,310	6,768,678	93,497,745
2049	93,497,745	1,680,199	6,094,187	93,498	6,937,681	95,927,940
2050	95,927,940	1,709,448	6,016,654	95,928	7,126,268	98,651,074
2051	98,651,074	1,739,919	5,958,238	98,651	7,336,441	101,670,545
2052	101,670,545	1,774,225	5,884,716	101,671	7,569,830	105,028,213
2053	105,028,213	1,810,696	5,771,006	105,028	7,830,490	108,793,365
2054	108,793,365	1,850,668	5,638,226	108,793	8,122,945	113,019,959
2055	113,019,959	1,893,076	5,505,798	113,020	8,450,531	117,744,747
2056	117,744,747	1,937,964	5,369,935	117,745	8,816,181	123,011,212
2057	123,011,212	1,985,551	5,225,456	123,011	9,223,401	128,871,697

2058	128,871,697	2,035,935	5,077,776	128,872	9,675,968	135,376,953
2059	135,376,953	2,088,906	4,921,220	135,377	10,177,941	142,587,203
2060	142,587,203	2,144,106	4,764,028	142,587	10,733,574	150,558,268
2061	150,558,268	2,202,317	4,599,174	150,558	11,347,399	159,358,253
2062	159,358,253	2,263,287	4,413,036	159,358	12,025,088	169,074,234
2063	169,074,234	2,326,467	4,229,827	169,074	12,772,331	179,774,131
2064	179,774,131	2,391,814	4,051,574	179,774	13,594,212	191,528,808
2065	191,528,808	2,460,316	3,867,652	191,529	14,496,545	204,426,489
2066	204,426,489	2,531,138	3,687,581	204,426	15,485,647	218,551,266
2067	218,551,266	2,604,840	3,506,908	218,551	16,568,092	233,998,739
2068	233,998,739	2,681,619	3,319,034	233,999	17,751,397	250,878,721
2069	250,878,721	2,760,958	3,135,771	250,879	19,043,442	269,296,472
2070	269,296,472	2,842,832	2,958,347	269,296	20,452,177	289,363,838
2071	289,363,838	2,927,322	2,787,132	289,364	21,986,087	311,200,750
2072	311,200,750	3,014,550	2,620,593	311,201	23,654,344	334,937,850
2073	334,937,850	3,104,521	2,459,898	334,938	25,466,829	360,714,365
2074	360,714,365	3,197,297	2,304,187	360,714	27,434,152	388,680,912
2075	388,680,912	3,292,986	2,153,187	388,681	29,567,769	418,999,799
2076	418,999,799	3,391,573	2,008,106	419,000	31,879,963	451,844,229
2077	451,844,229	3,493,320	1,865,055	451,844	34,384,047	487,404,696
2078	487,404,696	3,598,119	1,727,712	487,405	37,094,349	525,882,048
2079	525,882,048	3,706,063	1,595,772	525,882	40,026,141	567,492,598
2080	567,492,598	3,817,245	1,469,338	567,493	43,195,854	612,468,866
2081	612,468,866	3,931,762	1,348,043	612,469	46,621,170	661,061,286
2082	661,061,286	4,049,715	1,231,795	661,061	50,321,118	713,539,262
2083	713,539,262	4,171,207	1,120,637	713,539	54,316,165	770,192,458
2084	770,192,458	4,296,343	1,014,682	770,192	58,628,315	831,332,241
2085	831,332,241	4,425,233	914,006	831,332	63,281,222	897,293,357
2086	897,293,357	4,557,990	818,665	897,293	68,300,315	968,435,703
2087	968,435,703	4,694,730	728,632	968,436	73,712,939	1,045,146,304
2088	1,045,146,304	4,835,572	643,900	1,045,146	79,548,498	1,127,841,327
2089	1,127,841,327	4,980,639	564,622	1,127,841	85,838,604	1,216,968,107
2090	1,216,968,107	5,130,058	490,969	1,216,968	92,617,236	1,313,007,463
2091	1,313,007,463	5,283,960	423,094	1,313,007	99,920,917	1,416,476,239
2092	1,416,476,239	5,442,478	361,096	1,416,476	107,788,911	1,527,930,056
2093	1,527,930,056	5,605,753	304,996	1,527,930	116,263,427	1,647,966,309
2094	1,647,966,309	5,773,925	254,743	1,647,966	125,389,852	1,777,227,377
2095	1,777,227,377	5,947,143	210,230	1,777,227	135,216,994	1,916,404,057
2096	1,916,404,057	6,125,557	171,245	1,916,404	145,797,339	2,066,239,304
2097	2,066,239,304	6,309,324	137,470	2,066,239	157,187,344	2,227,532,263
2098	2,227,532,263	6,498,604	108,600	2,227,532	169,447,730	2,401,142,464
2099	2,401,142,464	6,693,562	84,307	2,401,142	182,643,808	2,587,994,384
2100	2,587,994,384	6,894,369	64,214	2,587,994	196,845,824	2,789,082,368

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

<b>Changes in Net Pension Liability / (Asset)</b>	Total	Fiduciary	Net Pension
	Pension Liability	Net Position	Liability / (Asset)
	(a)	(b)	(a) - (b)
Balances as of December 31, 2019	\$47,040,208	\$43,221,470	\$3,818,738
Changes of the year:			
Service cost	1,068,865		1,068,865
Interest on total pension liability	3,794,547		3,794,547
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	(41,715)		(41,715)
Effect of assumptions changes or inputs	2,729,669		2,729,669
Refund of contributions	(48,420)	(48,420)	0
Benefit payments	(2,527,344)	(2,527,344)	0
Administrative expenses		(34,333)	34,333
Member contributions		552,617	(552,617)
Net investment income		4,463,610	(4,463,610)
Employer contributions		1,309,698	(1,309,698)
Other	0	(16,828)	16,828
Balances as of December 31, 2020	52,015,811	\$46,920,470	\$5,095,340

**Sensitivity Analysis**

The following presents the net pension liability of the employer, calculated using the discount rate of 7.60%, as well as what the Lavaca 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.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>6.60%</b>	<b>7.60%</b>	<b>8.60%</b>
Total pension liability	\$58,238,997	\$52,015,811	\$46,740,354
Fiduciary net position	46,920,470	46,920,470	46,920,470
Net pension liability/(asset)	\$11,318,527	\$5,095,340	(\$180,116)

**Pension Expense / (Income)**

<b>Pension Expense / (Income)</b>	<u><b>January 1, 2020 to December 31, 2020</b></u>
Service cost	\$1,068,865
Interest on total pension liability	3,794,547
Effect of plan changes	0
Administrative expenses	34,333
Member contributions	(552,617)
Expected investment return net of investment expenses	(3,470,575)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	3,173
Recognition of assumption changes or inputs	718,460
Recognition of investment gains or losses	(465,284)
Other	16,828
Pension expense	<u>\$1,147,730</u>

As of December 31, 2020, the deferred inflows and outflows of resources are as follows:

<b>Deferred Inflows/Outflows of Resources</b>	<u><b>Deferred Inflows of Resources</b></u>	<u><b>Deferred Outflows of Resources</b></u>
Differences between expected and actual experience	\$159,892	\$77,906
Changes of assumptions	0	2,083,295
Net difference between projected and actual earnings	1,595,723	0
Contributions made subsequent to measurement date	N/A	\$1,093,858

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

Year ending December 31:	
2021	\$214,713
2022	547,486
2023	(158,006)
2024	(198,607)
2025	0
Thereafter	0

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

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2020	
Original Amount (a)	Date Established (b)	Original Recognition Period (c)	Amount Recognized for 2018 (a) / (c)	Inflows	Outflows
<b>Investment (gains) or losses</b>					
(\$993,035)	12/31/2020	5.0	(\$198,607)	\$794,428	\$0
(3,156,945)	12/31/2019	5.0	(631,389)	1,894,167	0
3,848,988	12/31/2018	5.0	769,798	0	1,539,594
(2,233,606)	12/31/2017	5.0	(446,721)	446,722	0
208,178	12/31/2016	5.0	41,635	0	0
<b>Economic/demographic (gains) or losses</b>					
(41,715)	12/31/2020	4.0	(10,429)	31,286	0
(257,214)	12/31/2019	4.0	(64,304)	128,606	0
199,542	12/31/2018	4.0	49,886	0	49,884
140,102	12/31/2017	5.0	28,020	0	28,022
<b>Assumption changes or inputs</b>					
2,729,669	12/31/2020	4.0	682,417	0	2,047,252
0	12/31/2019	4.0	0	0	0
0	12/31/2018	4.0	0	0	0
180,215	12/31/2017	5.0	36,043	0	36,043

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

	Year Ended December 31							2013 - 2010
	2020	2019	2018	2017	2016	2015	2014	
<b>Total Pension Liability</b>								
Service cost	\$1,068,865	\$1,032,869	\$1,035,558	\$977,338	\$1,009,501	\$915,697	\$890,868	N/A
Interest on total pension liability	3,794,547	3,633,203	3,434,113	3,229,946	3,024,593	2,869,126	2,733,053	N/A
Effect of plan changes	0	0	0	0	0	-145,397	0	N/A
Effect of assumption changes or inputs	2729669	0	0	180,215	0	404,986	0	N/A
Effect of economic/demographic (gains) or losses	-41,715	-257,214	199,542	140,102	13,008	-213,650	-400,781	N/A
Benefit payments/refunds of contributions	<u>-2,575,764</u>	<u>-2,334,815</u>	<u>-2,087,252</u>	<u>-2,044,089</u>	<u>-1,946,383</u>	<u>-1,718,343</u>	<u>-1,648,618</u>	<u>N/A</u>
Net change in total pension liability	4,975,603	2,074,043	2,581,962	2,483,514	2,100,718	2,112,420	1,574,532	<u>N/A</u>
Total pension liability, beginning	<u>47,040,208</u>	<u>44,966,165</u>	<u>42,384,203</u>	<u>39,900,690</u>	<u>37,799,972</u>	<u>35,687,552</u>	<u>34,113,019</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$52,015,811</u>	<u>\$47,040,208</u>	<u>\$44,966,165</u>	<u>\$42,384,205</u>	<u>\$39,900,690</u>	<u>\$37,799,973</u>	<u>\$35,687,551</u>	<u>N/A</u>
<b>Fiduciary Net Position</b>								
Employer contributions	\$1,309,698	\$1,240,479	\$1,215,722	\$1,130,673	\$1,072,639	\$1,073,260	\$1,000,610	N/A
Member contributions	552,617	538,669	529,306	494,068	465,788	466,056	434,509	N/A
Investment income net of investment expenses	4,463,610	6,181,982	-725,643	4,986,690	2,382,190	93,944	2,093,326	N/A
Benefit payments/refunds of contributions	-2,575,764	-2,334,815	-2,087,252	-2,044,089	-1,946,383	-1,718,343	-1,648,618	N/A
Administrative expenses	-34,333	-32,936	-30,233	-25,767	-25,854	-23,176	-24,240	N/A
Other	<u>-16,828</u>	<u>-13,003</u>	<u>-6,304</u>	<u>-5,863</u>	<u>135,107</u>	<u>-21,463</u>	<u>-242,953</u>	<u>N/A</u>
Net change in fiduciary net position	3,699,000	5,580,376	-1,104,405	4,535,712	2,083,487	-129,721	1,612,634	N/A
Fiduciary net position, beginning	<u>43,221,470</u>	<u>37,641,095</u>	<u>38,745,499</u>	<u>34,209,787</u>	<u>32,126,300</u>	<u>32,256,021</u>	<u>30,643,387</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$46,920,470</u>	<u>\$43,221,471</u>	<u>\$37,641,094</u>	<u>\$38,745,499</u>	<u>\$34,209,787</u>	<u>\$32,126,300</u>	<u>\$32,256,022</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$5,095,340</u>	<u>\$3,818,738</u>	<u>\$7,325,071</u>	<u>\$3,638,706</u>	<u>\$5,690,902</u>	<u>\$5,673,673</u>	<u>\$3,431,529</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	90.20%	91.88%	83.71%	91.41%	85.74%	84.99%	90.38%	N/A
Pensionable covered payroll	\$7,894,524	\$7,695,273	\$7,561,508	\$7,014,127	\$6,654,111	\$6,657,948	\$6,207,264	N/A
Net pension liability/(asset) as % of covered payroll	64.64%	49.62%	96.87%	51.88%	85.52%	85.22%	55.28%	N/A

**Schedule of Employer Contributions**

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	795,123	854,968	(59,845)	5,699,807	15.0%
2012	850,274	874,765	(24,492)	5,831,783	15.0%
2013	905,468	931,304	(25,835)	6,008,416	15.5%
2014	1,000,610	1,000,610	0	6,207,264	16.1%
2015	1,059,945	1,073,260	(13,315)	6,657,948	16.1%
2016	1,045,361	1,072,639	(27,279)	6,654,111	16.1%
2017	1,072,460	1,130,673	(58,213)	7,014,127	16.1%
2018	1,196,987	1,215,722	(18,735)	7,561,508	16.1%
2019	1,195,076	1,240,479	(45,403)	7,695,273	16.1%
2020	1,309,698	1,309,698	0	7,894,524	16.6%

## Notes to Schedule

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

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

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	15.3 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule.

## Appendix A— GASB 68 Plan Description for Lavaca County

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

- a. Lavaca 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) TCERS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCERS 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 200%) 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 TCERS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Lavaca County contribution rate is based on the TCERS funding policy adopted by the TCERS Board of Trustees and must conform with the TCERS 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 TCERS can be found at the following link, [www.tcdrs.org](http://www.tcdrs.org).

### Membership Information

Members	Dec. 31, 2019	Dec. 31, 2020
Number of inactive employees entitled to but not yet receiving benefits:	115	144
Number of active employees:	206	210
Average monthly salary:	\$3,045	\$3,040
Average age:	50.23	49.31
Average length of service in years:	11.28	10.94
<b>Inactive Employees (or their Beneficiaries) Receiving Benefits</b>		
Number of benefit recipients:	145	149
Average monthly benefit:	\$1,403	\$1,454

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

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2020 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Lavaca County December 31, 2020 Summary Valuation Report for further details.

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

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported,
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation: See Appendix C
Salary Increases	Same as funding valuation: See Appendix C
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Lavaca County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Same as funding valuation: See Appendix C
Turnover	Same as funding valuation: See Appendix C
Mortality	Same as funding valuation: See Appendix C

## Appendix C—Actuarial Methods and Assumptions Used for Funding Valuation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2020 financial reporting metrics are the same as those used in the December 31, 2020 actuarial valuation analysis for Lavaca County.

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

### Economic Assumptions

TCDRS system-wide economic assumptions:

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

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

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

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	3.00%

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

Table 1  
Merit Salary Increase

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

These rates do not include the wage inflation rate of 3.00% per year. For example, a member who entered the system at age 20 and is in the first year of service is assumed to receive an 8.15% total annual increase in his salary. The 8.15% is a combination of the 5.00% merit increase and the 3.00% wage inflation. Note that the two components are compounded, so it is a slightly different result than just adding the two percentages

**Demographic Assumptions**

**TCDRS system-wide demographic assumptions:**

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

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

**Table 2  
Annual Rates of Disability**

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

**Mortality**

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

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

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

**Table 3**  
**Annual Rates of Service Retirement**

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

Deferred members are assumed to retire (100% probability) at the later of:

- a) age 60
- b) earliest retirement eligibility.

\*\* For all eligible members ages 75 and later, retirement is assumed to occur immediately.

**Employer-specific demographic assumptions:**

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

**Table 4**  
**Annual Rates of Termination**

Years of Service	Entry Age 20		Entry Age 30		Entry Age 40		Entry Age 50	
	Male	Female	Male	Female	Male	Female	Male	Female
0	26.7%	29.0%	22.2%	24.2%	19.0%	20.5%	17.8%	19.3%
1	18.2	19.8	15.4	16.6	13.0	14.2	12.3	13.3
2	13.6	14.7	11.5	12.5	9.8	10.6	9.2	10.0
3	10.8	11.7	9.2	10.0	7.8	8.5	7.4	8.0
4	8.9	9.7	7.7	8.3	6.6	7.0	6.2	6.6
5	7.9	8.6	6.9	7.5	5.8	6.4	5.5	6.0
6	7.0	7.6	6.2	6.6	5.2	5.7	4.9	5.4
7	6.2	6.8	5.5	6.0	4.7	5.1	4.4	4.8
8	5.2	5.6	4.6	5.0	3.9	4.2	3.7	4.0
9	5.0	5.4	4.5	4.8	3.8	4.1	3.6	3.8
10	4.4	4.7	4.0	4.3	3.4	3.7	3.2	3.4
11	3.8	4.2	3.5	3.8	3.0	3.3	2.8	3.0
12	3.5	3.8	3.2	3.5	2.7	3.0	2.6	2.8
13	3.1	3.4	2.9	3.2	2.5	2.7	2.3	2.6
14	2.8	3.0	2.6	2.8	2.2	2.4	2.1	2.2
15	2.4	2.6	2.3	2.5	1.9	2.2	1.8	2.0
16	2.1	2.2	2.0	2.2	1.7	1.8	1.6	1.8
17	1.8	2.0	1.8	1.9	1.5	1.6	1.4	1.5
18	1.6	1.7	1.5	1.7	1.3	1.4	1.2	1.4
19	1.4	1.5	1.4	1.5	1.2	1.3	1.1	1.2
20	1.3	1.4	1.3	1.4	1.1	1.2	1.0	1.1
21	1.1	1.3	1.1	1.3	1.0	1.1	1.0	1.0
22	1.0	1.2	1.0	1.2	0.9	1.0	0.9	1.0
23	1.0	1.1	1.0	1.1	0.8	0.9	0.8	0.9
24	0.9	1.0	0.9	1.0	0.8	0.9	0.8	0.8
25	0.9	1.0	0.9	1.0	0.7	0.8	0.7	0.8
26	0.9	0.9	0.9	0.9	0.7	0.8	0.7	0.7
27	0.8	0.8	0.8	0.8	0.6	0.7	0.6	0.6
28	0.8	0.7	0.8	0.7	0.6	0.7	0.6	0.6
29	0.7	0.6	0.7	0.6	0.5	0.6	0.5	0.5
30 & Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

**Table 5  
Probability of Withdrawal**

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

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

### Overview of GASB 74 and GASB 75

The Governmental Accounting Standards Board (GASB) released accounting standards for public postemployment benefit plans other than pension (OPEB) in 2016. For the Texas County & District Retirement System (TCDRS), the retiree death benefit paid from the Group Term Life (GTL) program is an OPEB benefit. The OPEB program is treated as an unfunded trust, because the GTL trust covers both actives and retirees and is not segregated.

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

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

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

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

## Total OPEB Liability

<b>Total OPEB Liability</b>	<u>December 31, 2019</u>	<u>December 31, 2020</u>
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Total OPEB liability	\$633,762	\$723,031
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The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

### Discount Rate

Discount rate	2.74%	2.12%
Long-term expected rate of return, net of investment expense	Does not apply	Does not apply
Municipal bond rate	2.74%	2.12%

The OPEB plan has been determined to be an unfunded OPEB plan; therefore, only the municipal bond rate applies.

### Other Key Actuarial Assumptions

All actuarial assumptions that determined the total OPEB liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

See Appendix B of this report (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the total OPEB liability and other GASB 75 metrics.

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

## GASB Discount Rate

The TCDRS GTL program is treated as unfunded OPEB plan because the GTL trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75, the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.12% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2020.

## Employer OPEB Contributions to the Plan

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

### 2020 Employer OPEB Contributions and Benefit Payments

The following table shows a breakdown of the employer's contributions to the GTL program for the calendar year 2020. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown on the exhibit on the next page. The contributions for active coverage are not considered an OPEB benefit under GASB 75.

Coverage Type	2020 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.20%	\$15,789	No change from prior year
Retiree GTL Benefit	0.21%	16,579	GASB 75

### Employer OPEB Contributions made Subsequent to Measurement Date

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2020 should be reflected as a deferred outflow as outlined in Appendix C of this report. As previously noted, only contributions to the GTL program for retiree coverage should be included under GASB 75. Therefore, once the total GTL contributions made subsequent to the measurement date have been determined, this amount should be multiplied by the portion attributable to retiree coverage to determine the OPEB contributions made subsequent to the measurement date that should be reported under GASB 75.

This proportion is 53.48837%, allocated as follows:

Coverage Type	2021 GTL Rate	Proportion	Financial Reporting
Active Member GTL Benefit	0.20%	46.51163%	No change from prior year
Retiree GTL Benefit	0.23%	53.48837%	GASB 75

## Changes in Total OPEB Liability

	Changes in Total OPEB Liability
Balances as of December 31, 2019	\$633,762
Changes for the year:	
Service cost	25,615
Interest on total OPEB liability	17,841
Changes of benefit terms	0
Effect of economic/demographic experience	(13,786)
Effect of assumptions changes or inputs	76,178
Benefit payments	(16,579)
Other	
Balance as of December 31, 2020	\$723,031

### Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 2.12%, as well as what the Lavaca County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease	Current Discount Rate	1% Increase
	1.12%	2.12%	3.12%
Total OPEB Liability	\$875,432	\$723,031	\$605,773

## OPEB Expense / (Income)

OPEB Expense / (Income)	<u>January 1, 2020 to December 31, 2020</u>
Service cost	\$25,615
Interest on total OPEB liability	17,841
Effect of plan changes	0
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(794)
Recognition of assumption changes or inputs	33,321
Other	0
OPEB expense / (income)	\$75,983

As of December 31, 2020, the deferred inflows and outflows of resources are as follows:

<b>Deferred Inflows / Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$14,292	\$9,315
Changes of assumptions	21,212	143,602
Contributions made subsequent to measurement date	N/A	Employer determined

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

Year ended December 31:	
2021	\$32,527
2022	32,524
2023	39,886
2024	12,476
2025	0
Thereafter	0

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

<b>Expense / (Income) Calculation</b>				<b>Balances of Deferred Inflows and Outflows as of 12/31/2020</b>	
Original Amount	Date Established	Original Recognition Period	Amount Recognized for 2020	Inflows	Outflows
(a)	(b)	(c)	(a) / (c)		
<i>Economic/demographic (gains) or losses</i>					
(\$13,786)	12/31/2020	5.0	(\$2,757)	\$11,029	\$0
10,644	12/31/2019	5.0	2,129	0	6,386
7,324	12/31/2018	5.0	1,465	0	2,929
(9,787)	12/31/2017	6.0	(1,631)	3,263	0
<i>Assumption changes or inputs</i>					
76,178	12/31/2020	5.0	15,236	0	60,942
126,399	12/31/2019	5.0	25,280	0	75,839
(53,027)	12/31/2018	5.0	(10,605)	21,212	0
20,461	12/31/2017	6.0	3,410	0	6,821

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

	Year Ended December 31				
	2020	2019	2018	2017	2016 - 2009
Total OPEB Liability	\$25,615	\$16,395	\$20,331	\$17,194	N/A
Service cost	17,841	19,854	17,548	17,941	N/A
Interest on total OPEB liability	0	0	0	0	N/A
Effect of plan changes	76,178	126,399	(53,027)	20,461	N/A
Effect of assumption changes or inputs	(13,786)	10,644	7,324	(9,787)	N/A
Effect of economic/demographic (gains) or losses	(16,579)	(14,621)	(13,611)	(13,327)	N/A
Benefit payments	89,269	158,671	(21,435)	32,482	N/A
Net change in total OPEB liability					
Total OPEB liability, beginning	<u>633,762</u>	<u>475,091</u>	<u>496,526</u>	<u>464,044</u>	<u>N/A</u>
Total OPEB liability, ending (a)	<u>\$723,031</u>	<u>\$633,762</u>	<u>\$475,091</u>	<u>\$496,526</u>	<u>N/A</u>
Pensionable covered payroll	\$7,894,524	\$7,695,273	\$7,561,508	\$7,014,127	N/A
Net OPEB liability/(asset) as % of covered payroll	9.16%	8.24%	6.28%	7.08%	N/A

## Appendix A— GASB 75 Plan Description for Lavaca County

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

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

### Membership Information

Members	Dec. 31, 2019	Dec. 31, 2020
Number of inactive employees entitled to but not yet receiving benefits:	33	39
Number of active employees:	206	210
Average age of active employees:	50.23	49.31
Average length of service in years for active employees:	11.28	10.94
<hr/>		
<b>Inactive Employees Receiving Benefits</b>		
Number of benefit recipients:	124	126

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

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
<b>Asset Valuation Method</b>	Does not apply
<b>Inflation</b>	Does not apply
<b>Salary Increases</b>	Does not apply
<b>Investment Rate of Return (Discount Rate)</b>	2.12%
	20 Year Bond GO Index published by bondbuyer.com as of December 31, 2020.
<b>Cost-of-Living Adjustment</b>	Does not apply
<b>Disability</b>	
<b>Mortality</b>	
<b>Retirement</b>	
<b>Other Termination of Employment</b>	

## Appendix C—Contributions Made Subsequent to Measurement Date

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	Year Ended December 31							2013 - 2010
	2020	2019	2018	2017	2016	2015	2014	
<b>Total Pension Liability</b>								
Service cost	\$1,068,865	\$1,032,869	\$1,035,558	\$977,338	\$1,009,501	\$915,697	\$890,868	N/A
Interest on total pension liability	3,794,547	3,633,203	3,434,113	3,229,946	3,024,593	2,869,126	2,733,053	N/A
Effect of plan changes	0	0	0	0	0	-145,397	0	N/A
Effect of assumption changes or inputs	2729669	0	0	180,215	0	404,986	0	N/A
Effect of economic/demographic (gains) or losses	-41,715	-257,214	199,542	140,102	13,008	-213,650	-400,781	N/A
Benefit payments/refunds of contributions	<u>-2,575,764</u>	<u>-2,334,815</u>	<u>-2,087,252</u>	<u>-2,044,089</u>	<u>-1,946,383</u>	<u>-1,718,343</u>	<u>-1,648,618</u>	<u>N/A</u>
Net change in total pension liability	4,975,603	2,074,043	2,581,962	2,483,514	2,100,718	2,112,420	1,574,532	<u>N/A</u>
Total pension liability, beginning	<u>47,040,208</u>	<u>44,966,165</u>	<u>42,384,203</u>	<u>39,900,690</u>	<u>37,799,972</u>	<u>35,687,552</u>	<u>34,113,019</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$52,015,811</u>	<u>\$47,040,208</u>	<u>\$44,966,165</u>	<u>\$42,384,205</u>	<u>\$39,900,690</u>	<u>\$37,799,973</u>	<u>\$35,687,551</u>	<u>N/A</u>
<b>Fiduciary Net Position</b>								
Employer contributions	\$1,309,698	\$1,240,479	\$1,215,722	\$1,130,673	\$1,072,639	\$1,073,260	\$1,000,610	N/A
Member contributions	552,617	538,669	529,306	494,068	465,788	466,056	434,509	N/A
Investment income net of investment expenses	4,463,610	6,181,982	-725,643	4,986,690	2,382,190	93,944	2,093,326	N/A
Benefit payments/refunds of contributions	-2,575,764	-2,334,815	-2,087,252	-2,044,089	-1,946,383	-1,718,343	-1,648,618	N/A
Administrative expenses	-34,333	-32,936	-30,233	-25,767	-25,854	-23,176	-24,240	N/A
Other	<u>-16,828</u>	<u>-13,003</u>	<u>-6,304</u>	<u>-5,863</u>	<u>135,107</u>	<u>-21,463</u>	<u>-242,953</u>	<u>N/A</u>
Net change in fiduciary net position	3,699,000	5,580,376	-1,104,405	4,535,712	2,083,487	-129,721	1,612,634	N/A
Fiduciary net position, beginning	<u>43,221,470</u>	<u>37,641,095</u>	<u>38,745,499</u>	<u>34,209,787</u>	<u>32,126,300</u>	<u>32,256,021</u>	<u>30,643,387</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$46,920,470</u>	<u>\$43,221,471</u>	<u>\$37,641,094</u>	<u>\$38,745,499</u>	<u>\$34,209,787</u>	<u>\$32,126,300</u>	<u>\$32,256,022</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$5,095,340</u>	<u>\$3,818,738</u>	<u>\$7,325,071</u>	<u>\$3,638,706</u>	<u>\$5,690,902</u>	<u>\$5,673,673</u>	<u>\$3,431,529</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	90.20%	91.88%	83.71%	91.41%	85.74%	84.99%	90.38%	N/A
Pensionable covered payroll	\$7,894,524	\$7,695,273	\$7,561,508	\$7,014,127	\$6,654,111	\$6,657,948	\$6,207,264	N/A
Net pension liability/(asset) as % of covered payroll	64.64%	49.62%	96.87%	51.88%	85.52%	85.22%	55.28%	N/A

**Schedule of Employer Contributions**

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	795,123	854,968	(59,845)	5,699,807	15.0%
2012	850,274	874,765	(24,492)	5,831,783	15.0%
2013	905,468	931,304	(25,835)	6,008,416	15.5%
2014	1,000,610	1,000,610	0	6,207,264	16.1%
2015	1,059,945	1,073,260	(13,315)	6,657,948	16.1%
2016	1,045,361	1,072,639	(27,279)	6,654,111	16.1%
2017	1,072,460	1,130,673	(58,213)	7,014,127	16.1%
2018	1,196,987	1,215,722	(18,735)	7,561,508	16.1%
2019	1,195,076	1,240,479	(45,403)	7,695,273	16.1%
2020	1,309,698	1,309,698	0	7,894,524	16.6%

## Notes to Schedule

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

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

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	15.3 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule.

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

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2020 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Lavaca County December 31, 2020 Summary Valuation Report for further details.

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

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported,
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation: See Appendix C
Salary Increases	Same as funding valuation: See Appendix C
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Lavaca County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Same as funding valuation: See Appendix C
Turnover	Same as funding valuation: See Appendix C
Mortality	Same as funding valuation: See Appendix C

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

	Year Ended December 31				
	2020	2019	2018	2017	2016 - 2009
Total OPEB Liability					
Service cost	\$25,615	\$16,395	\$20,331	\$17,194	N/A
Interest on total OPEB liability	17,841	19,854	17,548	17,941	N/A
Effect of plan changes	0	0	0	0	N/A
Effect of assumption changes or inputs	76,178	126,399	(53,027)	20,461	N/A
Effect of economic/demographic (gains) or losses	(13,786)	10,644	7,324	(9,787)	N/A
Benefit payments	<u>(16,579)</u>	<u>(14,621)</u>	<u>(13,611)</u>	<u>(13,327)</u>	<u>N/A</u>
Net change in total OPEB liability	89,269	158,671	(21,435)	32,482	<u>N/A</u>
Total OPEB liability, beginning	<u>633,762</u>	<u>475,091</u>	<u>496,526</u>	<u>464,044</u>	<u>N/A</u>
Total OPEB liability, ending (a)	<u>\$723,031</u>	<u>\$633,762</u>	<u>\$475,091</u>	<u>\$496,526</u>	<u>N/A</u>
Pensionable covered payroll	\$7,894,524	\$7,695,273	\$7,561,508	\$7,014,127	N/A
Net OPEB liability/(asset) as % of covered payroll	9.16%	8.24%	6.28%	7.08%	N/A

## **Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations**

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
<b>Asset Valuation Method</b>	Does not apply
<b>Inflation</b>	Does not apply
<b>Salary Increases</b>	Does not apply
<b>Investment Rate of Return (Discount Rate)</b>	2.12% 20 Year Bond GO Index published by bondbuyer.com as of December 26, 2020.
<b>Cost-of-Living Adjustment</b>	Does not apply
<b>Disability</b>	
<b>Mortality</b>	
<b>Retirement</b>	
<b>Other Termination of Employment</b>	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

LAVACA COUNTY, TEXAS  
 COMBINING BALANCE SHEET - GENERAL FUND  
 SEPTEMBER 30, 2021

	General Fund	Jail Commissary Account	Unclaimed Credits	Election Service Fund	Total
<i>ASSETS</i>					
Cash and Cash Equivalents	\$7,759,070	\$11,318	\$3,839	\$24,180	\$7,798,407
Receivables (net of allowance for uncollectibles)	290,338				290,338
Prepaid Insurance					0
Total Assets	<u>\$8,049,408</u>	<u>\$11,318</u>	<u>\$3,839</u>	<u>\$24,180</u>	<u>\$8,088,745</u>
<i>LIABILITIES AND FUND BALANCES:</i>					
<i>Liabilities:</i>					
Accounts Payable	\$108,746		\$694		\$109,440
Bank Overdraft					0
Due to Other Funds					0
Accrued Wages Payable	297,395				297,395
Total Liabilities	<u>406,141</u>	<u>0</u>	<u>694</u>	<u>0</u>	<u>406,835</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>					
Unearned Revenues - Ad Valorem Taxes	<u>235,858</u>				<u>235,858</u>
<i>Fund Balances:</i>					
Unassigned	<u>7,407,409</u>	<u>11,318</u>	<u>3,145</u>	<u>24,180</u>	<u>7,446,052</u>
Total Fund Balance	<u>7,407,409</u>	<u>11,318</u>	<u>3,145</u>	<u>24,180</u>	<u>7,446,052</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$8,049,408</u>	<u>\$11,318</u>	<u>\$3,839</u>	<u>\$24,180</u>	<u>\$8,088,745</u>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - GENERAL FUND  
 YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Jail Commissary Account	Unclaimed Credits	Election Service Fund	Total
<i>REVENUES</i>					
Taxes					
Property	\$8,453,687				\$8,453,687
Other	14,697				14,697
Intergovernmental	164,413				164,413
Licenses and Permits	51,780				51,780
Charges for Services	1,157,811			6,348	1,164,159
Fines and Forfeitures	143,598				143,598
Interest	187,569		69	375	188,013
Miscellaneous	262,817		10		262,827
Total Revenues	<u>10,436,372</u>	<u>0</u>	<u>79</u>	<u>6,723</u>	<u>10,443,174</u>
<i>EXPENDITURES</i>					
Current:					
General Administration	1,858,510				1,858,510
Legal	318,084				318,084
Judicial	1,114,753				1,114,753
Financial Administration	1,117,829				1,117,829
Public Facilities	169,335				169,335
Public Safety	3,156,272	2,630			3,158,902
Health and Welfare	145,621				145,621
Conservation - Agriculture	125,625				125,625
Debt Service					
Principal Retirement	36,627				36,627
Interest and Fiscal Charges	26,738				26,738
Total Expenditures	<u>8,069,394</u>	<u>2,630</u>	<u>0</u>	<u>0</u>	<u>8,072,024</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,366,978</u>	<u>(2,630)</u>	<u>79</u>	<u>6,723</u>	<u>2,371,150</u>
<i>OTHER FINANCING SOURCES (USES):</i>					
Sale of Capital Assets					0
Operating Transfers In	1,872				1,872
Operating Transfers Out	(1,090,000)				(1,090,000)
Total Other Financing Sources (Uses)	<u>(1,088,128)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,088,128)</u>
Net Changes in Fund Balances	1,278,850	(2,630)	79	6,723	1,283,022
Fund Balances - Beginning	6,128,559	13,948	3,066	17,457	6,163,030
Fund Balances - Ending	<u>\$7,407,409</u>	<u>\$11,318</u>	<u>\$3,145</u>	<u>\$24,180</u>	<u>\$7,446,052</u>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS  
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND  
 SEPTEMBER 30, 2021

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Road and Bridge Equipment No. 1	Road and Bridge Equipment No. 2
<i>ASSETS</i>						
Cash and Cash Equivalents	\$1,297,825	\$906,511	\$871,370	\$925,776	\$77,821	
Receivables (net of allowance for uncollectibles)			19,258			
Total Assets	<u>\$1,297,825</u>	<u>\$906,511</u>	<u>\$890,628</u>	<u>\$925,776</u>	<u>\$77,821</u>	<u>\$0</u>
<b>LIABILITIES AND FUND BALANCES:</b>						
Liabilities:						
Accounts Payable	\$44	\$651	\$460	\$480		
Accrued Wages Payable	30,219	35,689	23,672	23,686		
Total Liabilities	<u>30,263</u>	<u>36,340</u>	<u>24,132</u>	<u>24,166</u>	<u>0</u>	<u>0</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unearned Revenues - Ad Valorem Taxes						
Fund Balances:						
Restricted						
Public Transportation	1,267,562	870,171	866,496	901,610	77,821	
Total Fund Balance	<u>1,267,562</u>	<u>870,171</u>	<u>866,496</u>	<u>901,610</u>	<u>77,821</u>	<u>0</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$1,297,825</u>	<u>\$906,511</u>	<u>\$890,628</u>	<u>\$925,776</u>	<u>\$77,821</u>	<u>\$0</u>

The accompanying notes are an integral part of this statement.  
 (continued)

Road and Bridge Equipment No. 3	Road and Bridge Equipment No. 4	Road and Bridge Property No. 2	Road and Bridge Property No. 4	Road and Bridge FMR No. 1	Road and Bridge FMR No. 2	Road and Bridge FMR No. 3	Road and Bridge FMR No. 4
\$37,402	\$73,228	\$46,167	\$74,163	\$1,902,717	\$1,352,986	\$504,359	\$1,396,072
				17,729	17,729	14,061	11,616
\$37,402	\$73,228	\$46,167	\$74,163	\$1,920,446	\$1,370,715	\$518,420	\$1,407,688
				\$4,023	\$1,300	\$1,141	\$3,400
0	0	0	0	4,023	1,300	1,141	3,400
				17,729	17,729	14,061	11,616
37,402	73,228	46,167	74,163	1,898,694	1,351,686	503,218	1,392,672
37,402	73,228	46,167	74,163	1,898,694	1,351,686	503,218	1,392,672
\$37,402	\$73,228	\$46,167	\$74,163	\$1,920,446	\$1,370,715	\$518,420	\$1,407,688

LAVACA COUNTY, TEXAS  
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND  
 SEPTEMBER 30, 2021  
 (continued)

	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Right of Way	Total Road and Bridge
<i>ASSETS</i>						
Cash and Cash Equivalents	\$12,586	\$39,551	\$15,102	\$791	\$63,093	\$9,597,520
Receivables (net of allowance for uncollectibles)						80,393
Total Assets	\$12,586	\$39,551	\$15,102	\$791	\$63,093	\$9,677,913
<i>LIABILITIES AND FUND BALANCES:</i>						
Liabilities:						
Accounts Payable						\$11,499
Accrued Wages Payable						113,266
Total Liabilities	0	0	0	0	0	124,765
DEFERRED INFLOWS OF RESOURCES						
Unearned Revenues - Ad Valorem Taxes						61,135
Fund Balances:						
Restricted						
Public Transportation	12,586	39,551	15,102	791	63,093	9,492,013
Total Fund Balance	12,586	39,551	15,102	791	63,093	9,492,013
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$12,586	\$39,551	\$15,102	\$791	\$63,093	\$9,677,913

The accompanying notes are an integral part of this statement.

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

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Road and Bridge Equipment No. 1	Road and Bridge Equipment No. 2
<i>REVENUES</i>						
Taxes						
Property	\$792,828	\$792,828	\$628,795	\$519,439		
Intergovernmental			53,832			
Licenses and Permits	177,303	177,303	177,303	177,303		
Interest	46,254	46,254	46,254	46,254		
Miscellaneous						
Total Revenues	<u>1,016,385</u>	<u>1,016,385</u>	<u>906,184</u>	<u>742,996</u>	<u>0</u>	<u>0</u>
<i>EXPENDITURES</i>						
Current:						
Public Transportation						
Road and Bridge	986,711	896,554	782,843	776,224		83,223
Debt Service						
Principal Retirement						
Interest and Fiscal Charges						
Total Expenditures	<u>986,711</u>	<u>896,554</u>	<u>782,843</u>	<u>776,224</u>	<u>0</u>	<u>83,223</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>29,674</u>	<u>119,831</u>	<u>123,341</u>	<u>(33,228)</u>	<u>0</u>	<u>(83,223)</u>
<i>OTHER FINANCING SOURCES (USES):</i>						
Other Financing Sources - Capital Lease						
Operating Transfers In					22,500	22,500
Operating Transfers Out		(1,000)		(10,000)		
Total Other Financing Sources (Uses)	<u>0</u>	<u>(1,000)</u>	<u>0</u>	<u>(10,000)</u>	<u>22,500</u>	<u>22,500</u>
Net Changes in Fund Balances	29,674	118,831	123,341	(43,228)	22,500	(60,723)
Fund Balances - Beginning	1,237,888	751,340	743,155	944,838	55,321	60,723
Fund Balances - Ending	<u>\$1,267,562</u>	<u>\$870,171</u>	<u>\$866,496</u>	<u>\$901,610</u>	<u>\$77,821</u>	<u>\$0</u>

The accompanying notes are an integral part of this statement.  
 (continued)

Road and Bridge Equipment No. 3	Road and Bridge Equipment No. 4	Road and Bridge Property No. 2	Road and Bridge Property No. 4	Road and Bridge FMR No. 1	Road and Bridge FMR No. 2	Road and Bridge FMR No. 3	Road and Bridge FMR No. 4
				\$880,747	\$880,747	\$698,524	\$577,041
				500			
		801	1,269				
34,226					21,087	21,277	
34,226	0	801	1,269	881,247	901,834	719,801	577,041
111,500				618,287	658,054	509,900	381,474
							45,082
							8,074
111,500	0	0	0	618,287	658,054	509,900	434,630
(77,274)	0	801	1,269	262,960	243,780	209,901	142,411
22,500	22,500	1,000	10,000				
				(1,200)	(1,500)	(1,500)	(1,500)
22,500	22,500	1,000	10,000	(1,200)	(1,500)	(1,500)	(1,500)
(54,774)	22,500	1,801	11,269	261,760	242,280	208,401	140,911
92,176	50,728	44,366	62,894	1,636,934	1,109,406	294,817	1,251,761
\$37,402	\$73,228	\$46,167	\$74,163	\$1,898,694	\$1,351,686	\$503,218	\$1,392,672

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

	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Right of Way	Total Road and Bridge
<i>REVENUES</i>						
Taxes						
Property						\$5,770,949
Intergovernmental	8,531	8,531	8,531	8,531		87,956
Licenses and Permits						709,712
Interest					1,195	188,281
Miscellaneous						76,590
Total Revenues	<u>8,531</u>	<u>8,531</u>	<u>8,531</u>	<u>8,531</u>	<u>1,195</u>	<u>6,833,488</u>
<i>EXPENDITURES</i>						
Current:						
Public Transportation						
Road and Bridge				8,500	7,400	5,820,670
Debt Service						
Principal Retirement						45,082
Interest and Fiscal Charges						8,074
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,500</u>	<u>7,400</u>	<u>5,873,826</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,531</u>	<u>8,531</u>	<u>8,531</u>	<u>31</u>	<u>(6,205)</u>	<u>959,662</u>
<i>OTHER FINANCING SOURCES (USES):</i>						
Other Financing Sources - Capital Lease						0
Operating Transfers In						101,000
Operating Transfers Out						(16,700)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>84,300</u>
Net Changes in Fund Balances	8,531	8,531	8,531	31	(6,205)	1,043,962
Fund Balances - Beginning	4,055	31,020	6,571	760	69,298	8,448,051
Fund Balances - Ending	<u>\$12,586</u>	<u>\$39,551</u>	<u>\$15,102</u>	<u>\$791</u>	<u>\$63,093</u>	<u>\$9,492,013</u>

The accompanying notes are an integral part of this stat

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

	SPECIAL REVENUE								
	Abandoned Motor Vehicle	Ambulance Service Grant	Apellate Judicial System Fee	Attorney Hot Check Collection	Capital Improvement	Child Abuse Prevention	County Attorney Judicial Appt. Fee	County Attorney Seizure Fund	County Attorney Pretrial Fee
<b>ASSETS</b>									
Cash and Cash Equivalents	\$27,562	\$238,270	\$1,340	\$14,107	\$304,962	\$1,420	\$820	\$1,418	\$82,368
Receivables (net of allowance for uncollectibles)									
<b>Total Assets</b>	<b>\$27,562</b>	<b>\$238,270</b>	<b>\$1,340</b>	<b>\$14,107</b>	<b>\$304,962</b>	<b>\$1,420</b>	<b>\$820</b>	<b>\$1,418</b>	<b>\$82,368</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts Payable				\$114			\$68		
Bank Overdraft									
Accrued Wages Payable									
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>114</b>	<b>0</b>	<b>0</b>	<b>68</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>									
Restricted									
Construction					304,962				
General Administration									
Health									
Judicial			1,340			1,420			
Legal				13,993			752	1,418	82,368
Public Safety	27,562	238,270							
Unassigned									
<b>Total Fund Balances</b>	<b>27,562</b>	<b>238,270</b>	<b>1,340</b>	<b>13,993</b>	<b>304,962</b>	<b>1,420</b>	<b>752</b>	<b>1,418</b>	<b>82,368</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$27,562</b>	<b>\$238,270</b>	<b>\$1,340</b>	<b>\$14,107</b>	<b>\$304,962</b>	<b>\$1,420</b>	<b>\$820</b>	<b>\$1,418</b>	<b>\$82,368</b>

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

SPECIAL REVENUE

County Clerk Digital Preserve	County Clerk Technology	Courthouse Security	COVID Recovery ARP	Debt Service	District Clerk Archive	District Clerk Technology	District Clerk Digital Preserve	Emergency Appropriation	Family Protection	Jury Service
\$14,516	\$1,015	\$87,310	\$1,961,831		\$20,124	\$2,175	\$25,844	\$150,854	\$16,975	\$9,341
\$14,516	\$1,015	\$87,310	\$1,961,831	\$0	\$20,124	\$2,175	\$25,844	\$150,854	\$16,975	\$9,341
0	0	0	0	0	0	0	0	0	0	0
14,516	1,015		1,961,831		20,124	2,175	25,844		16,975	9,341
		87,310						150,854		
14,516	1,015	87,310	1,961,831	0	20,124	2,175	25,844	150,854	16,975	9,341
\$14,516	\$1,015	\$87,310	\$1,961,831	\$0	\$20,124	\$2,175	\$25,844	\$150,854	\$16,975	\$9,341

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

	SPECIAL REVENUE						
	Justice Court Building Security No. 1	Justice Court Building Security No. 2	Justice Court Building Security No. 3	Justice Court Building Security No. 4	Justice Court Technology No. 1	Justice Court Technology No. 2	Justice Court Technology No. 3
<b>ASSETS</b>							
Cash and Cash Equivalents	\$5,529	\$1,281	\$1,359	\$10,644	\$4,491	\$2,310	\$2,191
Receivables (net of allowance for uncollectibles)							
<b>Total Assets</b>	<b>\$5,529</b>	<b>\$1,281</b>	<b>\$1,359</b>	<b>\$10,644</b>	<b>\$4,491</b>	<b>\$2,310</b>	<b>\$2,191</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts Payable							
Bank Overdraft							
Accrued Wages Payable							
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>							
<b>Restricted</b>							
Construction							
General Administration							
Health							
Judicial	5,529	1,281	1,359	10,644	4,491	2,310	2,191
Legal							
Public Safety							
<b>Unassigned</b>							
<b>Total Fund Balances</b>	<b>5,529</b>	<b>1,281</b>	<b>1,359</b>	<b>10,644</b>	<b>4,491</b>	<b>2,310</b>	<b>2,191</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$5,529</b>	<b>\$1,281</b>	<b>\$1,359</b>	<b>\$10,644</b>	<b>\$4,491</b>	<b>\$2,310</b>	<b>\$2,191</b>

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

SPECIAL REVENUE

Justice Court Technology No. 4	Law Enforcement Training	Law Library	Records Archive	Records Management Courthouse	Records Management County Clerk	Records Management District Clerk	Sheriff's Contraband
\$8,507	\$28,806	\$111,906	\$230,681	\$29,415	\$239,834	\$13,594	\$5,368
\$8,507	\$28,806	\$111,906	\$230,681	\$29,415	\$239,834	\$13,594	\$5,368
		\$1,134					
			763		1,605		
0	0	1,134	763	0	1,605	0	0
			229,918		238,229		
8,507		110,772				13,594	
	28,806			29,415			5,368
8,507	28,806	110,772	229,918	29,415	238,229	13,594	5,368
\$8,507	\$28,806	\$111,906	\$230,681	\$29,415	\$239,834	\$13,594	\$5,368

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

	SPECIAL REVENUE			TOTAL NON-MAJOR GOVERN- MENTAL
	Special Reserve	Task Force Indigent Defense	Tobacco Settlement	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$556,437	\$20,742	\$16,945	\$4,252,292
Receivables (net of allowance for uncollectibles)		47,354		47,354
<b>Total Assets</b>	<b>\$556,437</b>	<b>\$68,096</b>	<b>\$16,945</b>	<b>\$4,299,646</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable		\$18,304		\$19,620
Bank Overdraft				0
Accrued Wages Payable				2,368
<b>Total Liabilities</b>	<b>0</b>	<b>18,304</b>	<b>0</b>	<b>21,988</b>
<b>Fund Balances</b>				
Restricted				
Construction	556,437			861,399
General Administration				483,678
Health			16,945	1,978,776
Judicial		49,792		287,689
Legal				98,531
Public Safety				567,585
Unassigned				0
<b>Total Fund Balances</b>	<b>556,437</b>	<b>49,792</b>	<b>16,945</b>	<b>4,277,658</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$556,437</b>	<b>\$68,096</b>	<b>\$16,945</b>	<b>\$4,299,646</b>

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

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

	SPECIAL REVENUE								
	Abandoned Motor Vehicle	Ambulance Service Grant	Appellate Judicial System Fee	Attorney Hot Check Collection	Capital Improvement	Child Abuse Prevention	County Attorney Judicial Appt. Fee	County Attorney Seizure Fund	County Attorney Pretrial Fee
<i>REVENUES</i>									
Property Taxes									
Intergovernmental			1,340				27,500		
Charges for Services	287			1,275					4,500
Fines and Forfeitures									
Interest	501	5,439			8,020	30	208	30	1,393
Miscellaneous		178,702							
Total Revenues	788	184,141	1,340	1,275	8,020	30	27,708	30	5,893
<i>EXPENDITURES</i>									
Current:									
General Administration									
County Clerk									
Records Management									
Legal									
Check Collection				1,347					
County Attorney							27,523		
Judicial									
Indigent Defense									
Judicial			1,635						
Jury									
Public Safety									
Emergency Operations									
Sheriff	5,228								
Health and Welfare									
Senior Citizens									
Capital Projects -									
Capital Outlay and Other		197,194			211,837				
Total Expenditures	5,228	197,194	1,635	1,347	211,837	0	27,523	0	0
Excess (Deficiency) of Revenues Over (Under)									
Expenditures	(4,440)	(13,053)	(295)	(72)	(203,817)	30	185	30	5,893
OTHER FINANCING SOURCES (USES):									
Transfers In									
Transfers Out		(430,202)							
Total Other Financing Sources (Uses)	0	(430,202)	0	0	0	0	0	0	0
Net Changes in Fund Balances	(4,440)	(443,255)	(295)	(72)	(203,817)	30	185	30	5,893
Fund Balances - Beginning	32,002	681,525	1,635	14,065	508,779	1,390	567	1,388	76,475
Fund Balances - Ending	\$27,562	\$238,270	\$1,340	\$13,993	\$304,962	\$1,420	\$752	\$1,418	\$82,368

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE

County Clerk Digital Preserve	County Clerk Technology	Courthouse Security	COVID Recovery ARP	Debt Service	District Clerk Archive	District Clerk Technology	District Clerk Digital Preserve	Emergency Appropriation	Family Protection	Jury Service
			1,957,339							
1,100	89	10,032			1,362	72	1,620		915	710
243	21	1,488	4,492	22	334	38	433	2,608	290	
1,343	110	11,520	1,961,831	339	1,696	110	2,053	2,608	1,205	710

\$317

645

12,508

0	0	12,508	0	0	0	0	0	0	0	645
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1,343	110	(988)	1,961,831	339	1,696	110	2,053	2,608	1,205	65
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5,700

(1,871)

0	0	0	0	(1,871)	0	0	0	5,700	0	0
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1,343	110	(988)	1,961,831	(1,532)	1,696	110	2,053	8,308	1,205	65
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13,173	905	88,298	0	1,532	18,428	2,065	23,791	142,546	15,770	9,276
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\$14,516	\$1,015	\$87,310	\$1,961,831	\$0	\$20,124	\$2,175	\$25,844	\$150,854	\$16,975	\$9,341
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LAVACA COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	SPECIAL REVENUE						
	Justice Court Building Security No. 1	Justice Court Building Security No. 2	Justice Court Building Security No. 3	Justice Court Building Security No. 4	Justice Court Technology No. 1	Justice Court Technology No. 2	Justice Court Technology No. 3
<i>REVENUES</i>							
Property Taxes							
Intergovernmental							
Charges for Services					787	88	484
Fines and Forfeitures	220	25	146	329			
Interest	96	23	23	183	88	41	37
Miscellaneous							
Total Revenues	316	48	169	512	875	129	521
<i>EXPENDITURES</i>							
Current:							
General Administration							
County Clerk							
Records Management							
Legal							
Check Collection							
County Attorney							
Judicial							
Indigent Defense							
Judicial					763		
Jury							
Public Safety							
Emergency Operations							
Sheriff							
Health and Welfare							
Senior Citizens							
Capital Projects -							
Capital Outlay and Other							
Total Expenditures	0	0	0	0	763	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	316	48	169	512	112	129	521
<i>OTHER FINANCING SOURCES (USES):</i>							
Transfers In							
Transfers Out							
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0
Net Changes in Fund Balances	316	48	169	512	112	129	521
Fund Balances - Beginning	5,213	1,233	1,190	10,132	4,379	2,181	1,670
Fund Balances - Ending	\$5,529	\$1,281	\$1,359	\$10,644	\$4,491	\$2,310	\$2,191

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE

Justice Court Technology No. 4	Law Enforcement Training	Law Library	Records Archive	Records Management Courthouse	Records Management County Clerk	Records Management District Clerk	Sheriff's Contraband
1,135	4,147	8,750	62,770	1,593	63,338	1,437	
157	487	1,814	3,945	505	3,853	219	101
1,292	4,634	10,564	66,715	2,098	67,191	1,656	101
			48,428	142	38,073		
2,710		4,505					
	1,223						
2,710	1,223	4,505	48,428	142	38,073	0	0
(1,418)	3,411	6,059	18,287	1,956	29,118	1,656	101
0	0	0	0	0	0	0	0
(1,418)	3,411	6,059	18,287	1,956	29,118	1,656	101
9,925	25,395	104,713	211,631	27,459	209,111	11,938	5,267
\$8,507	\$28,806	\$110,772	\$229,918	\$29,415	\$238,229	\$13,594	\$5,368

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

	SPECIAL REVENUE			TOTAL NON-MAJOR GOVERN- MENTAL
	Special Reserve	Task Force Indigent Defence	Tobacco Settlement	
<i>REVENUES</i>				
Property Taxes				317
Intergovernmental		173,465	861	2,160,505
Charges for Services				166,491
Fines and Forfeitures				720
Interest	8,424	572	300	46,458
Miscellaneous	595,192			773,894
Total Revenues	<u>603,616</u>	<u>174,037</u>	<u>1,161</u>	<u>3,148,385</u>
<i>EXPENDITURES</i>				
Current:				
General Administration				
County Clerk				38,073
Records Management	625			49,195
Legal				
Check Collection				1,347
County Attorney				27,523
Judicial				
Indigent Defense		174,388		174,388
Judicial				5,108
Jury				5,150
Public Safety				
Emergency Operations				0
Sheriff				18,959
Health and Welfare				
Senior Citizens				0
Capital Projects -				
Capital Outlay and Other	487,584			896,615
Total Expenditures	<u>488,209</u>	<u>174,388</u>	<u>0</u>	<u>1,216,358</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	115,407	(351)	1,161	1,932,027
<i>OTHER FINANCING SOURCES (USES):</i>				
Transfers In				5,700
Transfers Out	(389,383)			(821,456)
Total Other Financing Sources (Uses)	<u>(389,383)</u>	<u>0</u>	<u>0</u>	<u>(815,756)</u>
Net Changes in Fund Balances	(273,976)	(351)	1,161	1,116,271
Fund Balances - Beginning	830,413	50,143	15,784	3,161,387
Fund Balances - Ending	<u>\$556,437</u>	<u>\$49,792</u>	<u>\$16,945</u>	<u>\$4,277,658</u>

The accompanying notes are an integral part of this statement.